

Modern Slavery



AND TRANSPARENCY IN THE SUPPLY CHAIN STATEMENT

2019/21

FOREWORD FROM OUR CEO

AT DR. MARTENS, *integrity* IS AT THE HEART OF WHAT WE DO. WE EXPECT HIGH STANDARDS OF EACH OTHER AND OUR SUPPLY PARTNERS. AS A RESULT, WE DO NOT ACCEPT MODERN SLAVERY IN ANY FORM. WE ARE *committed* TO RESPECTING HUMAN RIGHTS AND IDENTIFYING, INVESTIGATING, ENGAGING, AND REMEDIATING ANY CASES OF MODERN SLAVERY THAT MAY BE UNCOVERED.


At the time of writing, our business and supply chain partners continue to face the unprecedented impacts of COVID-19. Throughout the pandemic we held true to our values and have been committed to showing up with integrity.

Our “People First” strategy meant that the safety, health and wellbeing of our employees, customers and partners were prioritised. This also meant that we were able to safeguard people’s livelihoods; all jobs were protected, no redundancies were made and all employees received 100% of their salary throughout. We also made an upfront commitment not to cancel any orders and have continued to pay our suppliers.

While we have continued to support our supply chain, we recognise that the pandemic has had the greatest impact on some of the world’s most vulnerable people. This is why our collaborative actions to tackle this issue are now more important than ever. At DM’s we believe knowing our supply chain, education and collaboration are key. In this - our fourth statement - we outline the steps we have taken on our journey to eradicate modern slavery from February 2019 to January 2021.

KENNY WILSON

CEO, Dr. Martens



INTRODUCTION

The Ethical Trade Initiative refers to modern slavery as an umbrella term that includes forced labour, bonded labour, human trafficking and slavery. The term “modern” is used to distinguish the complexity of today’s slavery from historical slavery associated with the legal possession of one person by another.

This is our fourth modern slavery statement which follows on from our previous Modern Slavery and Transparency in the Supply Chain statement for 2018/19. Here we outline the steps we are taking at Dr. Martens to prevent, detect and respond to slavery in our business and supply chain. This statement covers Dr. Martens plc and other group companies and is made pursuant to section 54 of the Modern Slavery Act 2015 and California Transparency in Supply Chains Act of 2010 (SB 657).

This statement covers activities between February 2019 and January 2021. As a result of the coronavirus pandemic, we took the decision to delay publication of our 2019/20 statement due to redeployed resource and time constraints. We have therefore combined the 2019/20 and 2020/21 statements into one disclosure.



PROGRESS

THIS IS A SUMMARY OF THE ACTIONS WE HAVE TAKEN SINCE THE LAST STATEMENT. FOR MORE INFORMATION ON EACH OF THESE POINTS, PLEASE SEE THE DETAILED SECTIONS BELOW:

Commitment	Progress since last statement
<p>+ FURTHER MAP the modern slavery risks in our supply chain and operations.</p>	<ul style="list-style-type: none"> ☑ Included modern slavery clause into new contractual agreements with suppliers and contractors. ☑ New contracts and Master Supplier Agreements signed with all Tier 1 suppliers and key Tier 2 suppliers, reinforcing our business terms including human rights and a modern slavery clause.
<p>+ PROVIDE MORE TRAINING to our own employees and our suppliers in sourcing countries beyond China.</p>	<ul style="list-style-type: none"> ☑ Launched new global compliance and training hub, 'How We Do Business'. ☑ Delivered bespoke modern slavery training for the UK Distribution management team. ☑ Rolled out introductory human rights compliance training video via training hub.
<p>+ TACKLE THE ROOT CAUSES of modern slavery by implementing responsible recruitment best practices and using more in-depth/ stringent assessment techniques during the audits.</p>	<ul style="list-style-type: none"> ☑ Formed the Responsible Recruitment working group with the HR, Talent & Recruitment and Sustainability Teams. ☑ Developed the Responsible Recruitment Guidelines and Checklist and training materials.
<p>+ IDENTIFY AND PARTNER with key external stakeholders and seek further collaboration with other industry members and NGOs.</p>	<ul style="list-style-type: none"> ☑ Ergon Associates reviewed our human rights process and approach. ☑ Started a formalised gap and materiality analysis for all environmental and social issue areas with external consultant. ☑ Continued to engage with BRC for the Better Retail Better World scheme.

STRUCTURE, BUSINESS, AND SUPPLY CHAINS

WHO WE ARE:

OVER
11M
+ PAIRS SOLD
A YEAR

SOLD IN
60
+ COUNTRIES
WORLDWIDE

2,300
+ EMPLOYEES

FY20
£672M
BUSINESS
REVENUE

Our product range includes a footwear portfolio comprised of the Originals, Fusion, Kids and Casual categories, as well as a complementary range of Accessories. Our products are worn by a diverse consumer base who use Dr. Martens boots and shoes as a symbol of their individual self-expression.

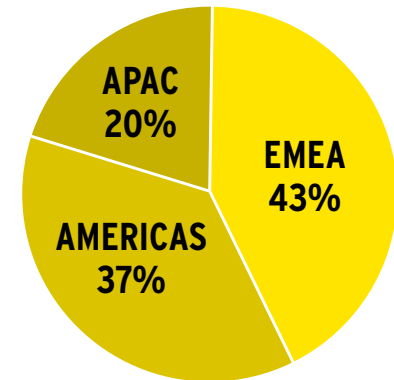
WHERE WE OPERATE:

Our global head office is located in London. We operate a regional model from three regions:

EMEA
(headquartered in London)

AMERICAS
(headquartered in Portland)

APAC
(headquartered in Hong Kong)



**Group's revenue per region
(Twelve months ended 31 March 2020)*

The business also operates out of several additional locations around the world including; Northamptonshire, Paris, Düsseldorf, Stockholm, Milan, Los Angeles, New York, Tokyo, Shanghai, Seoul, Zhuhai and Ho Chi Minh City.

Our products are sold through a number of channels including our owned retail stores, franchise stores, concessions, distributors, wholesale customers, and via e-commerce. We have 130 owned stores globally (as at Sept 2020). Our website ships internationally and accounts for around 20% of sales. In January 2021, Dr. Martens was admitted to the premium segment of the Main Market of the London Stock Exchange, an important milestone for the business.



OUR PEOPLE:

We directly employ 2,364 people (average Jan-Dec 2020) who are based in our stores, offices, factories and distribution facilities all around the world.

HEADCOUNT AVERAGE JAN-DEC 2020		EMEA	AMERICAS	APAC	GROUP
	NON-RETAIL	232	208	198	335
RETAIL	865	352	174		
TOTAL	1097	560	372	335	

Providing fair and safe working conditions for our employees is our priority. Our employees are treated in a fair, lawful and professional manner which includes the provision of holiday entitlements and benefits. Robust recruitment processes are carried out in line with employment laws including right to work document checks. Pay is reviewed annually and all employees are included within the bonus scheme.

For our own operations, collective bargaining agreements are in place in France, Belgium, the Netherlands, Italy, and Spain, which set out minimum practices covering employment-related areas such as remuneration and notice periods. The requirements of these are reviewed regularly to ensure ongoing compliance.

SUPPLY CHAIN

- + 1 owned manufacturing facility (MIE)
- + 13 Tier 1 footwear supplier factories
- + 261 Tier 2 suppliers

The first Dr. Martens boot was born on April 1st 1960 from our Cobbs Lane factory, located in Wollaston, England, and was so called the '1460'. We have manufactured footwear from this location ever since and it remains home to our Made In England (MIE) manufacturing facilities, the manufacturing site which we own and operate. This is where our "Made In England" range is produced.

DISTRIBUTION:

We rely on 2 Group-owned distribution facilities and 8 third-party distribution facilities to warehouse and ship our products to distributors, wholesale customers, own retail stores, franchise stores, concessions, and e-commerce consumers throughout the world. Distribution centre activities include receiving finished goods from our third-party manufacturers and "Made In England" factory, inspecting those products (including returns), and shipping them to our customers and to our own stores. Temporary employees in our distribution facilities are hired by labour providers.

In our UK distribution centre, we work with two long standing and trusted labour agents for the recruitment of temporary employees for peak trading periods. In our US distribution centre, we work with three labour agents. We only offer full time positions to temporary staff, unless the role requires particular experience, or is a managerial position.



OUR FOCUS ON RESPONSIBLE RECRUITMENT:

Scaling the e-commerce channel is a key focus area of our business strategy and remains our priority growth area. In addition to this, many of our stores have been closed over the past year due to COVID-19, and we have seen a significant increase in sales through our e-commerce channel.

As our distribution network continues to grow, we have been focusing on strengthening our responsible recruitment principles. Our distribution facilities use labour agents for the recruitment of temporary employees when there are peak trading periods.

Some groups of workers are at a greater risk of exploitation than others. One of these at-risk group are migrant workers recruited via a Labour Provider (defined below). These people could be more vulnerable for reasons such as: a poor understanding of employment legislation means workers may not be aware of their rights, lack of fluency in the local language can impede training, which includes essential safety information, or a lack of full legal employment status could lead to workers being exploited.

In March 2020 we formed the Responsible Recruitment working group, with members of our HR, Talent & Recruitment and Sustainability Teams.

Within this working group we developed our Responsible Recruitment Guidelines and Checklist for our labour and service providers that help us to recruit members of our indirect workforce, such as temporary workers in our distribution centres.

THE GUIDELINES ARE INTENDED TO APPLY TO:

- + "Labour Providers" supplying workers for Dr. Martens' own operations.
- + "Suppliers" providing goods or services to Dr. Martens, which use Workers that are supplied by a Labour Provider.

The next step is to review and implement the guidance document and checklist globally with our HR Team, and as part of the new compliance framework which is currently being developed.



SUPPLIERS:

We source nearly all of our products through independent third-party manufacturers. We believe it is important to develop and foster long-term partnerships with our suppliers and have worked with many of them for decades.

WE DESCRIBE THEM AS FOLLOWS:

TIER 1 - A supplier of finished Dr. Martens products

TIER 2 - A supplier of components, consumables, or other raw materials used to make Dr. Martens products

TIER 1:

The majority of our products are sourced through independent third-party manufacturers, many of which we have worked with for decades. Our footwear is manufactured in six different countries at 13 sites across the United Kingdom, Vietnam, China, Thailand, Laos and Bangladesh. Our accessories are also manufactured in the USA, Portugal and Taiwan. Across the Tier 1 factories, there are approximately 30,000 workers.

SOURCING COUNTRIES:

39%	MANUFACTURED IN VIETNAM
32%	CHINA
12%	THAILAND
12%	LAOS
4%	BANGLADESH
1%	UK MIE (OWNED MANUFACTURING FACILITY)

When partnering with Tier 1 suppliers, we value strong long-term relationships in order to obtain quality, service, value for money and maintenance of expected labour and environmental standards.

We host regular supplier conferences (at least twice per year) which are attended by our key suppliers and hosted by our Chief Operating Officer. These meetings promote an environment of trust and transparency, whilst allowing us to build a deeper understanding of the issues faced by our suppliers. We address CSR topics including the expectation of good social and labour standards at these conferences.

Our Tier 1 suppliers are audited by an independent third-party specialist auditing company. For more information about this please see the due diligence section.

TIER 2 AND OTHER SERVICE SUPPLIERS:

In addition to Tier 1 suppliers, we work directly with our key suppliers for leather and outsole granulate material and provide a list of nominated Tier 2 suppliers for other components which we require the Tier 1 suppliers to use. In 2020 our supply chain consisted of 261 Tier 2 suppliers, located in 17 countries. Our top materials sourced by volume are leather, outsole granulate and packaging materials.

We monitor this nominated Tier 2 supplier list on an ongoing seasonal basis.

We also purchase services, consumables, and marketing materials from contractors. These include labour agents in our warehouses, logistic operators and not-for-sale product suppliers.



STRATEGY AND GOVERNANCE:

HUMAN RIGHTS IS A KEY FOCUS AREA OF OUR SUSTAINABILITY PROGRAMME:

Accelerating our sustainability journey is a focus area within our business strategy, the DM4. In August 2019 we launched Dr. Martens first Sustainability Programme. The programme includes environmental and social targets across the five pillars of Design, Produce, Sell, People and Community. A member of the Global Leadership Team has been assigned to each pillar as sponsor and regular Steering Committees are chaired by our CEO.

'TREAT PEOPLE RESPONSIBLY' IS THE FOURTH PILLAR OF OUR SUSTAINABILITY PROGRAMME.

Within this pillar, we have a project-based commitment to embed policies and practices to safeguard human rights across our business. 'Treat People Responsibly' is sponsored by our Chief Human Resources Officer.

DESIGN RESPONSIBLY:

Investing in research and innovation to adopt the mindset of circularity in the product development process.

PRODUCE RESPONSIBLY:

Driving environmental initiatives in the supply chain.

SELL RESPONSIBLY:

Driving sustainability through design and procurement in retail.

TREAT PEOPLE RESPONSIBLY:

Committing to fair and decent working conditions throughout the business' supply chain and owned operations.

DO MORE FOR COMMUNITIES:

Supporting causes which drive forward positive change and empower rebellious self-expression.

GOVERNANCE:

The Board and the Executives are collectively responsible for ensuring we meet our human rights and supply chain responsibilities and operationally, the Chief Operating Officer and Chief HR Officer take responsibility for this on a day-to-day basis. Ethical trade and human rights in the supply chain due diligence falls within the remit of the dedicated Corporate Social Responsibility (CSR) Team. The role of CSR Manager was redeployed from the London office to our Hong Kong office in 2020. This was to ensure the CSR Team (consisting of CSR Manager and CSR Officer) can now work more closely with our suppliers, the majority of which are also based in Asia.

The Sustainability Team (consisting of Sustainability Manager, Sustainability Advisor and Senior Project Manager) are responsible for embedding the Sustainability Programme projects throughout the business. The Legal, HR, Supply Chain and Facilities Teams are also responsible for the implementation of policies and procedures that support Dr. Martens to meet its human rights responsibilities.



POLICIES AND CONTRACTUAL AGREEMENTS:

SUPPLIER POLICIES:

We have a number of policies and procedures to ensure our suppliers comply with our business terms, as well as employment, environmental and other relevant laws and regulations. We have contractual provisions to require that our agents, distributors and franchisees also comply with the same terms.

MASTER SUPPLIER AGREEMENT:

Between 2019 and 2020, Master Supplier Agreements (MSA) were put in place with all of our Tier 1 suppliers and key Tier 2 suppliers, the majority of which have been supplying Dr. Martens products for more than 10 years. The MSA are also signed by our third-party distribution facilities. The MSA includes our policies, such as our Supplier Code of Conduct and Migrant Worker Policy, which cover our standards and binding clauses on issues such as human rights and modern slavery. In 2019, we added a modern slavery clause into our new contract agreements and where contracting on supplier's terms, we will negotiate compliance with modern slavery commitments into the contract. In 2020 all of our Tier 1 and our key Tier 2 suppliers signed the MSA.

SUPPLIER CODE OF CONDUCT:

Our Supplier Code of Conduct sets out our expectations for the suppliers we work with across a number of principles. It is based on the Ethical Trade Initiative Base Code and conventions of the International Labour Organisation (ILO), such as no child labour or forced labour. Our Supplier Code of Conduct contains clauses on subcontracting and homeworking, as well as detail on what constitutes modern slavery or forced labour. The Code of Conduct is the basis of our supplier monitoring programme (see due diligence section for more), is reviewed annually and is contractually binding. It is issued to our Tier 1 and key Tier 2 suppliers for their annual re-commitment to the spirit and the letter of the Code of Conduct. It is also referenced in each supplier conference by the Chief Operating Officer. It is also available for all Dr. Martens employees to review on the new compliance and training hub, as well as on our [website here](#).

MIGRANT WORKER POLICY:

Our Migrant Worker Policy sets out our expectations for our suppliers on the treatment of migrant workers, who are typically more vulnerable to modern slavery. It is based on the Dhaka Principles, which were developed by the Institute of Human Rights in Business (IHRB) and are based on international best practices, which address the issues migrant workers may face. Migrant workers in supply chains are more vulnerable to modern slavery because they are less likely to raise grievances with their employers or the authorities - especially if they are undocumented. The Migrant Worker Policy is reviewed annually and is issued to our Tier 1 and key Tier 2 suppliers for their annual recommitment. It is also available for all staff on the new compliance and training hub.

INTERNAL POLICIES:

ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY:

As mentioned in our previous statement, we have an Anti-Slavery and Human Trafficking Policy to ensure that our own employees are aware of their obligations under the Modern Slavery Act.

DOC-trine:

In addition to our Supplier Code of Conduct, we also have a global business code of conduct called our DOC-trine which raises awareness and expectations amongst our own employees regarding human rights and modern slavery.

SPEAK UP:

We also have a confidential hotline as an additional means for Dr. Martens employees to raise concerns and grievances relating to human rights, modern slavery, or any other area covered in the DOC-trine.

NEW COMPLIANCE PLATFORM:

In October 2020 we launched our new compliance and training platform to our employees. The platform, named 'How We Do Business' allows consistent and relevant policies and training to be distributed globally across all regions in relevant languages. It also provides live views and up to date reporting and monitoring of the business' progress rate, therefore allowing targeted training and communication where needed throughout Dr. Martens.

HOW OUR POLICIES ARE DEVELOPED:

Our policy needs are regularly reviewed by our Legal, Compliance and Sustainability Teams who work collaboratively together or are highlighted by the relevant function of the business. Policies are developed by using international standards and by looking at best practices across the industry. They are reviewed by the Board before being rolled out. Our Compliance Team are working on a new policy framework which will be developed and implemented throughout 2021.

RISK ASSESSMENT:

RISK MANAGEMENT PROCESS:

Environmental, Social and Governance (ESG) risks are considered as part of the company's overall Enterprise Risk Management process, which covers environmental, employee, health and safety and governance risk areas. Management at various levels are involved in the governance and risk management process, including the Board (Executive and Non-Executive directors) and Audit and Risk Committee, the Operational Risk Committee (which is chaired by the Head of Internal Audit and Risk and includes the majority of the Group Leadership Team) and the Regional Risk Committees. A newly established Internal Audit function will be providing independent assurance over many of the key ESG risk areas.

In our previous report we identified our Tier 1 suppliers in China as our initial focus area, due to product volume and socio-political circumstances, as well as this being the location of our sourcing office. As a next step, we aim to carry out a formal human rights risk assessment, as well measuring the effectiveness of our human rights due diligence programme against appropriate KPIs.

RISK ASSESSMENT APPROACH:

Before placing production in a new sourcing country, we conduct a thorough feasibility study review, including assessments of the political, social, economic, trade and labour conditions in that country. For example, in 2020 we explored expansion our sourcing activities in Americas region. For the feasibility study, a country risk classification was carried out which included human rights and human trafficking as risk factors.

Human rights risk is also included in other rating systems which are used to aid overall sourcing decisions. For example, throughout 2019 and 2020 we developed an internal risk rating system for our leather sourcing countries, categorised into 'low', 'medium' and 'higher' risk. Within this rating system, 'human rights' was included as a factor.



SUPPLY CHAIN MONITORING AND DUE DILIGENCE PROCESSES:

We have a robust factory approval process, which includes independent third-party CSR audits, which must be completed before engagement with new suppliers.

SUPPLIER MONITORING PROGRAMME:

Our ongoing monitoring programme for active factories in our supply chain includes modern slavery risks and is one of the mechanisms we use to identify and address these risks.

All of our suppliers across Tier 1 and key suppliers from our Tier 2 are monitored by an independent third-party auditing company for compliance with labour and environmental laws, regulations, industry standards and our own policies, such as our Supplier Code of Conduct, which is based on the ETI base code and conventions of the International Labour Organisation. The frequency of audits is determined by the audit rating, which depends on the severity of any issues

identified. We take a collaborative approach with the suppliers and, when issues are found, a corrective action plan is agreed to remedy non-conformances in a timely manner. We then carry out further follow-up checks to verify the corrective actions have been taken. Should a supplier fail to remediate issues identified by an audit, the supplier partnership is reviewed and may be ended.

The programme is run by our Global Supply Chain Compliance Team comprised of experienced CSR professionals based in our Hong Kong, Zhuhai and UK offices, and it is the foundation of our relationship with our suppliers in order to maintain fair and safe working conditions.

Between Oct 2020 and Jan 2021, over 92% of our Tier 1 footwear suppliers by product volume have been re-audited, with 100% coverage planned by June 2021. Between February 2019 and January 2021 there have been no cases of child labour or forced labour reported by the third-party audits in our supply chain.

EXPANDING OUR SUPPLY CHAIN ENGAGEMENT:

In 2019 we started the process of reviewing the suppliers of goods and services to our head office in Camden, London. Starting with cleaning providers, we began engagement and carried out additional checks on right to work documentation and passports. Although expanding this process was slowed due to the coronavirus pandemic, in 2021 we also plan to extend our monitoring programme throughout our distribution network.



TRAINING AND AWARENESS BUILDING:

INTERNAL TRAINING: LAUNCHED NEW GLOBAL COMPLIANCE TRAINING PLATFORM

As mentioned in the policies section, we launched our new compliance and training platform 'How We Do Business' in October 2020. The platform allows consistent and relevant training and policies to be distributed globally and in relevant languages. It also provides live views and up to date reporting and monitoring of the business' progress rate, therefore allowing targeted training and communication where needed throughout Dr. Martens.

In January 2021 we hosted a human rights awareness video on How We Do Business. As an initial step, this training video was made available to every office-based employee and will be rolled out to retail staff in due course. We see this video as an introduction to a more comprehensive and tailored training module on modern slavery which we plan to develop later this year.

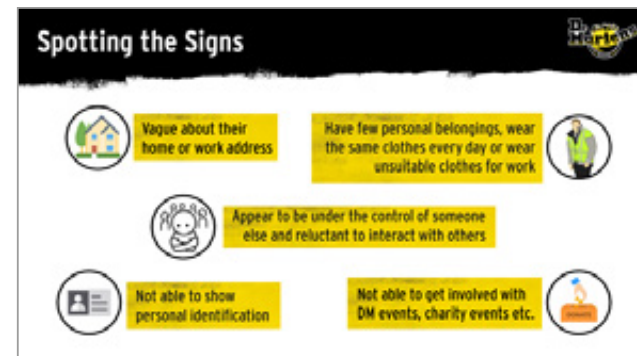
MODERN SLAVERY TRAINING FOR THE DISTRIBUTION MANAGEMENT TEAM:

We are committed to conduct modern slavery awareness training on a regular basis for relevant employees. Since the last statement was published, we have carried out bespoke modern slavery training at our UK distribution facility for the management team. Distribution was identified as a priority function to receive modern slavery training in our phased approach, due to the use of labour agents and the increase focus in e-commerce sales for the business. The training in November 2019 was attended by the whole management team

across two sessions and introduced the issue of modern slavery, how to spot the signs, and what to do if there is a suspected case.

SUPPLY CHAIN TRAINING AND CAPACITY BUILDING:

Plans to continue with and extend the modern slavery training for the remainder of our Tier 1 suppliers has been delayed as a result of COVID-19. Continuing with increasing awareness on this topic within our supply chain partners in one of our focus areas in 2021.



**Modern slavery awareness training delivered to our UK distribution management team introduced the topic of modern slavery, how to spot the signs and what to do if there is a suspected case.*



COLLABORATION:

ASOS HOUSE OF LORDS PLEDGE

In March 2019 we signed the Modern Slavery pledge at the House of Lords in London facilitated by ASOS plc. The pledge proposes five key obligations to push forward the joint agenda of tackling modern slavery:

- + Mapping out and assessing modern slavery risks.
- + Working collaboratively with others.
- + Training all relevant employees.
- + Publishing, and continuously building on our Modern Slavery Statement.
- + Participating in an annual session and demonstrating willingness to learn, engage and collaborate with others.

Since 2019 we have continued to engage with ASOS plc and the other signatory brands of the pledge. Organisations and NGOs such as Anti-Slavery International and ACT were also in attendance during follow-up workshops and events, providing invaluable knowledge and updates.

In April 2019, we presented our modern slavery journey so far and tips for supply chain mapping at one of ASOS' Minimum Requirements workshop for footwear brands.

ERGON ASSOCIATES REVIEW

In November 2019 Ergon Associates, a labour standards and human rights consultancy, was appointed to review our approach and systems to addressing and tackling modern slavery.

Ergon analysed where our approach sits in comparison to other comparable companies, the strengths and weaknesses of our approach and recommendations for improvement and reporting.

In January 2020, Ergon reported the findings of its review. The analysis highlighted our need for a more focussed risk assessment process, identifying risk blind spots, and improved impact measurement.

We have begun to use these findings as part of our risk process and they will be further used in the development of our future human rights programme.



MATERIALITY ANALYSIS

In November 2020, the Sustainability Team partnered with an external consultant to work on a Materiality and Gap Analysis for the current sustainability strategy.

A materiality assessment is a tool to identify and prioritise the most relevant environmental and social priorities that are consistent with the business strategy and its stakeholders.

Human rights, modern slavery and labour rights were identified as key issues for the business and stakeholders, and was analysed as part of this assessment. As part of this process wider stakeholder engagement, both internal and external, was undertaken in the form of workshops, interviews, and a questionnaire. As well as internal stakeholders, a number of external stakeholders including NGOs and industry bodies were also interviewed as part of this process. The results of the materiality analysis, expected in the coming months, will shape our future strategy and determine the key issues for us going forward.

BETTER RETAIL BETTER WORLD

Since our last statement, we have continued with our engagement as part of the British Retail Consortium initiative, Better Retail Better World, which supports the global effort to deliver UN SDG 8.7 calling for the eradication of forced labour and modern slavery.



IMPACTS OF THE COVID-19 PANDEMIC:

COVID-19 has had a significant impact on the world. But we recognise that it has not affected everyone equally. The economic and social disruption caused by the pandemic has had an even more profound impact on people who are more vulnerable to exploitation and slavery.

HOW COVID-19 HAS IMPACTED THE BUSINESS:

As with the rest of the retail industry, the COVID-19 pandemic has created very significant challenges for our business.

RETAIL CLOSURES AND RESOURCES REDEPLOYED:

- + All of our retail stores (except in South Korea and Hong Kong) have been closed at times, resulting in a significant decrease in retail revenue. The majority of our wholesale customers have also been closed at times, with some rescheduling orders.
- + With much of the retail store distribution network unable to trade throughout 2020/21, resources were redeployed towards our online business. Some store staff were asked to support e-commerce and consumer services.
- + Prudent health and safety measures were put in place in the distribution centres to ensure that products could continue to be shipped in a timely manner to consumers. This meant that Dr. Martens could successfully generate revenue throughout the lockdown period.

PRIORITISING PEOPLE:

- + Our overall business strategy has remained unchanged throughout the pandemic, but the short-term focus was temporarily shifted towards managing the business through covid with an approach of prioritising people, as well as maintaining strong cash flow.
- + Our focus on people, combined with tight cash flow management, meant we were able to safeguard our people's livelihoods: all jobs were protected, no redundancies were made, and all employees continued to receive 100% of their salary.
- + While Dr. Martens did make use of UK government support and furloughed its store staff for a short amount of time, given the success of online operations, furlough subsidies were repaid in August 2020.



HEALTH AND SAFETY MEASURES IN OUR OWN OPERATIONS:

Our people strategy emphasised the safety, health and wellbeing of our employees, consumers, and supply partners.

A proactive approach was taken to address the health and safety of our people. For example, at our UK distribution centre a 21 point risk reduction action plan was implemented. Across our global operations including offices, distribution facilities and retail stores, safety measures included:

SOCIAL DISTANCING:

- + Implementing social distancing measures such as adopting alternating team schedules in our offices or segregation of shifts and staggered break intervals in our distribution facilities and retail stores.

PPE AND TEMPERATURE:

- + Providing temperature checks.
- + Providing face masks and hand sanitizer gel.
- + Regular sanitisation breakout sessions at our distribution centre and owned factory.
- + Swapping to a manual register rather than biometric at our distribution facilities.

TRAVEL:

- + Encouraging work from home where possible and stopping all non-critical travel.

COMMUNICATION IMPROVEMENTS:

- + To aid communication, new and improved video conferencing technology was rolled out to the whole organisation.
- + Increased business wide 'Townhall' meetings, HR listening groups, regular staff briefings and bulletins updated regularly at our distribution centres.

RECRUITMENT:

- + Should an agency worker go off sick or be sent home with COVID-19 symptoms from our distribution facilities, the decision was made not to "back-fill" through the labour agency.

Throughout a challenging year we have been committed to showing up with integrity for our supply chain partners. During the coronavirus crisis, we made an upfront commitment not to cancel any orders from our suppliers which reflects our belief in the importance of our supplier relationships.

During the pandemic, we have worked with our Tier 1 suppliers to ensure they have implemented sufficient safety measures for the protection of their workforce. This includes social distancing measures, temperature checks, distribution of PPE and regular sanitization.

We require all third-party suppliers and sub-contractors who manufacture or finish our products to comply with our Supplier Code of Conduct, which cover modern slavery practices. At the quarterly supplier meetings in 2020, the Supply Chain Leadership Team reiterated to all of our suppliers the continued expectation that they would comply with the Supplier Code of Conduct and Workplace Standards and not compromise on these as a result of the pandemic.

Following the lifting of some global travel restrictions towards the end of 2020, CSR audits were started again in Tier 1 and 2 supplier factories to ensure our partners continued to meet our Code of Conduct despite the challenging circumstances. The implementation of measures to protect the workforce were highlighted as positives in the audits of Tier 1 suppliers.

We also engaged with our known contractors who provide delivery / collection services to our distribution facilities to advise them of the local site arrangements, e.g. the need to remain within their vehicle cabs on arrival.

We will continue to monitor the effects of COVID-19 on our business and the economies of the countries in which we operate, and may implement further safeguarding measures, taking into consideration the various national and local government regulations, policies and recommendations for addressing the COVID-19 pandemic.

PROGRESS AND NEXT STEPS

This is a summary of the actions we have taken since the last statement and what we are going to focus on next.

Commitment	Progress since last statement	Next steps
<p>+ FURTHER MAP the modern slavery risks in our supply chain and operations.</p>	<ul style="list-style-type: none"> ✔ Included modern slavery clause into new contractual agreements with suppliers and contractors. ✔ New contracts and Master Supplier Agreements signed with all Tier 1 suppliers and key Tier 2 suppliers, reinforcing our business terms including human rights and a modern slavery clause. 	<p>+ Carry out a human rights and modern slavery impact assessment to identify material risks and opportunities across our supply chain and business.</p>
<p>+ PROVIDE MORE TRAINING to our own employees and our suppliers in sourcing countries beyond China.</p>	<ul style="list-style-type: none"> ✔ Launched new global compliance and training hub, 'How We Do Business'. ✔ Delivered bespoke modern slavery training for the UK Distribution management team. ✔ Rolled out introductory human rights compliance training video via training hub. 	<ul style="list-style-type: none"> + Progress with global employee education programme. + Training in sourcing countries post COVID-19.
<p>+ TACKLE THE ROOT CAUSES of modern slavery by implementing responsible recruitment best practices and using more in-depth/ stringent assessment techniques during the audits.</p>	<ul style="list-style-type: none"> ✔ Formed the Responsible Recruitment working group with the HR, Talent & Recruitment and Sustainability Teams. ✔ Developed the Responsible Recruitment Guidelines and Checklist and training materials. 	<p>+ Develop framework for policy development and implementation globally and use this to roll out the Responsible Recruitment guidelines.</p>
<p>+ IDENTIFY AND PARTNER with key external stakeholders and seek further collaboration with other industry members and NGOs.</p>	<ul style="list-style-type: none"> ✔ Ergon Associates reviewed our human rights process and approach. ✔ Started a formalised gap and materiality analysis for all environmental and social issue areas with external consultant. ✔ Continued to engage with BRC for the Better Retail Better World scheme. 	<ul style="list-style-type: none"> + Continue to engage with existing partners and stakeholders. + Explore new collaboration opportunities to further develop our human rights programme.

THIS STATEMENT WAS APPROVED BY THE BOARD OF DIRECTORS ON: 25TH MARCH 2021

Additional information about our Sustainability Programme can be found on our sustainability website: www.drmartensplc.com/sustainability

