



Risk	Description	Likelihood	Impact	Overall	Action to Mitigate	Timing
Indonesia						
Unregulated Overtime leads to worker exploitation	Ensure all of our top 10 partner factories have clear overtime policies				Ask all factories for % overtime worked by month	By end 2023
	Many of our other factories are not transparent on the levels of overtime worked or the degree to which this is optional	M	M	H	Ask all factories for % overtime worked on our orders	For production 2024
					Ensure reasons for overtime are understood and reviewed	
					Agree action plan to reduce overtime	By end 2024
Poor production planning leads to late orders or excessive overtime	Many of our factories have manual processes for production planning, leading to sudden supply shocks	H	L	M	Ensure all of our top 8 partner factories to have a dedicated production planning manager. Place bulk orders earlier to enable better planning	For Production 2023
					Develop a Schoolblazer online portal which will streamline the ordering process, reducing errors	Pilot for production 2025
Increasing wage inflation drives factory conflict	Wage inflation in Indonesia averaged around 10% for the decade running up to 2020, putting severe pressure on many factories' cost base. If this continues it will place long-term pressure on our ability to continue to operate	H	H	H	Review all aspects of our production process to remove unnecessary cost - Target 5% saving pa	Ongoing
Move from China to Indonesia drives pressure on production	Many US retailers are divesting in China and moving to Indonesia. This is creating a spike in demand, potentially impacting the working conditions and overtime in our factories	H	M	M	Ensure that our labour needs are clearly identified. Place bulk orders earlier to ensure these are well planned and managed.	From production 2023
Lack of wage inflation due to Covid	No minimum wage rise in Indonesia in 2021, due to Covid, despite cost of living continue to increase	M	M	M	Put less pressure on pricing discussions in 2021	2023 price discussions
All						
Cashflow shortages impact workers remuneration	Many suppliers in Indonesia and Sri Lanka have suffered due to a lack of orders through Covid. This will likely impact on workers through lay-offs or reduced working	H	H	H	Support factories by bringing forward orders from future years	Bring forward 2023 production in Sanchia
Sri Lanka						
Economic instability has driven a decline in factory usage in Sri Lanka	Support our factories short-term if needed by bringing forward future production	M	M	H	Clarify payroll levels and understand actions taken by factories to mitigate	From May 2023
Government action on dollar rates is causing supply problems	Factories have a desire to shelter USD from the government so they can pay for USD denominated materials. However the risk is that this keeps cash out of the country and any insolvency would mean no pay at all for workers	L	H	M	Bring more flexibility into our payment regimes, but ensure that this is linked directly to worker remuneration guarantees	From Autumn 2023
China						
Lack of transparency	Direct supplied factories - have no transparency on 2nd tier suppliers and no clear audit process	M	H	H	Visit as soon as Pandemic ends	ASAP
					Ask for details of 2nd tier suppliers	by end 2023
					Ensure Dewhirst supply 2nd level information	by end 2023
	3rd party suppliers - have no audit and could be non-compliant	M	M	M	Review operations and move to direct sourcing where possible	by end 2024
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