

Beatriz Balbin  
Chief  
Special Procedures Branch  
OHCHR

6 May 2021

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Anders Holch Povlsen  
CEO & Owner  
BESTSELLER A/S

01 of 07

**Dear Beatriz Balbin,**

Referring to the joint communication dated 12 March 2021 from the Working Group on the issue of human rights and transnational corporations and other business enterprises; the Special Rapporteur on minority issues; the Special Rapporteur on freedom of religion and beliefs; the Special Rapporteur on contemporary forms of slavery, including its cases and consequences; the Special Rapporteur on torture and other cruel, inhuman or degrading treatment or punishment; and the Special Rapporteur on trafficking in persons, especially women and children (your reference: AL OTH 113/2021):

We are pleased to provide our response to the allegations put forward to Special Procedures. We will do this by addressing each of the eight requests for information put forward in your Joint Communication (JC):

**1.1 Please provide any additional information and/or comment(s) you may have on the above-mentioned allegations**

As an international fashion company operating a global supply chain, including approximately 250 factories in China, though none of them located in the Xinjiang province, we are aware of the alleged human rights violations in Xinjiang put forward by international organisations and in the JC. As this letter will make clear, we are committed to ensuring that we do not contribute to human rights violations in any form. To deliver on this commitment, we are following the guidance put forward by the OECD and UNGP on Business and Human Rights. We have a set of policies in place, which are supported by comprehensive due diligence procedures, in order to avoid complicity in human rights violations throughout our global supply chain. Please consult our [Modern Slavery Act Statement 2019-20](#) for a full overview of our policies, efforts and results in combating slavery in all its forms.

Furthermore, none of our existing suppliers have denied our due diligence teams or third-party auditors access to their production facilities. Such a denial would constitute a critical breach of our Supplier Code of Conduct and ultimately it can lead to the

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termination of our business relationship. In the past, we have terminated business relationships due to audit denials, but none in relation to the present situation in Xinjiang and the allegations put forward in the JC forwarded to us by Special Procedures.

BESTSELLER works diligently with all relevant suppliers and engages in leading sector initiatives to enhance human rights enjoyment and traceability in our materials supply chain.

Nonetheless, the root cause, scale and scope of the Xinjiang situation requires collaboration between multiple stakeholders. Individual companies, economic sectors and human rights organisations also have a key role to play, while government and intergovernmental organisations should take a lead in the improvement of the situation, or at the very least, enable meaningful due diligence.

- 1.2 **Please provide information as to whether your company has undertaken human rights due diligence steps, as set out in the United Nations Guiding Principles on Business and Human Rights, to identify, prevent, mitigate and account for human rights abuses caused by or contributed to through you own activities, or directly linked to your operations, products or services by your business relationships. This includes the exercise of adequate oversight and human rights due diligence across your supply chains in order to prevent and mitigate impact on the enjoyment of human rights of Uyghur and other minority workers, including the right to freedom of movement and protection from forced labour, trafficking in persons and other contemporary forms of slavery.**

BESTSELLER A/S (JACK & JONES is a brand part of BESTSELLER A/S) is committed to respecting human rights. We conduct comprehensive due diligence as advised in the UN Guiding Principles on Business and Human Rights. We seek to identify, prevent, mitigate and account for actual and potential human rights violations caused or contributed to by our activities as well as human rights abuses that might be directly linked to our company via our business relationships.

Environmental and Human Rights due diligence is enshrined in our Factory Standards Programme and in our various extensive sustainability programmes we actively engage throughout our value chain. Our sustainability strategy, which includes our Factory Standards Programme, is anchored in our executive management and enforced by our Global Sustainability and Responsible Sourcing functions (In total, approx. 50 FTE of which 30 are sustainability specialists operating at field level in sourcing countries).

### **Factory Standards Programme**

This programme identifies and addresses risks within health and safety, the environment, and labour and human rights (including forced labour and indicators of forced labour as defined by ILO) at all our garment factories. It is designed to embed transparency into our supply chain and to prevent, mitigate and address risks and to promote positive change in partnership with our suppliers. Here, it is our aim to incentivise and enable the suppliers to take ownership and improve human rights and environmental performance rather than merely comply with our ethical standards.

To be approved for production for BESTSELLER, factories must fulfil BESTSELLER's Basic Requirements within social, labour and chemical performance and pass a comprehensive onsite assessment conducted by a member of the BESTSELLER in-country team or a third-party auditor. At routine intervals, all suppliers in our supply chain conduct a self-assessment covering 16 social, labour and environment areas. Our local teams of specialists verify the suppliers' answers to the self-assessment during on-site performance evaluations. The visits can be announced, semi-announced or unannounced depending on the situation and follow clearly defined methodologies, protocols and performance indicators.

On-site risk assessments and assistance related to remediation was severely hampered in 2020 by the COVID-19 pandemic. Special protocols have been developed for this situation, including virtual factory assessments and cross-referencing self-assessments with official registers and maintaining relationships with suppliers over the phone and via online applications.

### **2020 Status**

Total number of suppliers: 386

Total number of factories: 653

Number of onsite factory visits: 659\*

\*(480 performed by local teams and 179 by approved third parties)

In addition to our assessments, we work with the Social & Labour Convergence Programme (SLCP), the Higg Facility Environmental Module (FEM) and Facility Social & Labour Module (FSLM) tools. Furthermore, we have a number of sustainability programmes (social and environmental impact programmes) as part of our sustainability strategy to improve the overall sustainability of our industry and value chain.

We acknowledge that transparency in the global textile supply chain, including raw materials, is generally low, and we work diligently with individual suppliers to

understand more about their sourcing practices. We are a member of several associations and collaborations to seek leverage to enhance the physical traceability in the supply chain to identify risks and continuously improve conditions. As this is an industry wide issue, we contribute to the solution by engaging in the most ambitious traceability initiatives to seek sustainable solutions. On raw material level, we have several targets in our sustainability strategy where we work to improve the environmental and social footprint of our materials sourcing. [See more in our sustainability report.](#)

- 1.3 **Please explain what monitoring and evaluation systems your company has in place to ensure the effectiveness of human rights due diligence steps taken to mitigate and prevent human rights abuses, including forced labour, trafficking in persons and other contemporary forms of slavery as described in this letter and other related human rights violations, throughout your business operations. In particular, please provide information on whether your company has put in place “cascading” requirements that reach down to your suppliers, such as human rights risk assessments that would cover all tiers of suppliers as recommended in the 2018 report of the Working Group to the General Assembly.**

Our Factory Standards Programme operates with weighted performance ratings. If a supplier goes beyond what is normally expected in a particular area, they are rewarded in the performance rating. Unsatisfactory results are also graded according to their severity and given corresponding protocols and timelines for remediation. Our local social and labour specialist teams conduct follow-up visits to advise and check on the remediation progress in person. Our Code of Conduct, policies and supply chain management systems outline how the responsibility throughout the supply chain should be cascaded. Where we have direct leverage, we engage directly with our supply chain.

Example:

In 2020, we conducted 28 investigations into potential cases of critical non-compliance. Eight of these cases were dismissed after investigators found no evidence of non-compliance. Of the remaining 20 cases, 13 were fully resolved in accordance with corresponding protocols. In seven cases, although the issues were partly or fully resolved, the unsatisfactory resolution process led us to re-evaluate our relationship with these suppliers. BESTSELLER decided to end the business relationship going forward and offboarded the suppliers in accordance with our standard operating procedures.

In alignment with the UN Guiding Principles on Business and Human Rights, we seek to solve incidents of non-compliance by directly involving rights holders or – where

appropriate – their representatives. In total, 14 of the 20 cases were resolved with collaboration between BESTSELLER, our suppliers and local and/or national or international labour unions.

Regarding risks identified further down the supply chain, we increase our leverage through partnerships and initiatives through associations, peers and other relevant stakeholders. Please also refer to our answer to Question 2.

**1.4 Please explain what measures have been adopted to ensure that staff of your company, as well as your business partners, have adequate awareness, knowledge and tools to identify and report human rights abuses, including those alleged in the present letter, throughout your operations.**

Our internal Code of Ethics informs our staff on their rights and duties regarding responsible business practices – including our human rights policy and related commitments. Staff are encouraged to report any perceived breaches to the Code, our commitments or relevant legislation through management channels and/or People (HR) functions. As a last resort, employees can choose to report concerns via our whistle-blower function, where they can report anonymously. We have never received reports on forced labour, or any other human rights abuses relevant for present Communication.

All relevant colleagues are regularly trained in our responsible sourcing practices including BESTSELLER's internal Code of Ethics, which stipulates our commitment to respecting and promoting human rights. Our colleagues working full-time with our suppliers to implement our Social and Labour Standards are all experts and provide training for our purchasing departments in relevant human rights issues – including forced labour/trafficking – to enable them to perform their duties. Finally, we provide regular training and capacity building for our business partners in our supply chain on setting up adequate policies and management systems. We have a core principle to seek to empower local ownership of the responsible sourcing agenda to foster lasting improvement in the supply chain.

**1.5 Please explain what concrete steps have been taken by your company to exercise leverage, in line with the UN Guiding Principles, in your business relationships to prevent and mitigate human rights abuses committed by businesses employing Uyghur and other minorities.**

As mentioned above, due diligence into potential and actual complicity in trafficking/forced labour is an integral part of our Factory Standards Programme, sustainability programmes and responsible sourcing management systems. On top of these efforts, we have in 2020 surveyed our Chinese suppliers on their use of private recruitment agencies or government labour transfer programmes and whether they collaborate with companies subject to US sanctions. The surveys concluded that none of the Chinese factories in our supply chain have used such agencies/programmes and none of them were collaborating with US sanctioned companies.

In regard to enhanced traceability and sustainable raw materials sourcing please refer to our answer in Question 2.

- 1.6 **Please provide information on whether your company has reported any such alleged human rights abuses in the present letter to relevant authorities, including in countries where your company is incorporated or domiciled. Moreover, what steps has your company taken, or is considering to take, to avoid potential complicity in such alleged business-related human rights abuses?**

We can confirm that we have neither encountered nor have we reported any of the alleged human rights abuses.

- 1.7 **Please advise how your company provides for, or cooperates in the remediation of adverse impact on human rights of Uyghurs and other minority workers through legitimate processes if it has caused or contributed to such impact. This may include establishing or participating in effective operational-level grievance mechanisms. Please provide specific information about any procedures in place to ensure participation of workers and their representatives in the establishment and operationalisation of such mechanisms.**

As mentioned above, our due diligence throughout our Chinese factory base has not identified human rights violations committed against Uyghurs or any other minorities. Internal operational level grievance mechanisms are further elaborated in our answer to Question 4 and grievance mechanisms at our supply chain partners under

Question 8 below.

- 1.8 **Please provide information, if any, on cooperation your company may have had with local civil society actors and/or relevant state authorities to ensure that your company's grievance mechanism are aligned with the national mechanism to address such business related human rights violations.**

We have not engaged with civil society actors or authorities regarding our internal grievance mechanisms.

Turning to external partners/suppliers, we engage in a range of multi-stakeholder initiatives that provide employee grievance mechanisms at company, industry and national levels. One example is the Bangladesh ACCORD on Fire and Building Safety. As a signatory to the ACCORD, the operations of which have in 2020 been transitioned into the RMG Sustainability Council, all employees in our producing factories in Bangladesh have access to a complaint mechanism. Read a review of the Grievance Mechanism in comparison to the UNGPs [here](#).

Other relevant examples include the 'helpline' established through the [LABS programme](#) (Life and Building Safety) in India and the grievance mechanisms open to suppliers and their employees in Myanmar and Bangladesh through our engagement in [ACT](#).

We are currently collaborating with companies and trade unions through the ACT initiative to develop similar mechanisms in Cambodia and Turkey. In addition to these joint initiatives, an increasing number of individual suppliers are setting up grievance mechanisms at company level. We are tracking this development through our Factory Standards Programme, which rewards suppliers for establishing such measures.

Yours sincerely,

Anders Holch Povlsen,  
CEO & Owner, BESTSELLER A/S