

The Perfume Shop Limited

Modern Slavery Act 2015

- Slavery and Human Trafficking Statement for the financial year ended 30 December 2017

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ended 30 December 2017. It sets out the steps that The Perfume Shop Limited ("TPS") has taken and will continue to take to prevent modern slavery or human trafficking from taking place within our business and supply chain. This statement relates to business activity during the financial year ended 30 December 2017.

Group Structure and Business

Founded in 1992, TPS is the UK's largest specialist fragrance retailer, and is a wholly-owned subsidiary of A.S. Watson (Health & Beauty UK) Limited ("ASWHBUK"), which is a member of the A.S. Watson Group, ultimately controlled by CK Hutchison Holdings Limited, listed on The Stock Exchange of Hong Kong Limited. TPS has approximately 260 stores across the UK and the Republic of Ireland, employing approximately 2,000 people.

Our Policies

We are committed to preventing exploitation and human trafficking from taking place in our business operations and supply chain, and our policies reflect our zero tolerance approach to modern slavery.

Our internal policies include the ASWHBUK Code of Conduct, which sets the standard for all ASWHBUK employees in promoting honest and ethical behaviours, encouraging transparency in our business dealings and countering corruption and bribery. We have HR policies that supplement the Code of Conduct, including our Whistleblowing Policy and Recruitment Policy, which cover all head office employees, retail employees, contractors and agency staff, encouraging them to report any potential human rights violations. These policies are reviewed and updated regularly.

Since 2008, the A.S. Watson Group, including TPS, has been an active member of the Business Social Compliance Initiative ("BSCI") which is a leading business driven initiative for companies committed to improving working conditions in the global supply chain. We follow the BSCI Code of Conduct, which covers key principles such as ethical business behaviour, no bonded labour or child labour, decent working hours and fair remuneration, as well as requirements for auditing, remediation and training of suppliers located in high risk countries. We have integrated the latest BSCI Code of Conduct into our trading contracts and we conduct regular compliance assessments.

Due Diligence

Our modern slavery taskforce consisting of representatives from across our business, continues to regularly review and consider the efficacy of existing controls and to discuss new ways to help ensure that effective modern slavery due diligence is implemented across the business. The taskforce carries out periodic reviews and risk assessments of our existing suppliers to assess the likelihood of modern slavery practices occurring, both within our direct business and also our supply chain. The reviews

conducted throughout 2017 covered various business areas, including Product Supply Chains and Logistics.

The A.S. Watson Group is also an active member of the Mekong Club (<http://themekongclub.org/>), an independent NGO which helps global companies in developing awareness and training toolkits on modern slavery for staff and suppliers. In 2017, the A.S. Watson Group strengthened its commitment to work collaboratively with the Mekong Club by signing up to its Business Impact Pledge Against Modern Slavery.

At the end of the 2017 financial year, the Mekong Club presented to our modern slavery taskforce and executives of the A.S. Watson Group to further develop our understanding and approach to combatting modern slavery. Potential areas for improvement where effective change can be implemented were discussed and an internal action plan continues to be developed.

Direct Operations

We work with third party providers of labour in our distribution centres, which have been selected via a rigorous tender process. We ensure through contractual controls that our labour suppliers have in place their own modern slavery transparency statement, along with relevant recruitment policies, including a policy specific to whistleblowing.

The provision of temporary labour at our distribution centres could be a potential risk area from a modern slavery perspective. As such, as part of the Invitation to Tender process that we initiated in September 2017 to procure the provision of temporary labour services, we only invited companies having current licence certificates from the Gangmasters and Labour Abuse Authority, which works to prevent worker exploitation, particularly relating to forced labour and debt bondage, to tender.

TPS employs approximately 2,000 staff in our retail stores, most of whom are individually interviewed and recruited by us directly and therefore are subject to our own rigorous recruitment standards. We rarely use recruitment agencies, and use of such agencies is limited to recruitment for senior positions with all the appropriate checks carried out.

Supply Chain

We expect all our suppliers to share our commitment to the BSCI Code of Conduct, to the A.S. Watson Group ethical business standards and to preventing slavery and human trafficking. Standard supplier contracts and tender packs place a direct obligation on our suppliers to adhere to the modern slavery legislation.

Training

We continually look to improve our business-wide training programmes for all employees to further educate our colleagues on identifying, reporting and eradicating any risks of modern slavery within our business. We have identified appropriate modern slavery online training modules from the Mekong Club, as well as other external providers and these will be rolled out to both staff and suppliers on a phased basis during 2018.

Going Forward

In 2018, we will continue to undertake a further, detailed risk assessment of our business. This will include further interviews with key representatives from across our business. The upcoming financial year will also include the implementation of business-wide workshops and training programmes for our employees which will educate our colleagues on identifying, reporting and eradicating any risks of modern slavery within our business.

We will also expand the use of our existing confidential hotline to also deal with any reported concerns related to modern slavery issues, which will be available for use by employees across the business. We intend to advertise this more widely via internal communications, posters in store, at head office and at our distribution centres.

We will report on the developments in our next slavery and human trafficking statement.

This statement is approved by the Board of Directors of The Perfume Shop Limited and signed on its behalf by:



Gillian Smith

Director of The Perfume Shop Limited

Date: 18/6/18