

# Modern Slavery Statement 2018-2019

**LIBERTY.**

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# Section 1: Introduction

This is our second Modern Slavery statement published in accordance with the Modern Slavery Act 2015. This statement reviews the progress made in the seven months since our first statement in November 2018, and sets our objectives for the coming year.

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 our Board of Directors.

Looking ahead, we intend to publish statements annually in July, in line with our reporting obligations under the Modern Slavery Act.

## Foreword from our CEO

At Liberty, we support global efforts to tackle the complex issue of modern slavery, and we are committed to collaborating with other stakeholders in order to champion the rights of the most vulnerable.

The provision within the UK Modern Slavery act requiring businesses to report on how they are mitigating risks in their supply chains has been a significant catalyst for change within the luxury fashion industry. At Liberty, this has also driven us to question what a company like ours can do to prevent slavery, beyond just compliance with the law.

To expedite our understanding as we build our programme, we have reached out to other brands, gained insight from the Modern Slavery Unit at The Home Office, and enlisted the support of a number of NGOs active in this space. We have found open doors, which has encouraged us to collaborate, share our experiences and seek to join co-ordinated efforts to create the scale required to effectively address these issues. We are learning fast from those companies who are further ahead in their journey than us, and we hope to reciprocate by sharing our progress so that other companies can also learn from our experiences.

Many companies are able to specify their expectations and requirements with direct suppliers. However very few, because of the scale of the issue, are resourced on their own to delve deep into the supply chain. Yet, to properly eradicate slavery we will need to do exactly this – and this will only be achieved by concerted and collaborative actions.

Whilst we believe in the value of formal auditing, we also know that there is clearly no substitute to working collaboratively with suppliers and the layers beneath them, to build their understanding of the topic and share the moral imperative to fight the issue of modern slavery.



# Section 1: Introduction

In the period since our last report, we have made progress in resourcing this area of the business through the creation of a new Corporate Social Responsibility (CSR) department who will drive the identification and mitigation of the most salient human rights risks in our supply chains. The objectives of this department will be further supported by members of our Leadership Team, who will deploy critical information through the business and take responsibility for embedding learnings and new priorities into our ways of working. The creation of a CSR department recognises that dedication and expertise are needed to coordinate and prioritise interventions. The cascading of accountability through our Leadership Team is deliberately intended to make social responsibility everyone's business.

In addition to the above, we have worked with Anti-Slavery International to commence our training and awareness-building programme internally, and we have conducted an in-depth internal risk assessment to better understand our existing processes and identify areas for improvement. These activities are explained in greater depth in our report, and we look forward to reporting our progress next year.

Whilst we know there is still a lot to do, we are making changes that enable us to live up to our belief that everyone has the right to fair and safe working conditions, and to be treated with dignity and respect.

We will be judged not by how incensed we are that slavery exists but by how we can protect those working in our supply chains from it.

Signed by:



Adil Mehboob-Khan  
CEO

Liberty Zeta Limited, on behalf of the Liberty Group

Date: 2 August 2019



# Section 2: Business Overview

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, 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](http://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.

## Sourcing models

Liberty product is exclusively designed in-house in the UK, with apparel and leather goods production outsourced directly to factories in the UK, Italy, Portugal, India, China, Lithuania, Turkey and Romania. Ambient foods and homeware are produced by manufacturers in the UK and Europe, either directly or through agents.

Liberty Retail offers a curated edit of third-party brands across multiple product categories, including beauty, accessories and ready to wear. These supply chains are managed by the brands themselves.

Liberty Fabric sources raw materials from Italy, India, China and Romania, and prepares and prints fabric both in Liberty's own printing mill in Italy, and in other locations in Italy and China.

## Activity review

The activity outlined below relates to the period between November 2018 and the date of publication, totalling approximately eight months. In this time, we have continued to build the foundations of our ethical trade programme, to increase the depth and breadth of our work on Modern Slavery, and deepen our understanding of our risk profile.



# Section 2: Business Overview

## Resource

We created two new roles within the business to deepen our engagement and authority in this area. The position of Director of Corporate Social Responsibility (CSR) and Central Procurement was created in February 2019, with the post holder joining the Leadership Team, reporting directly into the Chief Financial Officer (CFO). We also recruited for a CSR Manager in April 2019 to further develop and deliver our strategy in this area, reporting into the Director of CSR and Central Procurement.

## Governance

The CEO and CFO retain ultimate responsibility for ensuring that the Liberty Group continues to monitor and mitigate its human rights risk. Sponsored by the CEO, in March 2019 we established the CSR Steering Committee, formed of individuals from the Leadership Team in CSR, Human Resources (HR), Buying, Retail and Marketing. 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;
- Ensuring effective devolvement of actions to individual departments.

Human rights and modern slavery are also key elements of an annual Environmental Social and Governance (ESG) Survey that is completed and shared with Liberty's shareholders.

## Visibility

In November 2018, we wrote to all direct suppliers in our Liberty Fabrics and Liberty supply chains; providing each of them with a copy of our Modern Slavery statement and setting out our expectations from them in support of our efforts. We received a signed commitment from each of them, affirming their understanding and commitment to our requirements.

Most recently, we have also completed our first risk assessment of our internal processes, and have identified ways to build our understanding of conditions within our supply chain.

# Section 2: Business Overview

## Capability building

In May 2019, Anti-Slavery International conducted awareness training for all staff across our retail store and head office. The session focused on giving staff an understanding of the topic, methods of identifying modern slavery, and clarity on how to raise any concerns.

All-staff training was further supplemented by bespoke workshops in May and June for our Leadership Team, and for key employees in supplier-facing roles. In the workshops, our employees received training on civil society activity in this area, the modern slavery risks to our business, and how to escalate any concerns. These training sessions were attended by a total of 50 members of staff.

In addition, we have proactively sought the expertise and guidance of other brands and civil society within the industry, to build our own understanding of the complexity of modern slavery.



# Section 3: Objective Setting 2019-2020

New resource allocation in this area has allowed us to further define our scope of activity, with a recent risk assessment identifying three main workstreams for the coming year:

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Workstream	Deliverables 2019 – 2020
<b>Policy &amp; Governance</b>	<ol style="list-style-type: none"><li>1. Evolve the existing supplier documents into a standardised Supplier Code of Conduct across the group, with supporting ethical trade policies that address our most significant Modern Slavery risks, specifically:<ul style="list-style-type: none"><li>▪ Migrant Labour</li><li>▪ Child and Young Workers</li><li>▪ Homeworkers</li></ul></li><li>2. Cascade the above documents to:<ul style="list-style-type: none"><li>▪ Direct suppliers (of goods and services)</li><li>▪ Licensed partners</li><li>▪ Third party brands</li></ul></li><li>3. Build partner understanding of our ethical trade expectations, and secure commitment to expectations.</li><li>4. Conduct a review of Terms and Conditions for suppliers, licensees and third-party brands to ensure these are fit for purpose in respect of ethical trade.</li><li>5. Drive clarity and consistency in supplier, licensee and third-party brand approval process.</li><li>6. Engage and collaborate with multi stakeholder initiatives to help both strengthen our programming and influence sector-wide responses to the issue of Modern Slavery.</li></ol>

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# Section 3: Objective Setting 2019-2020

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Workstream	Deliverables 2019 – 2020
<b>Visibility</b>	<ol style="list-style-type: none"><li>1. Collaborate with teams across the business to clarify tiers within the three divisions and respective product categories.</li><li>2. Engage an auditing company to deliver a fit for purpose audit programme for high risk suppliers, defined by:<ul style="list-style-type: none"><li>▪ Tier risk</li><li>▪ Product risk</li><li>▪ Country risk</li></ul></li><li>3. Build an understanding of our risk profile using audit data, external country data, and supplier-facing employee insights.</li><li>4. Complete our first full supply chain risk assessment.</li></ol>
<b>Visibility</b>	<ol style="list-style-type: none"><li>1. Devise an annual Modern Slavery awareness and training programme.</li><li>2. Provide guidance and training on pre-selection criteria for:<ul style="list-style-type: none"><li>▪ Sourcing teams – who select new suppliers</li><li>▪ Buyers - who buy third party brands for retail</li><li>▪ Licensing team</li><li>▪ Facilities teams – who procure office services that are deemed high risk</li></ul></li></ol>

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