

22 February 2021

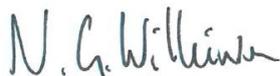
Dear Mr Tugendhat,

Thank you for your letter concerning reports that parts of UK companies' supply chains include materials and/or labour sourced from the Xinjiang region.

I have responded directly to your questions below. As you will see, we have no operations in the Xinjiang region, or materials or labour sourced from there.

Any use of slave or trafficked labour is absolutely abhorrent to Dunelm. We take the issue very seriously, and we are fully supportive of any measures to eradicate this criminal activity.

Kind regards,



Nick Wilkinson, CEO

- 1. What is the nature and extent of your company's operations in Xinjiang?**
  - a. I can confirm that we currently have no operations in Xinjiang.*
- 2. What specific raw materials arriving in UK markets are sourced from Xinjiang?**
  - a. We do not source any raw materials from the Xinjiang region.*
- 3. Are any of your products assembled in factories deemed to be at risk of using forced labour?**
  - a. None of our products are assembled in factories that we deem to be at risk of using forced labour and we have a regular audit programme in place to ensure this is the case. Please see further below.*
- 4. Which Chinese companies are involved in your supply chains?**
  - a. Given that you intend to make the contents of this letter public it would be inappropriate for us to provide a list of companies involved in our supply chains due to commercial sensitivity.*
- 5. How do you ensure that companies at every stage of your supply chain meet their contractual obligations regarding anti-slavery and anti-human trafficking laws?**

- a. *Effective management of human rights throughout our supply chain is built into our product procurement procedures. All of our suppliers and manufacturers are required to sign our Code of Conduct, which covers modern slavery and forced labour, and can be viewed on our website here - <https://corporate.dunelm.com/media/2082/ethical-code-of-conduct.pdf>*
- b. *All sites that manufacture a finished product for a Dunelm brand, including warehouses that hold Dunelm branded products, must have a social and ethical audit in place from an approved independent audit body. This covers modern slavery as well as safety, child labour, working hours and other matters. It must be unannounced or semi-unannounced (within a 2 week window) and be no more than 2 years old. We supplement this with unannounced "spot checks" of factories. This year we have also carried out extensive screening of our entire cotton supply chain back to source.*
- c. *We use an expert third-party assessor to help us to manage our social compliance auditing and modern slavery due diligence. The in-house Dunelm Quality team receives 'live' updates of supply chain risk ratings and works closely with our third party assessor to actively manage continuous improvement of factory standards. Our in-country representatives and in-house team also regularly visit factory sites (this year the UK team has been unable to travel overseas due to Covid-related travel restrictions). Further details can be found on page 53 of our Annual Report here - <https://corporate.dunelm.com/media/2818/dunelm-ar2020-full-011020-1400-lr.pdf>*

**6. What is Dunelm's approach to assessing and scrutinising its supply chains to ensure that materials are ethically sourced?**

- a. *We have rigorous audit processes to ensure materials are ethically sourced within our supply chain. An overview of our audit processes can be found in our Code of Conduct here - <https://corporate.dunelm.com/media/2082/ethical-code-of-conduct.pdf>*
- b. *As mentioned above in response to question 5, we use a third-party assessor to manage our social compliance auditing and modern slavery due diligence, as well as conducting our own visits.*

**7. Where materials from unethical sources are identified, how does your company respond and what steps are taken to mitigate the risk of future occurrences?**

- a. *We fully investigate any allegations, treating them with the utmost seriousness, and involving regulatory authorities or expert help where appropriate. We continue to work with an independent team of experts and supply chain auditors to collect, review and risk-assess our supply chain.*

**8. What is your information-gathering process for your Modern Slavery statements, and how do you verify this information? What is your process for acting on the findings of your Modern Slavery statements?**

- a. *We have assessed our own facilities and supply base (products and services) for modern slavery risk and have required the major providers to sign our Code of Conduct. The diligence that we conduct is described above.*
- b. *Our statement made pursuant to the Modern Slavery Act 2015, which contains further information, can be found here <https://corporate.dunelm.com/media/2861/modern-slavery-statement-2020.pdf>. This is reviewed annually by the Dunelm Group Board and signed by myself.*

- c. *We regularly review our approach and have a programme in place to continually improve our diligence.*
- d. *We take any findings seriously and will investigate any concerns fully and fairly, and take action where appropriate, as described above. Any allegations would be escalated immediately to myself and the Company Secretary, and we would oversee the action taken and update the Dunelm Group Board.*



## Foreign Affairs Committee

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**From the Chair**  
Tom Tugendhat MP

Nick Wilkinson  
Chief Executive Officer  
Dunelm  
Letter by email: [Peter.Lambie@mhpc.com](mailto:Peter.Lambie@mhpc.com)

15 February 2021

Dear Mr Wilkinson

We are writing to you following recent reports that parts of UK companies' supply chains include materials and/or labour sourced from the Xinjiang Uyghur Autonomous Region of China. As part of the Foreign Affairs and Business, Energy and Industrial Strategy Committees' inquiries into the Xinjiang detention camps, we are reaching out to a number of businesses to establish a clearer understanding of commercial activity in the region, and what private companies perceive their ethical responsibilities to be in this area.

We would be grateful if you could address the following questions:

1. What is the nature and extent of your company's operations in Xinjiang?
2. What specific raw materials arriving in UK markets are sourced from Xinjiang?
3. Are any of your products assembled in factories deemed to be at risk of using forced labour?
4. Which Chinese companies are involved in your supply chains?
5. How do you ensure that companies at every stage of your supply chain meet their contractual obligations regarding anti-slavery and anti-human trafficking laws?
6. What is Dunelm's approach to assessing and scrutinising its supply chains to ensure that materials are ethically sourced?
7. Where materials from unethical sources are identified, how does your company respond and what steps are taken to mitigate the risk of future occurrences?
8. What is your information-gathering process for your Modern Slavery statements, and how do you verify this information? What is your process for acting on the findings of your Modern Slavery statements?

It would be helpful to have a response to this letter by 1 March 2021. We intend to place your response in the public domain.

Best wishes,

**TOM TUGENDHAT MP**  
**CHAIR, FOREIGN AFFAIRS COMMITTEE**

Handwritten signature of Nusrat Ghani in blue ink, with a horizontal line underneath.

**NUSRAT GHANI MP**  
**BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE**

Handwritten signature of Darren Jones in black ink.

**DARREN JONES MP**  
**CHAIR, BUSINESS, ENERGY AND INDUSTRIAL STRATEGY COMMITTEE**