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Chair, Foreign Affairs Committee
House of Commons
London, SW1A 0AA

18 February 2021

Dear Mr Tugendhat,

Reference: your letter dated 15th February regard Xinjiang Uyghur Region.

Thank you for your letter regarding the labour and/or material sourced from the Xinjiang Uyghur Autonomous Region of China and Hobbycraft's commercial activities in this region.

I can confirm we do not source any products or materials from this area of China and instead source from the Zhejiang, Shandong, Liaoning and Guangdong regions where we work with factories that demonstrate strong ethical and environmental practices, which are independently audited.

As a business we seek to source and sell with integrity through working closely with all our suppliers and demanding transparency in our supply chain. We can confirm 100% of our Hobbycraft international factories have an independent Environmental Social Governance (ESG) audit every two years.

I attach our Modern Slavery Statement and Code of Conduct which further reinforces our commitment when working with all vendors in UK and overseas.

I hope this helps your committee's enquiries.

Yours sincerely

Dominic Jordan
CEO
Hobbycraft



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Modern Slavery Statement

Year ending 16th February 2020

This statement has been published in accordance with the Modern Slavery Act (2015). It details the steps Hobbycraft has taken to prevent, identify and respond to risks of modern slavery within our business and supply chains during the financial year ending 16th February 2020.

Modern slavery is a broad term used to encompass the offences of slavery, servitude and forced or compulsory labour and human trafficking. The International Labour Organization (ILO) defines forced labour as, "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."

The UK Modern Slavery Act was passed into law in March 2015. The law requires companies operating in the United Kingdom to publicly disclose the steps taken to ensure modern slavery and human trafficking are not taking place in any of their supply chains or in any part of their business.

Our Commitment

Hobbycraft is a leading UK arts and crafts retailer sourcing goods from around the world. We manage complex and unique supply chains in 10 countries around the world (as at 16th February 2020).

As a business, Hobbycraft is committed to addressing the risk of modern slavery and human trafficking, with a zero tolerance approach within our business and supply chain. We will continue to review our policies and processes throughout the next financial year and update where required. The Hobbycraft commercial, supply chain and support teams will continue to visit our primary suppliers and factories, where possible, to further our working relationships and involvement within our supply base. We will continue to prioritise visits to factories based in higher risk areas and remain committed to increasing the transparency within our supply chain year upon year.

Where we are unable to visit countries impacted by travel restrictions, Hobbycraft will engage a local 3rd party technical support service provider to conduct these on our behalf.

Hobbycraft Group of Companies

Founded in 1995, we are the largest arts and crafts retailer in the UK with 99 stores nationwide (as at 16th February 2020).

As well as selling through our UK stores, our website also sells internationally.

The Hobbycraft group of companies comprises:

Company Name	Company Number
Hobbycraft Group Limited	07216034
Stitch 2 Limited	07216740
Stitch 3 Limited	07217283
Stitch Bidco Limited	07068903
Hobbycraft Trading Limited	00806269
Hobbycraft Superstores Limited	03289788

The only trading company is Hobbycraft Trading Limited.



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Our Values and Policies

At Hobbycraft, the values and goals we have developed provide a robust approach to sustainability and are a core part of our business strategy, with a clear reporting and accountability structure.

The human rights of all people working directly or indirectly for Hobbycraft are a matter of the utmost importance to us. Any human rights abuses have no place in our business or in the world in which we live. We are committed to ensuring that Hobbycraft has a robust approach to addressing Modern Slavery and human rights abuses within our supply chains.

Hobbycraft colleagues are guided by key policies, including those on Anti-Bribery & Corruption, Whistleblowing, Pay & Contracts and Equal Opportunities.

Monitoring adherence to the Modern Slavery Act 2015 is the responsibility of our Chief Financial Officer, a member of the main Board.

Our Product Supply Chain

Hobbycraft sources products from over 100 international trusted partnerships, operating across 10 countries globally. Our largest international sourcing countries are China, India, the Philippines, Taiwan and Turkey, which account for 79% of our imports. Imports make up c30% of our total stock purchases with the remainder of our goods being sourced from UK suppliers.

Hobbycraft has internal practices to address human trafficking and modern slavery in our supply chain. We spend a lot of time in our factories conducting product checks as well as factory audits that cover “forced, bonded, indentured, slave and prison labour” which are expressly prohibited.

All our vendors undergo an Environmental, Social and Governance Audit (ESG) every two years. Vendors are also monitored via our sustainability KPIs which are reviewed regularly.

The audit findings are reported to our ultimate controlling party to ensure that the best practice findings are shared across their portfolio of companies in a continuous improvement environment.

Risk Assessment, Due Diligence & Measurement of Effectiveness

At Hobbycraft, we understand the importance of a robust due diligence approach in helping to identify, mitigate and minimise the risk of modern slavery. Given the global nature of our sourcing business, it is important that we are vigilant over modern slavery.

Our supply chain is assessed on our risk register, which is reviewed by the management team on a quarterly basis and approved by the Board. We assess suppliers via on-site audits or desktop reviews of SEDEX or BSCI audit reports to evaluate their compliance against our standards in order to prevent and address human trafficking and modern slavery in our supply chain. In addition, we also conduct unannounced audits which are performed by a qualified third party as well as our own qualified teams at source.

Human trafficking is considered a zero-tolerance issue at Hobbycraft. If evidence of forced, bonded, indentured, slave and/or prison labour is found, Hobbycraft reserves the right to terminate the business relationship and report the matter to the relevant authorities.

This statement has been approved and is fully supported by the Board of Directors.

Dominic Jordan : Chief Executive Officer



Foreign Affairs Committee

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From the Chair
Tom Tugendhat MP

Dominic Jordan
Chief Executive Officer
Hobbycraft
Letter by email: daisy.cleary@finnpartners.com

15 February 2021

Dear Mr Jordan,

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 Hobbycraft'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



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



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