



## **Sofa.com Modern Slavery Act Transparency Statement for 2018.**

Sofa.com fully supports transparency in supply chains. This is our first Modern Slavery Statement, made in accordance with Section 54 of the Modern Slavery Act 2015.

### **Modern Slavery**

Slavery is not an issue which ended in the 19<sup>th</sup> century. There are an estimated 40.3m people in modern slavery around the world, and the issue is not limited to developing countries. Increasingly issues are being reported closer to home in Europe and the UK.

Modern Slavery is an encompassing term, used to describe several forms of exploitation including, but not limited to:

**Forced labour** – any work or services which people are forced to do against their will under the threat of some form of punishment.

**Bonded Labour** –When people borrow money they cannot repay and are required to work to pay off the debt, then losing control over the conditions of both their employment and the debt.

**Human trafficking**– involves transporting, recruiting or harbouring people for the purpose of exploitation, using violence, threats or coercion.

**Slavery** – Where a person extorts power of ownership over another person.

Sofa.com is committed to sourcing products that are ethical and manufactured within the requirements of local law. We are passionate about sourcing products that have been manufactured in safe and decent conditions, without exploitation of the people who produced the goods. This statement sets out what sofa.com has done so far, and what future plan we have to help tackle this issue.

### **Our Business**

Sofa.com is an omni-channel furniture retailer based in London primarily selling sofas and a limited range of other home furnishings & home accessories.

Our head office is based in London, and we have a warehouse based in Hayes.

We have 9 showrooms in the UK, 1 in the Netherlands, and operate 8 Concessions.

We employ 454 people in total, with 180 employees in the UK. We employ 97 in our UK showrooms, 10 in the Netherlands Showroom, 53 in our distribution centre, and 30 in our head office.

Our factory in Poland employs 264 people.

## **Our Supply Chain**

### **Saleable Product**

All of our upholstered furniture is manufactured in our own factory, Zaparoh, based in Poland.

We source our upholstery fabrics directly from the mills, from 24 suppliers based in Belgium, Italy, and the Netherlands and in the UK.

We source a small amount of non-upholstered furniture from 3<sup>rd</sup> party manufacturers, from 7 factories based in the UK, Poland and China.

We have a total of 32 suppliers for our saleable products.

Our product is manufactured across 7 countries.

Our top 3 sourcing countries are Poland, Italy and Belgium

### **Non-saleable Product & Services**

We acknowledge that the scope of the Modern Slavery Act 2015 applies to non-saleable merchandise and services including, but not limited to suppliers of, stationary, labelling, packaging, staff agencies and cleaning services. Over the coming 12 months we will start to map these supply chains and begin risk assessment and action planning exercises.

## **Our Policies**

As part of our ongoing ethical strategy, sofa.com has recently published and implemented policies throughout our supply base including:

### **Supply Agreement & Supplier Manual**

Our Supply Agreement is a formal agreement between sofa.com and our supplier covering a variety of commercial terms, and also includes our overarching ethical requirements.

Our supplier manual explains our ethical procedures and policies in full detail, including but not limited to: Code of Conduct, Modern Slavery, Anti- Bribery, Employee rights, Health & Safety, Child Labour, and Environmental Protection.

### **Code of Conduct**

Sofa.com has adopted the Ethical Trade Initiative Base Code (ETI Base Code) in full, as our Code of Conduct.

Sofa.com will take positive steps to ensure that the Code of Conduct is being enforced. This includes desktop audits, 3rd party audits, and QA compliance visits.

## Due Diligence & Risk Assessment

Sofa.com has established a factory onboarding procedure, which incorporates a factory self-assessment exercise, based around the ETI base Code and other key ethical initiatives including Anti-Briber, Health and Safety and the Modern Slavery Act.

Sofa.com performs a risk assessment for all new suppliers, and if there are any areas of concern, these are discussed with the supplier and a corrective action plan may be implemented if necessary. The data then feeds into our ethical risk assessment which is used to identify risks in our supply chain and to prioritise 3<sup>rd</sup> party ethical audits.

We actively seek new factories who are familiar with the ETI base code and preferably have 3<sup>rd</sup> party ethical audits. We appreciate that many of the smaller mills and production sites that are already a part of our business growth may not be familiar with these requirements. Sofa.com will work with them to implement procedures in their business and supply chain(s).

Over the past 12 months we have spent a considerable amount of time meeting with the supply base and visiting key suppliers to roll out our new policies and procedures and discussing the importance of Ethical Compliance.

Going forward, we will be focussing on commissioning 3<sup>rd</sup> party ethical audits and will be looking to joining professional organisations such as Sedex (Supplier Ethical Data Exchange) and/or the ETI to further reinforce our commitment to ethical trading.

## Assessment of Effectiveness

At sofa.com we strive to continuously improve and enhance our ethical strategy. As such we have set the following KPIs to measure progress, due for completion before the publication of our next Modern Slavery Statement.

- 100% of suppliers signed up to our Supply Agreement, which includes our code of conduct and ethical requirements.
- Top 5\* suppliers to have 3<sup>rd</sup> party ethical audits, and all corrective actions completed if applicable.
- 75% of our supply chain to be signed up to Sedex before publication of our next statement, and all corrective actions completed if applicable.
- Sofa.com to map 100% of 2<sup>nd</sup> tier supply chain, and perform risk assessment on these suppliers.
- Sofa.com to ensure that heads of business function are trained accordingly to ensure that due diligence is practiced for new and existing non-saleable product/services.
- Sofa.com will map 100% of its non-saleable supply chain
- Top 5 non-saleable suppliers/service providers to complete ethical self-assessment procedure and all corrective actions completed if applicable.

\*Based on turnover, ethical risk assessment and sourcing strategy.

Sofa.com will seek advice where necessary from NGOs, industry experts and other industry professionals to reinforce our due diligence and ensure continuous improvement throughout our

supply chain. Sofa.com will continuously benchmark its processes against other businesses, and is open to collaborative action in situations where a shared supplier is found to have a compliance based issue.

## **Training**

Over the coming 12 months, sofa.com will invest in training for the QA team on Modern Slavery Act and ETI base code.

Internally, we plan to train staff in other business functions on the Modern Slavery Act, to ensure they are equipped with the knowledge to exercise due diligence on non-saleable product/services.

Supplier training will be a focus where required, following the due diligence exercises described above, and subsequent risk assessment.

## **Next Steps**

Over the coming 12 months sofa.com will be focussing on 3<sup>rd</sup> party ethical audits, Sedex membership, and ongoing risk assessment of our supply chain.

We will be mapping the 2<sup>nd</sup> tier of our supply chain, and performing risk assessment to identify where slavery may be a risk further down in our supply chain.

We will be increasing the focus on non-saleable goods/service providers, mapping this supply chain and performing risk assessment to identify potential non-compliance.

We will be investing in training as mentioned above, to ensure that our staff and suppliers are aware of Modern Slavery, and how to manage it in their business/supply chain.

We will continue to roll out our ethical policies, code of conduct and supply agreement to new and existing suppliers.

A handwritten signature in black ink, appearing to read 'Richard Holmes'.

**Richard Holmes on behalf of the board of directors**

**CEO – Sofa.com**