

Modern Slavery Statement 2022-2023

LIBERTY.

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Section 1: Introduction

This is our sixth Modern Slavery statement published in accordance with the Modern Slavery Act 2015. This statement reviews the progress made since our fifth statement in October 2022.

This statement is made on behalf of Liberty Zeta Limited and its subsidiaries. Liberty Zeta Limited is the parent company of the Liberty Group, which includes, among others, Liberty Retail Limited, Liberty Fabric Limited and Liberty of London Limited. This statement has been approved by the CEO and the Chairman of the Board.

2022-2023 Reflections from our CEO

In our inaugural year as a full member of the Ethical Trading Initiative (ETI), we have continued to embed our ethical trade programme, whilst also responding to real-world events and the human rights challenges that these create in our supply chains. Our external partners have been pivotal in helping us navigate all of this, providing frameworks, shared knowledge, and subject-matter expertise; I am particularly proud of our relationship with Transform Trade and Homeworkers Worldwide (see Case Study 4) and how this collaboration enabled us to delve deeper into the presence of homeworkers in our supply chain.

Our ethical trade programme continues to incorporate a growing number of business areas; in the last few months, our teams have worked externally with our Licensed Partners on issue remediation (see Case Study 1), and internally with sourcing teams to advise on risk in new sourcing territories (see Case Study 3). Ethical trade is being integrated into the way we do business – whilst there is still work to do, I am proud of what we have achieved since we published our first modern slavery statement.

Whilst this report highlights the steps we've taken this year to help protect the human rights of those in our supply chain, as ever, it also serves as a reminder of the scale of this task, and the need for firm and long-term commitments. As we reset for the year ahead and focus on the most significant risks in our supply chain, we hope that our intentions are clear, and we will continue to use this report to share candidly about our progress.

Signed by:



Adil Mehboob-Khan, CEO
Liberty Zeta Limited, on behalf of the Liberty Group
Date: 5th September 2023

Section 2: Organisational Structure

Liberty is a leading luxury retailer and fabric and product design house. Our business is based in the UK with a head office in London, and is organised around three key divisions:

- Liberty Fabric, which is the home of our in-house fabric design studio and archive, and operates Liberty's global wholesale fabric business, including a wholly owned fabric printing mill in Italy.
- Liberty Product, which designs and wholesales Liberty's own-brand 'Liberty' product lines; and
- Liberty Retail, which operates our flagship store in London and our online store at www.libertylondon.com - these offer for sale over a thousand third-party brands alongside our own Liberty products.

Our business operations are delivered by approximately 600 employees globally.

Governance structure

The CEO and CFO retain ultimate responsibility for ensuring that the Liberty Group continues to monitor and mitigate its labour rights risk. Sponsored and led by the CEO, our CSR Steering Committee meets quarterly and is formed of individuals from the Leadership Team in CSR, Human Resources, Retail and Operations. The objectives of the CSR Steering Committee are to support the CEO, CFO, and CSR Department by:

- Embedding and promoting responsible ways of working throughout the business;
- Providing programme governance;
- Endorsing and sponsoring new initiatives; and
- Ensuring effective devolvement of actions to individual departments.

Section 2: Organisational Structure

CSR Team

The CSR Team continues to comprise two full time posts (Head of CSR and CSR Manager), with the Head of CSR reporting into the General Counsel and Director of CSR. Through the General Counsel and Director of CSR, the CSR department continues to have direct representation at Leadership level.

The CSR Team is responsible for defining the ethical trade and environmental strategy and programme of activity across Liberty's three business divisions.

Commitment to ethical trade

As a full member of the ETI, the ETI base code has been integrated into Liberty's core business practices, and the ETI's Principles of Implementation continue to guide the development of our ethical trade strategy. The business remains committed to all principles outlined within the ETI base code, with a particular focus on the principles of freedom of association and collective bargaining. To progress the base code as a whole, ensuring worker voice mechanisms are in place is a critical first step. As such, we have mapped the key worker voice mechanisms and stakeholders within our supply chain and identified some of the main barriers faced by workers in accessing these mechanisms. We have begun looking into the ways we could overcome these challenges given our unique position as a brand, multi-brand retailer and wholesaler.

Through a curriculum of company-wide training, and close collaboration with supplier-facing teams, the whole business remains committed to respecting labour rights both within our own activities and the activities of our suppliers.

Section 3: Sourcing Models

Our ethical trade focus remains on our own-brand business as it is where we have the greatest influence and greatest ability to drive change.

Liberty Product apparel, accessories, home and gifting sources through a blend of direct, indirect and licensed models:

Direct factories	Products ordered directly from the assembly factory	26
Indirect factories	Products ordered through partners agents and/or suppliers who do not own factories	38 Tier 1 factories (see “Tier Definitions” overleaf) ▪ Relationships managed through 30 agents/suppliers
Licensed factories	Licensed partners manage a particular product category and are wholly responsible for sourcing	8 Tier 1 factories ▪ Relationships managed by 8 Licensees

Liberty Fabrics manufactures printed fabrics for wholesale customers through a mixture of both direct sourcing, ordering directly from weaving mills, and indirect sourcing, working through agents and suppliers who support with a range of activities, such as product development and mill sourcing. The majority of the business operates through indirect suppliers, with 81% of our business operating through five agents specifically.

Section 4: Mapping and Visibility

Progress in mapping Liberty Product Tier 2

In terms of visibility through our supply chain, we intend to work through the tiers sequentially; we are currently looking at Liberty Product's Tier 2 sites within our direct sourcing model, where a) we have most leverage and b) where most direct risks lie. This tier encompasses trims and raw materials bought by us, such as buttons, lining and hardware for accessories.

Our own-brand Production Team buys trims and raw materials both directly from Tier 2 suppliers, and indirectly through finished goods suppliers. Our initial focus has been on the former, working closely with the Production Team to map – this has enabled us to build a partial understanding of the geography of this part of our supply chain.

The second activity has been to conduct an internal risk assessment, comprising an analysis of the volume and value of the orders, branding, and length of partnership, in addition to desktop research on each Tier 2 supplier's membership of multi-brand initiatives and certification schemes, and any public commitments to ethical supply chain management that they have made. We have assigned a risk rating based on the cumulative findings from both parts of the assessment: four out of 11 suppliers were classified as low risk, while the remaining seven were considered medium risk due to the limited online presence of the suppliers and hence lack of full visibility over their CSR efforts.

We intend to build on this work by contacting these Tier 2 suppliers to engage with a Self Assessment Questionnaire (**SAQ**), which will provide an overview of their understanding of the principles of the ETI base code.

Section 4: Mapping and Visibility

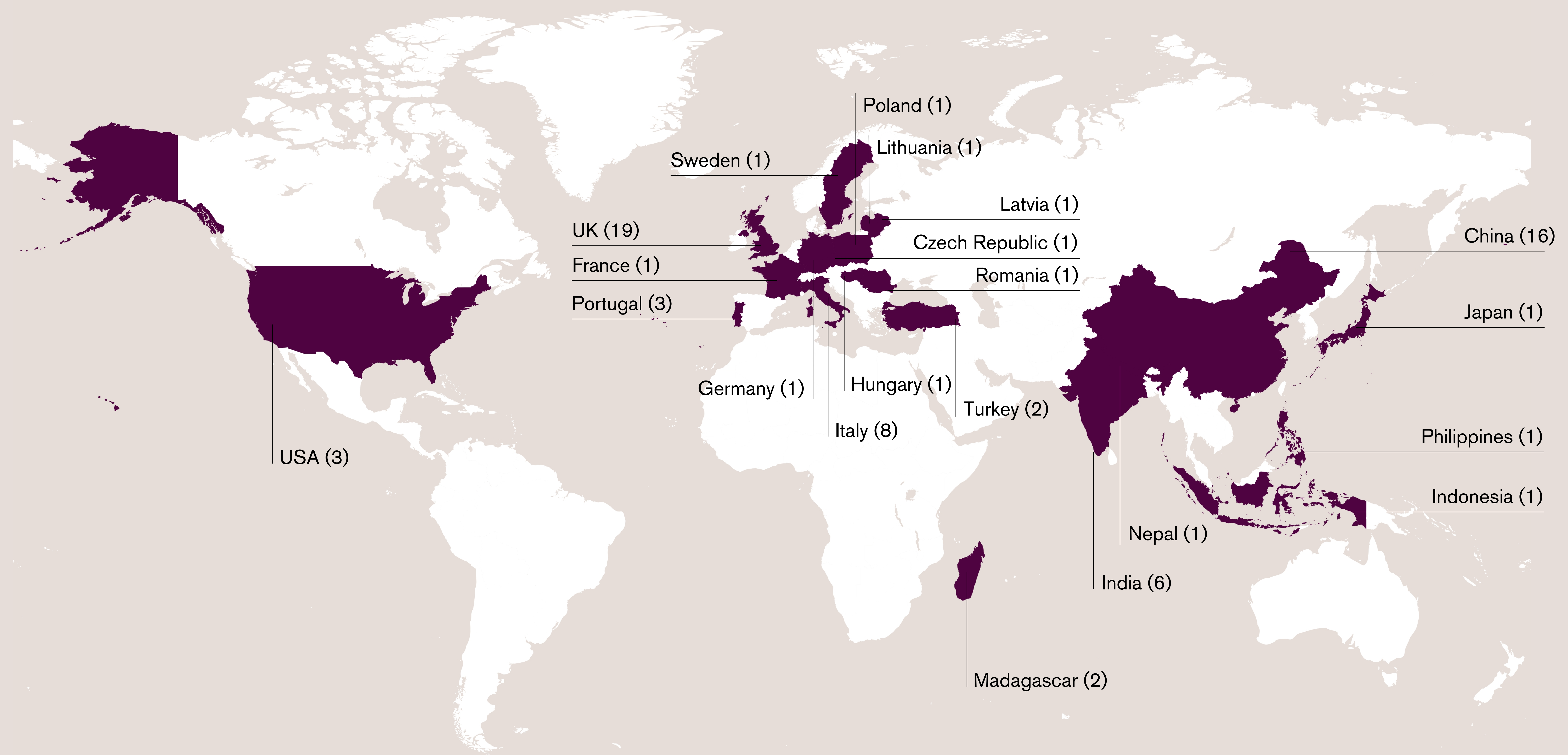
Liberty Product

100% of our Tier 1 suppliers have been mapped, across our direct, indirect and licensed sourcing models.

Tier	Tier definition	Status
Tier 1	Main production sites defined as cut, make, trim, sew, or finished goods production sites	Fully Mapped
Tier 2	Subcontracted Tier 1 sites: including, embellishment, embroidery, printing, dying, washing, handwork (i.e., crochet), homeworking and trims, buttons, linings, hardware	Partially Mapped
Tier 3	Fabric and Components: Tanneries, mills, i.e., fabric production and processing	Unmapped
Tier 4	Raw materials origin	Unmapped

Section 4: Mapping and Visibility

Liberty Product Tier 1 - Sourcing Countries and Factory Count:



Section 4: Mapping and Visibility

Public disclosure of Liberty Product Tier 1 suppliers

One of the requirements of our membership of the ETI is to publicly disclose our Tier 1 suppliers. We started this process by engaging with all the relevant direct and indirect Liberty Products suppliers to obtain their permission to publish:

- The name of their production facility;
- Its geographical location;
- The sector it operates in, and;
- The nature of processing activities taking place there.

At the time of publication, we will still be in the process of finalising this supplier list. We will continue to build this, and commit to publishing an evolving version here.

Section 4: Mapping and Visibility

Liberty Fabrics

In our 2021-22 report, we highlighted the complexity of our fabric supply chain and the challenges of gaining visibility as a result, but indicated our intention to move from mapping to visibility.

Having engaged the Liberty Fabrics Leadership Team on next steps, it was agreed that to maximise the resource we have whilst also addressing our obligations as a responsible brand, our initial focus should be on Liberty Fabric's top five selling fabric bases. These bases account for 81% of the business' total metres sold (based on 2022 sales figures), and over three million metres of fabric.

Steps we have taken:

- We have mapped three printing units within the supply chain of these top five bases, one of which is wholly owned by Liberty
- We have mapped five suppliers and agents managing weaving units and raw material purchasing on our behalf
- The suppliers and agents have received a SAQ, to help us build a picture of how they select the weaving units involved in the manufacture of our fabrics.

Due to the summer closure of sites, we are awaiting final responses to the SAQ, before which we will seek disclosures of weaving units. We are looking to engage with an external provider on a mill-specific programme to qualify the working conditions of these units.

Whilst progress in this area has been challenging, narrowing focus to our best sellers has enabled us to move forward with a much more manageable number of suppliers that we have significant leverage with. In the next year, our target is to have traceability and visibility of conditions from printing unit to mill level for our top five fabric bases, identifying key risks and working closely with our suppliers where necessary on remediation.

Section 5: Liberty Policies

Supplier and Partner Code of Conduct is aligned with the ETI Base Code and the International Labour Organisation (ILO) conventions, defining minimum standards from suppliers and expectations with regards to ways of doing business.

Child and Young Worker Policy sets out our position against the use of child labour in the manufacturing of our products, the steps needed to protect child and young workers, and methods to identify and remediate any instances of child labour found in our supply chain.

Migrant and Contract Labour Policy aims to safeguard the migrant workers who are particularly vulnerable to modern slavery, outlining the measures suppliers should take to formalise the status of migrant and contract labour workers in the workplace.

Homeworker Policy outlines our position in support of homework, and the steps we expect suppliers to take to ensure homeworkers are paid fairly, work in suitable conditions, and have the ability to convene with other homeworkers and communicate with those co-ordinating their work.

Cotton & Textile Policy requires that no cotton or textiles be knowingly sourced from Turkmenistan or Uzbekistan. Additionally, Liberty has suspended the sourcing of any cotton or textiles from the Xinjiang Uyghur Autonomous Region, China, until independent third-party verification in the region can be restored.

Contractual controls

Liberty's Terms and Conditions for all Licensing and Retail (third-party brand) partners includes an obligation for suppliers and partners to operate in accordance with Liberty's Supplier and Partner Code of Conduct, which adheres to anti-slavery and human trafficking laws. We also require suppliers and partners to cascade provisions which match Liberty's position through their managed supply chains, allowing Liberty to clarify our values and enforce these through our upstream processes.

Section 6: Risk Assessments

Due diligence

Country risk monitoring

As the map of sourcing countries on page 7 demonstrates, we partner with suppliers from across the globe. We are very mindful that working conditions and risk to workers in each geographical context can differ dramatically. To aid our awareness of these disparities, our CSR Team have created a country risk database covering all our sourcing locations. The data we collect comes from a variety of public sources such as, but not limited to:

- Labour and human rights indices e.g. Walk Free Foundation's Global Slavery Index (GSI), US Government's Office to Monitor & Combat Trafficking In Persons (TIP) report, ITUC, the Global Reporting Initiative, The Human Freedom Index
- NGO and CSO reports
- News outlets
- Trade union and other industry bodies resources

Our CSR Team analyse the collated information and assign each country a risk rating (extreme, high, medium or low). The ratings are one of the criteria considered during our CSR risk assessments and inform the business' wider sourcing decisions.

The database is updated on a regular basis.

Section 6: Risk Assessments

Modern Slavery risk

At Liberty, we are committed to ensuring that the rights of workers are respected and protected across our supply chain and our CSR Team use a variety of resources to help us identify where our salient risks lie. We refer to the GSI and TIP reports to understand the prevalence of modern slavery in our sourcing regions, using this to further understand risk in our supply chain. The table below shows the estimated prevalence of modern slavery in our top six sourcing countries for Liberty Product:

Sourcing Country	Share of Our Supply Chain	GSI 2023 Score (Prevalence out of 1,000 People)	TIP Report 2023 Rating
UK	26%	1.8	Tier 1
China	22%	4	Tier 3
Italy	11%	3.3	Tier 2
India	8%	8	Tier 2
UK	4%	3.8	Tier 2
UK	4%	3.3	Tier 1

In recent years, our assessment of risk has also been heavily influenced by world events, where we saw modern slavery risks heightened as a result of the displacement and work insecurity caused by the global pandemic and the war in Ukraine. We reported our actions in these two areas in both our 2020-21, and 2021-22 Modern Slavery reports, and remain aware that marginalised groups can be vulnerable to the risks of modern slavery as a consequence of such large-scale disruption. We continue to use our membership of both the ETI and BRC to stay informed of industry issues.

Section 6: Risk Assessments

Factory onboarding

All Liberty Product direct factories are incorporated into our ethical trade programme and must go through a robust approval process before being authorised for production. Direct factories must provide key information about manufacturing sites and any subcontractors they use, in addition to providing a valid ethical audit. They are additionally obligated to sign our Supplier & Partner Code of Conduct and abide by our supplementary policies, which they must also cascade through their supply chains. Indirect factory relationships managed by suppliers will also undergo a similar process, with suppliers collaborating with us to communicate information requests to factories.

Licensees will undergo a preliminary risk assessment. We prioritise risk based on several factors including, but not limited to:

- Sourcing country/ region
- Industry/ sector
- Volume and value of licensing partnership
- Licensee's understanding and commitment to ethical trade

We also work closely with Licensees to build their understanding of ethical trade – where this is limited, and other aspects of the partnership are high risk (for example, a hand embroidered product), the Licensee will be incorporated into our ethical trade programme and will follow the same visibility process as above. See **Case Study 1** for an example of how we work with our Licensees.

Section 6: Risk Assessments

Case Study 1: Implementation of a Remediation Plan in a Nepalese Factory with a Licensee

As part of our Licensee Ethical Trade Programme, we commissioned an audit of a Licensee’s production site in Nepal. This was the site’s inaugural audit, and our auditing partner QIMA identified several issues related to working hours and fire safety that demanded attention. Our CSR Team shared the audit findings with the Licensee and proposed a collaborative remediation plan between Liberty and the Licensee.

The Licensee had maintained a close working relationship with the site for over a decade, conducting bi-annual visits. This strong rapport with the factory management facilitated the prompt implementation of remedial actions recommended by QIMA and Liberty. These actions included:

Setting up a system for accurate recording of working hours

We suggested that this could either be manual or automatic, depending on what was feasible and most convenient for the site. The regular working hours and overtime need to be recorded to allow for effective monitoring of:

- Regular working hours;
- Overtime hours;
- Whether correct rates of overtime premium are paid; and
- Whether the workers are paid at least the applicable legal minimum wage.

Our CSR Team provided the Licensee with a template of an hours tracker. It tracks the regular hours, overtime hours and rest days for a sample of workers and shows monthly trends in these areas.

The site is now working on creating a process that incorporates our suggestions and are openly sharing their progress with the Licensee, who then discusses it with Liberty during our regular catch-ups.

Section 6: Risk Assessments

Improving fire and chemical safety

We advised the Licensee about several practical steps that the site could take to meet the required standards, for instance: installing the required emergency lighting systems, re-fitting the doors to open outwards and appointing a dedicated H&S officer.

As a testament to the longstanding relationship held between the Licensee and the factory, the site began implementing all of these steps, including those which required significant resources and planning.

Installing adequate sanitary facilities

Another recommendation that our CSR Team made was for the site to build a new bathroom for male workers. We were pleased to see that the works began within just a month of us suggesting this to them.

At the time of publication of this Modern Slavery statement, the remediation process at the Nepalese site is still on-going. Our CSR Team remain in close contact with the Licensee who provide us with regular updates on the factory’s activities. Their representatives have visited the site twice since the remediation process was launched, providing frequent updates on the progress of work.

The transparency and commitment our Licensee has shown when engaging with us on this remediation programme is an example of how change can be achieved effectively and efficiently if the brand and Licensee are equally committed to driving improvements.

Section 6: Risk Assessments

Social audit programme

Ethical audits are reviewed as part of the risk analysis on each factory producing Liberty own brand products within our ethical trade programme. We require suppliers to submit a valid in-date audit on a cyclical basis, with the frequency of submission depending on the severity of the findings of each audit. Where no valid audit exists, the CSR Team works together with the factory/supplier/Licensee to arrange a full, semi-announced audit of the factory. We recognise that the cost of auditing can be expensive for our partners so Liberty has allocated budget to cover the cost of the initial audit of all new sites.

We continue to partner with global auditing company, QIMA, who have a network of local auditors in-country to help us carry out independent third-party audits.

Our audits follow the principles set out within the ETI Base Code which is founded on the conventions of the ILO, an internationally recognised code of labour practice. Our social audits are made up of three parts: a factory tour, document reviews and worker interviews. Worker interviews are carried out in an individual and group setting and are conducted in a confidential and safe environment. We make sure to capture data on the nationalities which make up the workforce beforehand so QIMA can appoint an auditor who speaks and understands all languages spoken within the factory. We understand the importance of capturing direct feedback from workers and view this part of the audit as essential.

The CSR Team continually review the audit methodology to encompass any emerging issues, with an increased focus on human rights due diligence. We have previously worked with QIMA on amending the audit to include Covid-19 specific health and safety questions, and most recently have collaborated with them to include additional questions relating to migrant workers and their recruitment process in light of the increase in workers paying recruitment fees in some of our sourcing countries.

Audits assessed

Since last year, Liberty has commissioned nine full audits and one targeted investigation on payment terms globally across the supply chain. In addition, 21 sites provided us with their third-party audit reports as either part of their onboarding or cyclical auditing process.

See **Case Study 2** for an example of remediation

Section 6: Risk Assessments

Case Study 2: Remediating in collaboration with a non-stock supplier

We have set a target in 23-24 to begin work with our non-stock suppliers, building a comprehensive list of all suppliers and their contract lengths, further to clarifying our existing current internal procurement controls and building a strategy for the future. However, this year, we prioritised the review of a non-stock supplier outside of this target, due to considerable demand for the end product.

Audits were commissioned for two factories, with both audits revealing that areas including overtime and rest days management needed improvement.

The supplier, responsible for the relationships with the factories, engaged in dialogue with us in a very open and constructive manner, and agreed to collaborate with us on a remediation programme which would run at both sites concurrently. Our CSR Team proposed some remediation measures for the facilities, including:

- Improving production capacity planning to gradually reduce monthly overtime to the applicable standard;
- Raising workers' awareness of the benefits of participating in social insurance schemes through e.g. workshops with the HR; and
- Enhancing vehicle traffic safety by separating sidewalks from driving lanes and installing convex mirrors in corners.

We also provided our supplier with an hours tracker which their sites could use to monitor their progress in reducing their workers' working hours and overtime.

The supplier presented the proposed strategy to both the factories, and the remediation programme was launched in April 2023.

Liberty has been working with the supplier on this project for five months at the time this report is published, and we have already seen marked improvements. We have set up cyclical meetings with our supplier to share and discuss the progress the sites are making. We will continue this inter-company collaboration to ensure that this positive change can be sustained and our relationship grows even stronger.

Section 6: Risk Assessments

Beyond audit activities

The textile and apparel supply chain is often complex and multi-layered, with a number of differing business models and manufacturing processes involved. In order to understand additional salient risks within our sector, we use a variety of other tools and resources to conduct further ongoing risk assessments.

Smaller suppliers

Liberty works with a number of smaller, artisanal suppliers where a traditional audit would not be appropriate. In place of this, we send a comprehensive risk assessment to obtain further visibility of the workplace and confirm that ethical standards are in place. The assessment covers all the areas of the ETI Base Code and additional questions on workforce, production and environmental management.

If this assessment reveals that homeworking is used, we follow up with a specific homeworking SAQ.

Visiting our supply base

With the travel restrictions imposed during the pandemic having been lifted, our product sourcing teams are once again visiting suppliers and factories frequently. Face to face visits help them gain a better understanding of the manufacturing processes and view the quality of the craftsmanship first hand. Our CSR Team supports colleagues conducting visits by raising awareness of CSR risks present in our supply chain, including through providing training on how to identify indicators of modern slavery. Please see **Case Study 3** for an illustration of how our CSR Team has supported our Fabrics Team during their discovery visit to mills in Pakistan.

Section 6: Risk Assessments

Case Study 3: Collaborative risk assessment of potential new mills in Pakistan

At the end of 2022, Liberty Fabrics was seeking a new mill in Pakistan - a new sourcing country for the division.

Three mills were initially considered and our CSR Team conducted a preliminary desktop assessment of all of them which covered:

- Policy and document review;
- Review of the online presence of the mills;
- Research into the risks prevalent in the geographical area where the mills were located;
- Review of third-party social audits where available; and
- Online searches for any independent information on the mills and their working conditions.

The desktop assessment highlighted possible concerns at two of the mills and identified one preferred partner. In order to corroborate the findings of this preliminary assessment, our CSR Team conducted additional on-the-ground verification of the actual working conditions at the preferred mill. This involved:

Factory tour: The CSR Team trained the representatives of the Fabrics team who were going to visit the mill on the basics of CSR risk assessments, including on how to identify the signs of modern slavery/ forced labour during a site tour

Worker interviews: Our CSR Manager also conducted remote worker interviews with several workers (with the help of an independent interpreter) to establish how they perceive their workplace

The CSR and Fabrics teams collated their respective findings and were satisfied that the mill met their expectations and could be onboarded.

This approach to risk analysis not only went beyond standard auditing but also demonstrated the benefits of cross-functional collaboration within Liberty.

Section 6: Risk Assessments

Awareness raising and training

To ensure that accountability for managing modern slavery and other labour rights risks in our supply network is shared across the business, our CSR team runs regular training sessions for Liberty's product sourcing teams. This helps the product sourcing teams make informed and responsible purchasing decisions, engaging with Liberty's suppliers in a meaningful way. It also strengthens our ethical programme and facilitates our aim to expand this beyond Tier 1.

Collaborating with NGO partners

Please see **Case Study 4** to see how we have worked with NGO's Transform Trade and Homeworkers Worldwide on a homeworker project in India:

Case Study 4: NGO collaboration on homeworkers in India

In 2021, we collaborated with a seasonal supplier to Liberty that had notified us of the use of homeworking in its supply chain in India. As a business, we are supportive of homeworking, and we were keen to work with the supplier and an external partner to map the supply chain further, building our understanding of the homeworkers' conditions of work.

We partnered with Transform Trade and Homeworkers Worldwide, who conducted in-depth interviews with:

- Liberty's internal stakeholders, including Buyers;
- Our supplier;
- The factory in India;
- The "Master Craftsman", responsible for managing the workload and agreeing piece rates; and
- The homeworkers themselves.

Section 6: Risk Assessments

The mapping of informal homeworker chains is challenging, and gaining the trust and confidence of supply chain actors proved to be a slow process. In April 2023, we received the final report which contained mixed findings, including a number of positives. We were pleased to learn that the homeworkers, many of whom were men, were exceptionally proud of the work that they did due to the highly technical skillset required, and the fact that the work had been undertaken by previous generations, thus forming an important part of their heritage. The complexity often found in homeworker supply chains was reduced due to the family structures involved (the homeworker network was formed of six family units), and the homeworkers who were interviewed also confirmed that they were paid regularly and on time.

Through the interviews conducted on the ground by Transform Trade, the homeworkers voiced dissatisfaction around the low earning potential of this type of work compared with more modern roles, such as delivery drivers, and shared the impact of their work on their health (eye strain, back and knee problems). Investment in this supply chain was identified as an improvement area, and interviews conducted with the supplier also identified that larger orders from Liberty would allow them to support the factory, Master Craftsman and homeworkers with the challenges that they identified.

The project was shared internally with the Liberty Buying team and the CSR Steering Committee, with the former agreeing to explore open-book costing with the supplier in order to protect labour costs. It was also agreed across all stakeholders that, whilst orders could not immediately be increased, better storytelling of the products and their craftsmanship could result in an uplift in sales, increased repeat orders, and better opportunities for the supplier to invest in homeworker supply chain. Liberty is now working with the supplier to implement this for the upcoming season.

The CSR Team will continue to engage with the supplier on the homeworkers in this supply chain, encouraging the exploration of systems to monitor payments and methods of establishing and confirming fair piece rates, and we look forward to this ongoing collaboration.

This work was part of a project entitled "Hidden Homeworkers", which was co-funded by the EU and jointly implemented by Transform Trade, Homeworkers Worldwide and HomeNet South Asia.

Section 7: Collaboration

ETI: is a leading alliance of companies, trade unions and NGOs that promotes respect for workers' rights around the globe. ETI's vision is a world where all workers are free from exploitation and discrimination, and enjoy conditions of freedom, security and equity. The ETI's nine-point base code is founded on the conventions of the ILO and is an internationally recognised code of labour practice. The diverse memberships allows for cross sector collaboration, initiatives encouraging knowledge sharing and collective action to improve the lives of workers throughout the supply chain

QIMA: is a leading provider of supply chain compliance solutions that partners with brands and retailers to secure, manage and optimize their global supply network. They have on-the-ground presence in 85 countries, combining industry-leading experts for onsite inspections and supplier audits. Liberty have been working with QIMA as our global auditing partner since 2019.

British Retail Consortium: is the trade association for UK retail businesses, whose purpose is to make a positive difference to the retail industry and the customers it serves, today and in the future.

Small Brands Working Group: consists of CSR teams from smaller UK brands and retailers who come together to share knowledge on ethical and sustainable topics. Held on a two-monthly basis, these meetings provide an incredibly useful platform for companies to keep up to date on emerging CSR developments and challenges. Each member is able to discuss ideas, present examples of good practice and share resources among similar sized brands. This knowledge allows us to recognise where our combined leverage can give rise to collaboration across the sector.

Section 8: Action Taken 2021-2022

Workstream	Key Performance Indicators 2021 – 2022	Progress	Activity Review
Policy & Governance	1. Complete project with Homeworkers Worldwide and Transform Trade and implement a Homeworker Policy in India, focused on ensuring working conditions of homeworkers supplying Liberty with Christmas decorations. 2. Develop appropriate remediation processes to manage any risks identified as part of enhanced scoping within the Liberty Fabrics supply chain (e.g. forced labour remediation processes).	☑ Fully completed ☑ Partially completed	1. The Homeworkers Worldwide and Transform Trade project came to an end in April 2023. We engaged internal stakeholders in a discussion about the opportunities stemming from this exercise, including improving our purchasing practices. 2. <i>In progress:</i> Once the Liberty Fabric ethical trade programme is rolled out, we will revise our remediation processes in line with the identified risks.

Section 8: Action Taken 2021-2022

Workstream	Key Performance Indicators 2020 – 2021	Progress	Activity Review
Visibility	1. Once the scope of Liberty Fabric’s ethical trade programme is established, provide clarity to suppliers and internal teams on: a. pre-selection criteria; and b. supplier onboarding process for areas identified above. 2. Implement a process of cyclical auditing with our long-term suppliers across Liberty Product and Retail. 3. Progress the work on mapping worker voice representation and further develop our understanding of the barriers to these mechanisms within our supply chain.	☑ Fully completed ☑ Partially completed	1. <i>In progress:</i> We have revised our ethical trade strategy and have shared with the leadership in the Fabrics division. Following their endorsement, we have since set up an Ethical Trade Working Group incorporating members from our CSR, Production and Supply Chain team. We are working collaboratively to agree deliverables as well as finding a suitable audit methodology to assess working conditions in both printing and weaving units. 2. We began the process of cyclical auditing of our suppliers across Liberty Product and Retail in September 2022. We also revisited our criteria for risk rating and the timelines for follow-up assessments and re-auditing. 3. As soon as these changes were made, we communicated them to the suppliers within the scope of our ethical trade programme. We have also updated our supplier onboarding packs to ensure that our new suppliers are aware of our expectations from the start. 4. We have mapped the key worker voice mechanisms and stakeholders within our supply chain. We have also identified some of the main barriers faced by workers in accessing these mechanisms. We have begun looking into the ways we could overcome these challenges given our unique position as a brand, multi-brand retailer and a wholesaler.

Section 8: Action Taken 2021-2022

Workstream	Key Performance Indicators 2020 – 2021	Progress	Activity Review
Capability building	1. Continue annual modern slavery training. 2. Finalise framework to support Buying team with third-party brand buys, building the capabilities of the team to conduct top level assessments of ethical credentials of third-party brands and roll-out training to buying and marketing functions to support the responsible promotion of ethical claims. 3. Publish a CSR microsite on the Liberty website to promote awareness of our ethical trade activities.	☑ Fully completed ☑ Partially completed	1. We updated our modern slavery training suite and delivered Modern Slavery e-learning across the whole business, with a completion rate of 76%. We additionally conducted enhanced training for both supplier facing teams and external suppliers, which was attended by over 50% of invitees and recorded for all others who were not able to join in person. Our e-learning will continue to be offered to all new starters as part of the induction programme, and enhanced training will be delivered to supplier facing teams annually. 2. <i>In progress:</i> We developed a process for verifying green claims made by the brands retailed at Liberty and trained the relevant teams across the business, including the Buying team, on how to implement it. We are now working on how to assist the Buying function with assessment of ethical credentials of third-party brands. 3. We published the CSR microsite on the Liberty website in March 2023. The hub promotes our efforts in four areas: a. Ethical trade b. Environment c. People d. Community It includes information on our supply chain including a map of our Tier 1 suppliers of Liberty-branded products and fabrics. It also hosts Liberty's Supplier Code of Conduct and the accompanying policies.

Section 9: Objective Setting 2023-2024

As aspects of our programme become business-as-usual and our understanding of modern slavery risks grows, we have evolved the assessment of our objectives from being workstream-focused to being risk-based. This will enable us to talk about thematic risk, and develop holistic commitments across policy, visibility and capability building in each area:

Risk focus area	Details	Commitments
Improve visibility of Fabrics and Jewellery supply chains	Due to the increased risks of forced labour in cotton, textile, and mined material supply chains, our business needs to accelerate its visibility programme within its Fabrics and own-brand Jewellery businesses.	We will scale our ethical trade programme to incorporate the supply chains of Liberty Fabrics' top 5 bestsellers (81% of our Fabrics business), and Liberty Jewellery suppliers. Following the implementation of our due diligence programme, we will undertake a modern slavery risk assessment, involving key stakeholders internally and externally if required.
Complete Tier 2 mapping of own-brand apparel, accessories, home and gifting	We have started to assess tier 2 factories where our Production Teams source directly, but in order to get an accurate understanding of risk, we need to expand this to include Tier 2 factories managed through indirect sourcing models (suppliers and Licensees). The completion of this task will build our understanding of risk at this level, and allow us to identify more targeted actions.	We will continue the roll out of our Tier 2 mapping activity, to incorporate factories managed through indirect sourcing models. Where we encounter challenges in gaining visibility, we will work collaboratively with our suppliers and Licensees on approaches, providing training where necessary regarding the value of mapping.

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Risk focus area	Details	Commitments
Address barriers to social dialogue mechanisms	Ensuring workers have adequate access to grievance mechanisms is critical in minimising the risks of modern slavery, giving workers a pathway to voice any abuses or concerns. Having mapped social dialogue mechanisms in our direct, own-brand supply chain and the barriers in place, we need to utilise this research to improve access.	We will assess the data we have relating to barriers to social dialogue, using external resources to build our knowledge around how best to overcome these. We will build a strategy, prioritising the factories that we have strategic relationships with. We will continue to collect data on access to social dialogue mechanisms in the supply chains of our new direct, own-brand suppliers.
Build understanding of procurement of non-stock suppliers (packaging, logistics, cleaning and security service providers)	Modern slavery risks within non-stock suppliers remain high; in order to mitigate against this, we need to build our understanding of the number of suppliers within this category and the controls we have in place, and opportunities to improve these controls.	We will work with our Finance Team to build a list of non-stock suppliers and their contract lengths, in addition to clarifying our current internal procurement controls. Using external resources, we will build an understanding of where the most significant risks lie, and build a strategy to address risk.

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Risk focus area	Details	Commitments
Protecting homeworkers	The artisanal nature of our products means that handcrafting can often feature in our supply chains. We remain open to homeworking and, following our project with Transform Trade and Homeworkers Worldwide, have developed our understanding of how homeworking can manifest in the supply chains of various different product categories	We will continue to work closely with direct and indirect factories to ensure that our policy and position regarding homeworking is shared. Where we suspect homeworking, based on the nature of the product/sourcing country, we will work closely with the factory/supplier/Licensee to explore.
Chinese sourcing	As indicated by the most recent TIP report and GSI, the risk of forced labour remains high in China , and brands must act with prudence when sourcing from the region.	We will continue to cascade our Cotton & Textiles Sourcing Policy to suppliers across Liberty Product and Liberty Fabrics outlining our position and requirements to prevent the use of forced labour in our supply chains. We will continue to engage key teams internally with our position outlined in our Cotton & Textiles Sourcing Policy. Within Liberty Product, where sourcing is disclosed in China, we will engage the factory/supplier/Licensee with an enhanced due diligence exercise.