

Charlies Stores Limited

Slavery and Human Trafficking Statement for the Financial Year to 31 July 2022

Introduction

This statement is made pursuant to Section 54, Part 6 of the Modern Slavery Act 2015 and sets out the steps that Charlies Stores Limited (“Charlies”) has taken to ensure that slavery and human trafficking is not taking place in our supply chain or in any part of our business.

“Modern slavery” encompasses slavery, servitude, human trafficking and forced labour. Charlies has a zero-tolerance approach to any form of modern slavery. We are committed to acting ethically, with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of modern slavery taking place within the business or our supply chain.

About Charlies

Charlies is an independent, family-run, multi-department retailer based in mid-Wales. We have 8 stores across Wales and the borders and an online presence, selling over 75,000 products sourced from 1,200 suppliers. Charlies now has over 400 team members and made revenues of £72m in the year ended 31 July 2022. All of our operations are situated in the UK.

Organisation structure and supply chains

We recognise that our biggest exposure to Modern Slavery is in our product supply chain.

We source the majority of the products which we sell from UK suppliers, although most of them are manufactured outside of the UK. We outsource some of our support services, including delivery of stock to stores, deliveries to customers, and some service activities.

We have continued to assess the risk of modern slavery across our own operations and our supply chain for products and services.

Charlies stocks predominantly third party brands, and through the past year we have been requiring our suppliers to accept our Modern Slavery Policy at trading agreement stage which states they must provide employees with good working conditions, reasonable pay and to comply fully with all applicable laws and to provide evidence of factory audits and standards compliance.

We are currently unable to verify the performance of our suppliers in terms of their treatment of their employees in their supply chain. We have a vision to work with suppliers with verified ethical standards and we believe in ongoing supplier engagement to deliver improvements in this area.

Policies in relation to slavery and human trafficking

As well as our supplier policies we have internal Human Resource and Whistleblowing policies where we confirm that we do not condone human rights abuse within our business and provide employees with a means of reporting any wrongdoing.

All reports are fully investigated, and appropriate actions taken. The Directors assume full responsibility for compliance to the Modern Slavery Act (2015) and for ensuring all employees are respected and looked after in the company.

Due diligence processes

Our suppliers are required to comply with the principles of our Modern Slavery statement which communicates our zero-tolerance approach to modern slavery.

All colleagues are required to report any concerns about any issue or suspicion of modern slavery in any parts of our business or supply chains of any Supplier at the earliest possible stage. We are committed to providing training for relevant colleagues on our Modern Slavery statement.

In the event of any suspected failure by a supplier to comply with our Modern Slavery statement, we will then investigate the matter with the supplier. In the event of a breach of the statement being confirmed we will review what appropriate action should be taken by us and/or the supplier. In all cases we review whether our trading relationship with that supplier should continue.

Risk assessment and management

We will not engage with any third party that we know or reasonably suspect of engaging in modern slavery or human trafficking. At trading agreement stage, our suppliers are reviewed to identify if they are a risk to our business, including considering the countries they operate in and the product or service types they are providing.

Key performance indicators to measure effectiveness of steps being taken

Despite large efforts, determined and organised criminal activity can be very hard to detect, even in the UK. We believe that we have clear policies in place that support our values and business principles, and our commitment to do what we can to eradicate slavery in our supply chain.

Training on modern slavery and trafficking

All key employees involved directly in our Human Resources and purchasing decisions are being trained on the importance of Modern Slavery. In addition, our Buying team are doing ongoing supplier engagement to raise awareness of these issues. We realise that this will be an ongoing process.

This Modern Slavery Statement 2022 was approved by the Directors of Charlies Stores.

R Lloyd

REBECCA LLOYD

Managing Director of Charlies

2022