

POETRY

SOCIAL REPORT 2024

Modern Slavery Statement

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SUMMARY OF 2024

2024 has been a year of diversifying our supply-chain and discovering new partners with exciting expertise who bring unique characteristics to our collections.

We have onboarded three new factories in 2024: one in Portugal, one in Peru, and one in Lithuania. Each of these factories offers distinctive expertise. The Portuguese knitwear supplier offers innovative, automated whole-garment knitting; the Peruvian factory specialises in hand-knitted styles; and the Lithuanian factory, nearly fully vertical, draws from Northern Europe's rich tradition of linen manufacturing. In line with our sourcing strategy, we focus on suppliers that bring unique skillsets to enhance our existing supply-chain with the intention of establishing long-term business relationships.

Additionally, we have also prioritised shortening supply chains where possible in our purchasing decisions, such as choosing vertically-integrated mills, knitwear made from locally-knitted Peruvian alpaca yarn, or denim made from Turkish cotton and manufactured nearby.

In 2024 we also became a member of the HRDD Academy (powered by Fair Wear), reinforcing our commitment to ethical sourcing. Throughout the year, we have continued to monitor changes in industry risks, human rights situations in our manufacturing countries, and the broader geopolitical environment, all of which influence our long-term planning and sourcing decisions.

ORGANISATION STRUCTURE & SUPPLY CHAINS

Poetry and Wrap London are both women's clothing brands owned by Selective Marketplace Ltd. The products are available through catalogues, online stores, two physical Poetry shops, and one Wrap London shop in the UK, as well as a recently-opened Poetry shop in the USA.

PRODUCTION CYCLE

Our brands (Poetry & Wrap London) have two main collections each year, Spring/Summer and Autumn/Winter, and two capsule collections, High Summer and Midwinter. The timing of these seasons is similar every year.

Our production cycle is largely guided by our suppliers as we ask them when we should place orders to meet our deadlines. The lead times vary depending on the specifics of each fabric. Many of our fabrics are bespoke and have long lead times.

As our supply-chain is stable our suppliers have records of our previous orders and therefore know what to expect in the following year. Some of them secure the raw material even before the order is placed. To reduce our lead times for raw materials we work with core fabrics and yarns that are used across multiple styles. We also have several classic styles that are kept in collections and ordered multiple seasons in a row.



SOURCING DEPARTMENT

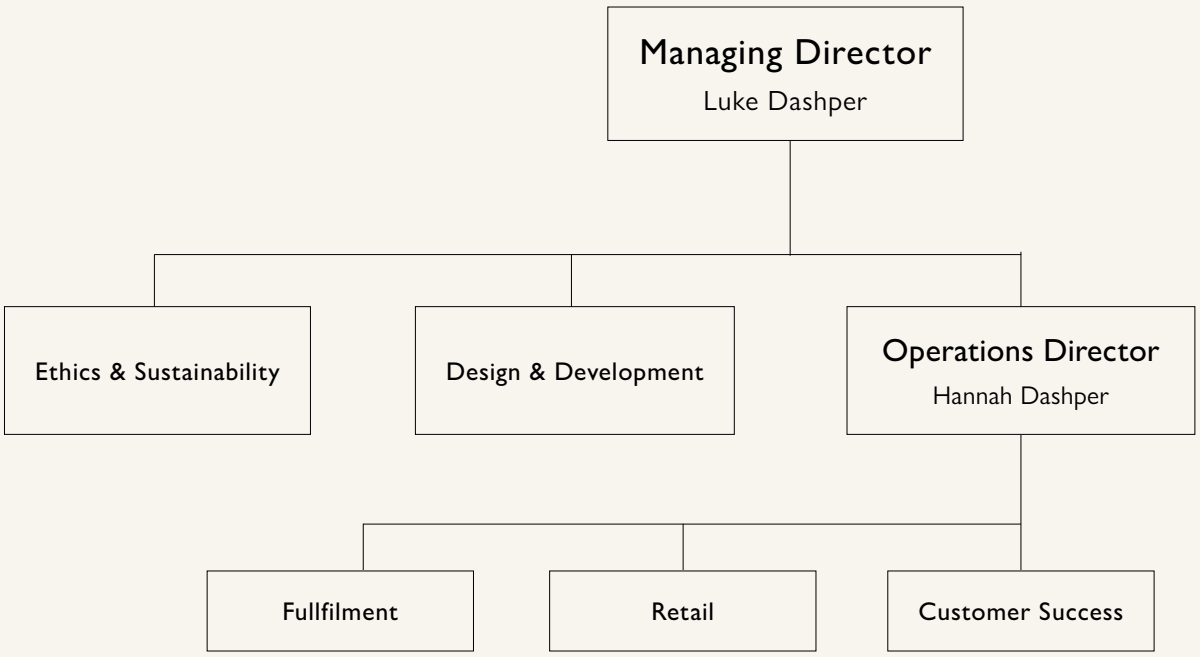
Our sourcing department consists of three Product Developers. Two Product Developers focus on seasonal product development: one specialises in knitted and jersey styles, while the other handles wovens. The third Product Developer works on future seasons, developing new products with longer lead times. They are also involved in strategic supply-chain planning in collaboration with the Ethics and Sustainability Manager.

All Product Developers are in direct daily contact with the head of the Company and maintain regular contact with suppliers, primarily working on developing new products and agreeing prices. Each product developer has around ten 'cut-make-trim' (Tier 1) suppliers located in seven countries, with the majority in China, with whom they have worked for several years and know very well. Often, we also have direct relationships with our yarn and fabric suppliers (Tier 3).

We also sell accessory products (shoes, jewellery, scarves, etc.), sourced from other brands, in small quantities. Sourcing and relationships with these brands are also the responsibility of one of the Product Developers.

The human rights risks are primarily managed by the Ethics and Sustainability Manager, alongside all staff members who have direct relationships with suppliers. The Company's owner and Managing Director, Luke Dashper, actively supports efforts to address modern slavery risks.

Selective Marketplace is also a member of the HRDD Academy (powered by Fair Wear), which provides extensive guidance and updates—created by various industry and non-profit stakeholders—on managing modern slavery risks.



HUMAN RIGHTS POLICIES

All our suppliers have signed our Code of Conduct which describes the code of labour requirements and includes no forced or child labour; no discrimination; and safe and healthy working conditions. It also asks for the full disclosure of subcontractors. It also includes policies for transparency, gender equality and grievance mechanisms, strict requirements for subcontracting and requires them to be disclosed in the Approved Subcontractor Form.

RESPONSIBLE BUSINESS CONDUCT POLICIES

Human Rights Policy: a statement of our values regarding Human Rights, what we believe in and our commitments regarding employees, suppliers and customers.

Code of Conduct: lays down the commitments we expect from our suppliers, sent upon starting a relationship with the business. It follows Fair Wear guidelines and is aligned with the standards set by ILO Conventions, the UN's Declaration on Human Rights and internationally accepted good labour practices. Requirements in this Code apply to the whole supply chain including all subcontractors and raw material suppliers. Standards apply equally to all workers.

Human Rights Due Diligence Process: a living document describing the steps of monitoring and implementation of the requirements described in the Human Rights Policy and Code of Conduct.

Sourcing Strategy: describes overall values that are followed when making sourcing decisions.

Supplier Setup Form: sent upon starting the business relationship, it includes human rights and environmental management questions.

Questionnaire for home-based work: a form sent to supply chain participants using homeworkers was introduced in 2023.

We have strong policies in place for internal operations which protect employees' rights. They include dignity at work, equal opportunity and grievance procedures which are described in detail in the Employee Handbook. The policies are enforced by the Company's disciplinary procedures.

All policies have been approved by the Company's owner and Managing Director, Luke Dashper.

HRDD academy

1



Employment is freely chosen

2



Freedom of association and the right to colletive bargaining

3



No discrimination in employement

4



No exploitation of child labour

5



Payment of a living wage

6



Reasonable hours of work

7



Safe and healthy working conditions

8



A legally binding employment relationship

SOURCING STRATEGY

Long-term relationships

Our sourcing strategy primarily is based on building long-term relationships with a small number of suppliers. We want to know the people we do business with and build trust with them. We find that getting to know someone takes time, but eventually leads to more efficient communication and an even smoother product development process. It is also much easier to monitor and remedy any ethical concerns with an established supplier.

Investing in craftmanship

We chose our suppliers based on their speciality skill set and craftsmanship. All of the factories are experts in creating a particular type of product and we rely on their knowledge and advice. The main reason why a new supplier relationship is started is when we are developing a product that needs an expertise that cannot be found in our existing supply chain.

Diversifying suppliers

We aim to give enough business to each supplier so that we are relevant to them and have reasonable leverage, but not depend entirely on a single supplier. Typically, we have two or three suppliers per product category. In the cases, when our order quantities are small for the supplier, we still provide a consistent and reliable level of business with potential for growth.

Direct relationships

Whenever possible we work directly with factories and with suppliers where the beneficiaries are known. We avoid using intermediaries or suppliers with many subcontractors or complex supply chains. We prefer working with vertically integrated mills.

Tracebility

All suppliers are visited by senior management or audited before placing the first order and every couple of years thereafter. We do this to understand the setup of our suppliers and make sure that there are no obvious human rights violations. Our suppliers must sign, and work according to, our Code of Conduct which includes a commitment towards full transparency troughout the supply chain.

Human rights

We aim to work with suppliers who are committed to following the highest standards of working conditions. Our values are described in our Human Rights Policy and supported by a Code of Conduct where our expectations from our suppliers are laid out. We scope and mitigate human rights risks according to Human Rights Due Diligence process which takes into account, country, sector, business and sourcing model and production levels.

Starting and ending business relationship

We start a business relationship with small order quantities and few styles to build trust and see if a continued partnership is possible. Before the first order, we conduct a risk assessment of the potential supplier and ask them to sign the Code of Conduct.

We have a very stable supply chain and ending a business relationship is a very rare occurrence. In the same way, as we start a business relationship with small order quantities, if we decide to not continue the business relationship with a supplier, we gradually reduce the order amounts and eventually stop them. This allows the supplier to have time to find other sources of income if necessary.

HUMAN RIGHTS DUE DILIGENCE PROCESSES

Our due-diligence procedures are based on the UN's Guiding Principles on Business and Human Rights and the guidance from Fair Wear Foundation.

The first step in our due diligence process is establishing stable and long-term relationships with our suppliers. This is supported by our Sourcing Strategy. This reduces the risk of human rights violations and builds trust between the factories and Selective Marketplace.

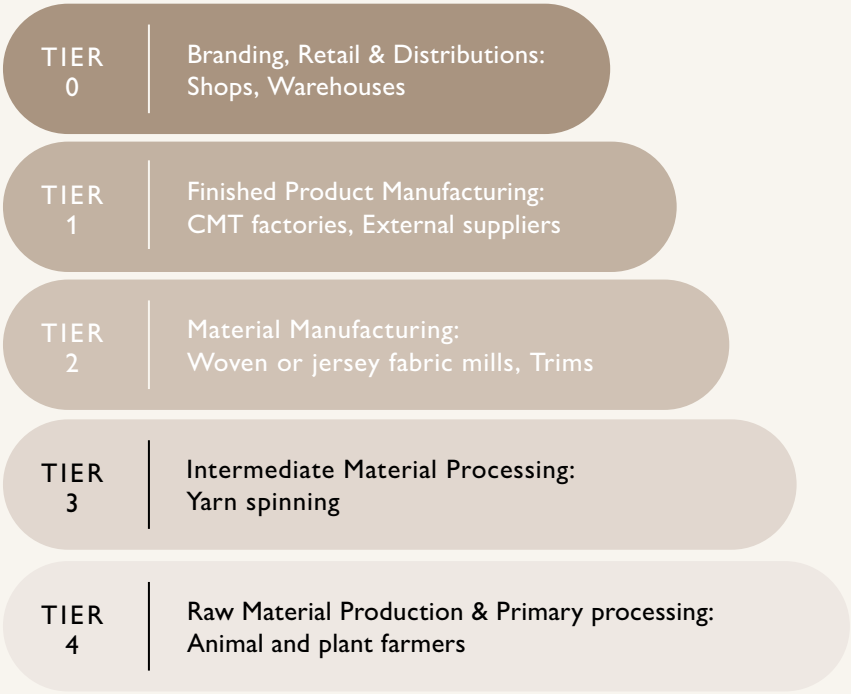
Secondly, we assess the human-rights risks by country and region; the relationship between us and the supplier; and the supplier's role in our supply chain. We use data from reliable international sources, such as the Human Rights Index and the Global Slavery Index, as well as industry-specific media.

The human-rights risks in factories with direct relationships (Tier 1) are primarily assessed by country-specific risks and re-evaluated based on individual audit results and improvements. The remediation priorities are set by the severity of risks, the people affected, and the degree of responsibility borne by the company.

Third-party audits are conducted in all our high-risk country CMT (Tier 1) factories at least once every three years. If issues are found, we work together with factories to remediate them.

For Tiers beyond 1, we work with specific identified risks that are prioritised by severity and approached by creating remediation actions or projects. On occasion, we also work together with other brands with whom we share a supplier on supporting improvements within the factory or general knowledge sharing about risks and the possible remediations.

Product Development and Merchandising teams, as well as the Managing Director, are continuously briefed on the changes in risk assessments and the progress of remediation.



COMPLAINTS HANDLING

We expect all our suppliers to have a well-functioning internal grievance system that enables workers to raise issues safely and have them resolved effectively. Ideally, workers should be able to express their concerns through multiple channels, such as human resources or trade unions. We monitor this through our audits, which include a section for assessing internal grievance mechanisms.

If any grievances are received, they are initially addressed by the Ethics and Sustainability Manager and, if necessary, escalated to senior management.



RISK ASSESSMENT & MANAGEMENT

We have assessed risks and prioritised remediation efforts for each factory as described in the HRDD Process. First, we assess the risks by country and then, as our supply chain is fairly small, we work with factory risks directly. We typically focus on our Tier 1 suppliers as it involves the majority of human labour and has the highest potential for remendability. The remediation actions are taken firstly through company-wide programmes and secondly at factory level.

In 2024 we diversified our supply chain and onboarded new Portuguese and Peruvian knitwear suppliers and Lithuanian woven linen supplier. We also stopped working with an Italian denim supplier.

SUPPLIER MAP 2024



China (78.01%)
Portugal (11.18%)
India (4.65%)
Italy (2.40%)
Turkey (2.03%)
Lithuania (1.03%)
UK (0.61%)
Peru (0.09%)

FOB is Free on Board price, the cost of goods which is paid to the supplier. This indicates how large our business relationship is with each supplier.

Most salient risks:

Risk: Forced labour
Risk area: Xinjiang Uyghur Autonomous Region (XUAR), cotton farms (Tier 4), China

Actions: We do not work with any suppliers or factories in the Xinjiang Uygur Autonomous Region or knowingly source materials from the region. To make sure there is no cotton from XUAR which would mean a high risk of forced labour we strictly prohibited any cotton in our supplier chains from XUAR and all our cotton suppliers need to provide country of origin documentation for each fabric containing cotton. We are following up on the situation through our Fair Wear partners and used the resources available from the Helena Kennedy Centre.

Risk: Extensive Overtime
Risk area: China

Actions: This risk comes from long-established factory worker habits in China that are systematic and have become the norm for the factories and an expectation from workers. It is hard to change the operational style of a factory, but we are making sure that our purchasing practices are responsible and do not contribute to extensive overtime. When setting lead times, we discuss with suppliers the timing and allow enough time for raw material delivery and always allow for extra time. In addition, we share seasonal forecasts with our suppliers so they can plan the production in advance. We have attended presentations by The Common Framework for Responsible Purchasing Practices to learn about the industry's best practices.

Risk: Allowances, bonuses or social security benefits are not paid as legally required
Risk area: China, India

Actions: The current social security practice among domestic migrant workers in China requires educating workers as there is a widespread reluctance to partake in social security schemes. In 2023 we had requested training sessions in our factories to raise awareness about the legal requirements of their allowances, social security and other benefits. As part of our audit's corrective actions, we have prioritised full transparency on the wage calculations for workers, especially when paid piece-rate. Audits from our factories show that allowances and bonuses are paid correctly.

Risk: Unauthorised sub-contracting
Risk area: All Tiers

Actions: Although unauthorised subcontracting is not a human rights risk in itself, traceability is the backbone of any HRDD work. Unauthorised subcontracting creates a lack of supply chain visibility which can lead to other serious risks remaining unnoticed. As this is a risk that applies to all countries and Tiers we have prioritised creating a system for full supply chain traceability. All our suppliers have signed a Code of Conduct where unauthorised subcontracting is forbidden and have disclosed all current subcontractors (Tier 1 and finishing). The supply chain in Tiers 2-4 is disclosed in Fabric Info sheets for each fabric group ordered. We also ceased working with an Italian denim supplier partly due to a lack of transparency in their supply chain.

China

78.01% (9 factories)

In 2024, we have not added any new Chinese suppliers, and our FOB percentage has decreased significantly—from 83.77% to 78.01% of our total FOB spend. This reduction is primarily due to onboarding new suppliers outside of China, such as those in Portugal and Lithuania.

We have continued to work with and strengthen our relationships with all our Chinese suppliers. However, excessive overtime remains a common practice in Chinese factories, along with low social security registration rates among workers.

Portugal

11.18% (3 factories)

We placed more orders with our Portuguese suppliers compared to the previous year and onboarded a new supplier that specialises in high-tech whole-garment knitting. Our Knitwear Product Developer visited the new Portuguese factory during the onboarding process.

India

4.65% (2 factories)

In 2024 our two Indian suppliers have remained the same, specialising in light cottons, printing, embroidery, and double-knit jersey styles.

Italy

2.40% (1 factory)

Our Italian Tier1 supplier is a laundry specialising in the finishing of denim. They subcontract some sewing to a factory in Tunisia, depending on the size of the order. Since having an accurate understanding of the supply chain with the supplier, non-compliance in the Tunisian cut-make-trim factory, and several production issues, we have decided to discontinue working with the supplier.

Turkey

2.03% (1 factory)

In 2024, we began working with a new denim supplier in Turkey that specialises in sustainable denim washing processes. It also uses fabric produced in the same region, often using Turkish cotton, which supports a fully local supply chain.

Lithuania

1.03% (1 factory)

This year, we onboarded a new supplier specialising in woven linen production in Lithuania. The supplier is a partially vertically-integrated mill, with weaving, finishing, and sewing processes taking place under the same roof. Linen has been used traditionally for centuries in Northern Europe, and all products from this supplier are European Flax certified.

UK

0.61% (1 factory)

Our UK factory is a studio in East London making small quantities of our leather-based styles. We use this supplier whenever we include leather styles in our collections.

Peru

0.09% (1 factory)

For a long time, we have wanted to include original hand-knitted pieces in our collections–items that cannot be produced on knitting machines. In 2024, we began working with a foundation that empowers women in the highlands of Arequipa, Peru. The foundation provides training for women and offers them stable commercial work.

To reduce our overall environmental impact, we also use locally-available materials, such as cotton and alpaca.

EXTERNAL PRODUCTION

Each season we source small amounts of accessory styles from other brands. We have always selected brands who prioritise ethics and sustainability, giving preference to brands with small production runs or artisan makers.

Our Supplier Setup Form includes human rights and environmental management questions as well as requests any available audits or certificates to be sent upon starting a business relationship.

KEY PERFORMANCE INDICATORS

Ongoing monitoring of effectiveness and remediation efforts is captured in audit reports and follow ups. The improvement and changes in supplier social compliance are also captured in supplier risk assessment as it is updated depending on the latest audit findings or remediation. A separate summary of progress is provided to Product Developers and the Managing Director upon request and whenever a significant change is made.

From 2021 Selective Marketplace has been reporting the work on human rights in detail in the annual Social Report, which is published on our websites and accessible directly from the homepages.



TRAINING & COMMUNICATION

Training

Ethics and Sustainability Manager prepares training video covering human rights due diligence, and a review of the year before which is available to all staff and mandatory for new staff members. Our customer service and contact centre teams are specially briefed. Product Development teams and the Managing Director are continuously updated on relevant changes in human rights situations and potential risks.

In 2024 the Ethics and Sustainability Manager participated in multiple other stakeholder presentations. For example: The Alliance for European Flax-Linen & Hemp; Lenzing, Canopy and The Common Framework for Responsible Purchasing Practices.

Information Management

All of the information regarding HRDD activities is collected and kept by supplier in a shared folder that is accessible to everyone involved in sourcing, merchandising, and marketing. Audit reports and any the current situation in factories is continuously communicated to the sourcing team and head management. The information is organised and regularly updated by the Ethics and Sustainability Manager.

Transparency & Communication

We have a "Our Suppliers" page on our homepages where customers and anyone interested can find brief information on our sourcing values and our supply chain. Our annual Social Report (Modern Slavery Statement) is also published there.

HRDD Academy (powered by Fair Wear) is displayed on our homepage and customer service email footers with a link to the Fair Wear homepage for more information.

In 2024 Ethics and Sustainability manager attended various presentations organised by the Fair Wear Foundation and other stakeholders like ETI, The Alliance for European Flax-Linen & Hemp, Lenzing, and The Common Framework for Responsible Purchasing Practices.

Ethics and Sustainability Manager is actively participating in discussions with other CSR managers from multiple UK brands to discuss news and issues regarding social compliance and best practices.

Stakeholder Engagement

As modern slavery affects women disproportionally, through our charity activities, we supported women's empowerment programs. Through our International Women's Day campaign, and in lieu of Black Friday, we raised £14,500 which we donated to Women for Women International who help survivors of war rebuild their lives and £6,975 to CAMFED to support female education in Africa. We also donated £6,256 to Missing People who provide a lifeline to those affected by a disappearance.

POETRY