

Section 172 Statement – 2022/2023

LIBERTY.

Introduction

- The Directors, in line with their duties under s172 of the Companies Act, act in good faith in promoting the success of the company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making long term decisions.
- Examples of such factors are as detailed below:
 - (a) the likely consequences of any decision in the long term,
 - (b) the interests of the company's employees,
 - (c) the need to foster the company's business relationships with suppliers, customers and others, (d) the impact of the company's operations on the community and the environment,
 - (e) the desirability of the company maintaining a reputation for high standards of business conduct, and
 - (f) the need to act fairly as between members of the company.

Assessment

Material Stakeholders	What is Important to the Stakeholder	Methods of Engagement	Consideration and Impact
Shareholders	<ul style="list-style-type: none"> ⌚ Profitability and business growth potential ⌚ Accurate and reliable business information 	<ul style="list-style-type: none"> ⌚ Regular update meetings with directors and board members ⌚ Access to senior management outside of regular update meetings ⌚ Specific investor calls for non-board members 	<ul style="list-style-type: none"> ⌚ Regular financial updates on business performance ⌚ Involvement in investment plans for future growth initiatives ⌚ Involvement in funding strategies
Employees	<ul style="list-style-type: none"> ⌚ Regular communication and engagement ⌚ Career development ⌚ Wellbeing and flexible working ⌚ Fostering a diverse and inclusive culture 	<ul style="list-style-type: none"> ⌚ Surveys around relevant topics ⌚ Individual performance reviews and development plans ⌚ Engage with our workforce through the Liberty Forums and internal communications 	<ul style="list-style-type: none"> ⌚ Employee remuneration was reviewed and amended to reflect cost of living pressures and to remain competitive ⌚ Continuation of the Equality Forum to allow for differing external speakers to talk about key equality aspects in modern society ⌚ Regular town halls with business updates

Assessment

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Customers	<ul style="list-style-type: none"> ⌚ Curated product selection and design that fits customer needs ⌚ Customer service and experience befitting a luxury brand 	<ul style="list-style-type: none"> ⌚ Ensure customer expectations are continuously met through post contact surveys ⌚ Marketing highlighting new product or lifestyle ideas 	<ul style="list-style-type: none"> ⌚ Expansion of beauty subscription loyalty program ⌚ Designed and developed new Liberty branded product categories
Suppliers	<ul style="list-style-type: none"> ⌚ Reliable and timely payment ⌚ Regular communication as to how their brand is performing and any actions we may have to take to mitigate poor performance ⌚ Importance to Liberty is that suppliers are meeting the ethical code that Liberty expects from all suppliers. 	<ul style="list-style-type: none"> ⌚ Designated point of contact for all suppliers ⌚ Constant review of supplier base to ensure the brand is still relevant for Liberty ⌚ CSR team communicating with suppliers to ensure ethical code of conduct is met 	<ul style="list-style-type: none"> ⌚ The buying team work with suppliers to develop and buy the relevant products for current customer trends ⌚ Review of non-inventory suppliers to ensure value is still obtained

Assessment

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Debt holders	<ul style="list-style-type: none"> ⌚ Future success of the business ensuring covenants and financial obligations are met ⌚ Accurate and reliable business information 	<ul style="list-style-type: none"> ⌚ Debt holders are represented on the Board ⌚ Senior finance individuals host quarterly updates with debt holders 	<ul style="list-style-type: none"> ⌚ Receive a monthly financial pack ⌚ Receive a more detailed quarterly update regarding historical and future performance ⌚ An amended and extended Senior Facility Agreement was signed in the period ⌚ The Directors are actively engaging key stakeholders to prepare for a full refinance of the Group's debt facilities
Pension Trustees	<ul style="list-style-type: none"> ⌚ Ensure the pension scheme is fairly treated by the Group ⌚ Regular updates on performance and strategy of the business ⌚ Move towards self-sufficiency for funding the scheme in the medium term 	<ul style="list-style-type: none"> ⌚ Trustees' meetings take place every quarter attended by the CFO who is the company appointed trustee ⌚ Regular communication with the Trustees on specific issues 	<ul style="list-style-type: none"> ⌚ Agreed a method and timeline for GMP equalisation ⌚ Monitored and assessed the funding position in line with medium term projections ⌚ Reviewed the hedging and investment strategy and approve trades to execute the strategy ⌚ Monitor the performance of the administrator of the scheme

Assessment

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Community and environment	<ul style="list-style-type: none"> ⌚ Responsible business practices ⌚ Environmental impact of our operations ⌚ Community partnerships 	<ul style="list-style-type: none"> ⌚ Regular engagement with suppliers of Liberty product to ensure that they are meeting the ethical standards Liberty requires. ⌚ Selection and promotion of charity partners aligned to Liberty values 	<ul style="list-style-type: none"> ⌚ Continued implementation of ethical trade program in relation to Liberty suppliers and further detailed mapping of the cotton supply chain. ⌚ Ongoing development of fabric bases with lower environmental impact