

Modern Slavery Statement 2023-2024

LIBERTY.

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Section 1: Introduction

This is our seventh Modern Slavery statement published in accordance with the Modern Slavery Act 2015. This statement reviews the progress made since our sixth statement in August 2023.

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.

2023-2024 Reflections from our CEO

A change in UK government is a good thing for the anti-slavery movement. A fresh look and a re-commitment to anti-slavery will drive new energy and strengthened regulations.

There has been a somewhat stagnant framework in the past couple of years. Companies are able to comply with Modern Slavery requirements easily and automatically with cookie cutter statements. A company can complete their Modern Slavery statement online in ten minutes with several service providers. However, the spirit of the anti-slavery legislation is not box-ticking. It is neither easy nor automatic, if you are truly committed to eliminating the growing plague of exploitation. Not easy, because supply chains are long and complex, and securing visibility at critical tiers requires time, dedication and resources. Not automatic, because when you detect a problem, rather than running away from it, the goal is to solve it alongside suppliers and impacted workers: working with the former to build understanding of the impact of their practices, and the latter to ensure their voices are heard. That should be the first attempt, while subsequently not compromising with any supplier that is unresponsive or uncollaborative. We have made progress on these fronts within our finished goods supply chains, investing in a database to enable quicker assessment of issues, and continuing to engage meaningfully with suppliers on remediation, but supply chain complexities still manifest in our fabrics supply chain, requiring cross-functional collaboration to unpick the layers.

Reflecting on a company's own practices is also critical, as their methods of purchasing and buying will be impacting suppliers and workers further down the supply chain.

We currently have a cross-functional team taking part in Responsible Purchasing Practices training, delivered by the Ethical Trading Initiative, which is creating space for us to review our own practices, and assess our own behaviours.

No company likes to be mired in regulations, but I welcome a tighter grip here, and particularly the new government's stated intent to require companies that import from high-risk regions to certify that no forced labour occurs. The key to making a difference here will be enforcement and expertise. We need proper adherence and a level playing field, with no workarounds.

Consumers and customers are increasingly aware and demand a transparent picture of what they are contributing to with their purchases. This awareness is a force for good in accelerating change. At Liberty, we look forward to an environment where we are all more aware, more action-oriented, and making a greater difference to the 50 million people that need freedom and their lives restored.

Signed by:



Adil Mehboob-Khan
CEO

Liberty Zeta Limited, on behalf of the Liberty Group

Date: 9 September 2024

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 Fabrics, 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 brand, 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 521 employees globally.

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.

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, and Retail. 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.

As a full member of the ETI, the ETI base code has been integrated into Liberty's core business practices. The ETI's Progression Framework continues to guide the development of our ethical trade strategy. Through the CSR Steering Committee, the work of the CSR Department, and cross-departmental collaboration, Liberty remains committed to respecting labour rights in our supply chain activities, in line with the ETI base code.

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 is sourced through a blend of direct, indirect and licensed models:

Direct factories	Indirect factories	Licensed factories
Products ordered directly from the assembly factory	Products ordered through partners agents and/or suppliers who do not own factories	Licensed partners manage a particular product category and are wholly responsible for sourcing
29	37 Tier 1 factories (see “Tier Definitions” overleaf) <ul style="list-style-type: none">▪ Relationships managed through 31 agents/suppliers	10 Tier 1 factories <ul style="list-style-type: none">▪ Relationships managed by 8 Licensees*

*These numbers only include active Licensees and the factories they manage which fall within Liberty’s Ethical Trade Programme for Licensing Partners. There are a further 6 Licensees managing 18 factories that have not met the de minimis criteria to qualify for the Programme.

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.

Section 4: Mapping And Visibility

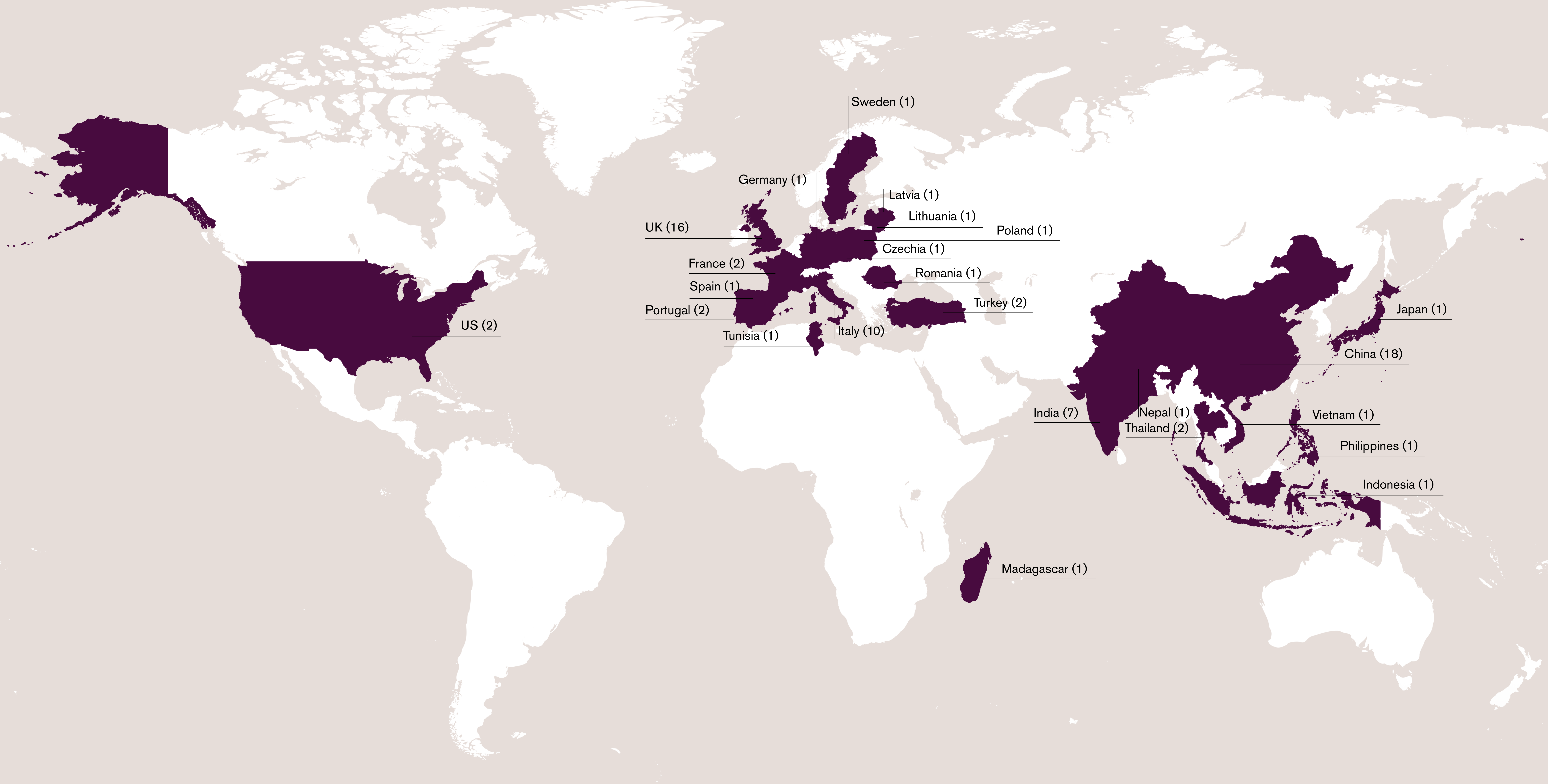
Liberty Product

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 <i>And</i> Trims, buttons, linings, hardware (bought direct or through Tier 1 suppliers)	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;
- It's geographical location;
- The sector it operates in, and;
- The nature of processing activities taking place there.

We remain committed to publishing and updated this evolving list on [Open Supply Hub](#).

Of a total of 76 suppliers, 53 have agreed to have their details shared. Those who do not wish to have their details shared cite commercial reasons: we continue to engage them on the benefits of publishing and hope to see the number of suppliers sharing their details increase.

Progress in mapping Tier 2 suppliers

To increase the visibility of our supply chain, we work through the tiers sequentially and we are currently looking at Tier 2. We have mapped 100% of Liberty Product's Tier 2 sites that we buy trims and raw materials (e.g. buttons, lining and hardware for accessories) direct. We carried out an initial risk assessment last year, comprising the analysis of the commercial and social aspects of our partnerships, and classified four out of 10 Tier 2 suppliers as low risk, and the remaining six as medium risk. In the summer of 2024, we engaged all 10 of these suppliers with a Self-Assessment Questionnaire (SAQ), comprising questions about the workforce, production processes, environmental management, as well as the nine areas covered by the ETI base code. The next step is to analyse the findings of the SAQ and identify salient risk areas and the next steps to remedy these.

We have also begun the process of mapping of Liberty Product's Tier 2 suppliers that we work with indirectly, through finished goods suppliers. At the time of publication of this Modern Slavery Statement, we have reached out to 100% of active Tier 1 suppliers requesting information about the sites they use for Tier 2 processes, and have so far received data from 30% of them, mapping 14 of Liberty Product's Tier 2 sites. We intend to continue this mapping exercise over the next quarter until we have full visibility over all Liberty Product's Tier 2 sites.

Section 4: Mapping And Visibility

Liberty Fabrics

In our 2022-23 report, we outlined our plans to focus on the wholesale business' top five selling fabric bases as a first phase of building our understanding of risk within the Liberty Fabrics division. These five bases accounted for 81% of the business' total metres sold in 2022, and 82% in 2023. Liberty Fabric produced over 3.5 million metres of these five bases which are sold largely through our wholesale business and, on a smaller scale, directly to consumers instore and online.

The Sourcing Team within Liberty Fabric will buy in bulk at the beginning of the fiscal year and purchase enough to ensure there is extra inventory. In some instances, suppliers who have produced our Top five fabrics are no longer active, having been exited prior to the start of our ethical trade programme, but their stock is still being sold. As our visibility of inactive suppliers is limited, we have chosen to focus on active and new printing and weaving mills producing our Top five fabrics.

Tier	Tier definition	Status
Tier 2	Active printing units (4)	Fully Mapped
Tier 3	Active weaving mills (3)	Fully Mapped

Tier 2 – sourcing countries and factory count: Italy (4). Tier 3 – sourcing countries and factory count: Pakistan (1), India (1), China (1)

Since our last report:

- We worked with our auditing partner to assess our Tier 1 audit protocol and ensure it was fit for purpose at Tier 3.
- We used this audit protocol to assess three printing units, and two weaving mills, and have scheduled audits of the remainder for the latter half of 2024.

In our Chinese weaving mill, poor records meant that we were unable to corroborate working hours and pay. We are now taking the necessary steps to engage with the supplier on establishing better manual attendance records to enable us to verify both areas. In our Indian weaving mill, we have worked closely with the supplier to improve housekeeping issues relating to emergency exits and evacuation plans, holding bi-weekly calls with the supplier to ensure that the recommended remedial actions are understood and that these are progressed quickly. In comparison to finished goods sites, we have seen less awareness of ETI base code principles at our Tier 3 level and have invested team resource in upskilling the suppliers we work with, sharing our knowledge and resources with them where possible.

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 homeworking, 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 seven demonstrates, we partner with suppliers from across the globe. We are 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' 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 four sourcing countries for Liberty Product:

Sourcing country	Share of our supply chain	GSI 2024 score (prevalence out of 1,000 people)	TIP Report 2024 rating
China	24%	4	Tier 3
UK	21%	1.8	Tier 1
Italy	13%	3.3	Tier 2
India	9%	8	Tier 2

Tier 1 represents countries whose governments fully meet the Trafficking Victims Protection Act of 2000 (TVPA) minimum standards for the elimination of trafficking.

Tier 2 represents countries whose governments do not fully meet the TVPA's minimum standards but are making significant efforts to bring themselves into compliance with those standards.

Tier 3 represents countries whose governments do not fully meet the TVPA's minimum standards and are not making significant efforts to do so.

Section 6: Risk Assessments

Labour Risk Assessment Programme

In 2024, following a review of the profile of many of Liberty Product's suppliers, we worked on the creation of a Labour Risk Assessment (LRA) that was better suited to smaller, low risk suppliers. In 2023, we began designing the protocol for our own LRA Programme for UK Suppliers, in close collaboration with our Health and Safety team. With the methodology agreed, a pilot was carried out between December 2023 and January 2024 to ensure supplier input – this was met with positive feedback both from the supplier and the Liberty Buying Team. Since then, we have carried out eight assessments in the UK, including four remote ones for our lowest risk and smallest suppliers who operate from their family homes.

We have also expanded this programme to cover international suppliers based in low risk countries whose workforce does not exceed 20 workers, recently completing one for Italian supplier. These international assessments are conducted entirely virtually, with workers asked to fill in a voluntary and anonymous worker survey online. The site walkabout is guided by Liberty CSR and Health and Safety teams, with onsite management using cameras on mobile devices to provide the Liberty team with a view of working conditions.

Section 6: Risk Assessments

Liberty Product LRA: Methodology

The LRA is divided into two key parts: a remote Management Survey and an in-person site visit. The former consists of an online questionnaire which covers:

- General information about the production facility;
- A checklist of policies in place (we ask for copies of all existing ones);
- Worker demographics;
- Seven areas of workplace wellbeing;
- Environment;
- Chemical management; and
- Quality control.

The results from the Management Survey and additional documents are then analysed by the CSR Team and any inconsistencies and gaps are filled in during the site visit.

In the UK, site visits are semi-announced and take place within a 1-week window agreed with the factory. Attended by Liberty CSR and Health and Safety Teams, the visit incorporates a site walkabout assessing health and safety compliance, and worker focus groups. The latter are held in a private room, where workers in groups of 3-5 fill in the worker survey (translated into the workers' native languages) in the presence of the Liberty CSR Team member. The questions focus on the same seven areas of workplace well-being which were also covered in the Management Survey:

1. Voice;
2. Growth;
3. Reward;
4. Security;
5. Job design;
6. Respect, and;
7. Health and well-being.

We triangulate all the findings and create a Corrective Action Plan Report which allows us to track the progress our suppliers are making in closing any non-compliances found. We conduct follow-ups and plan to revisit all suppliers at regular intervals, the length of which depends on the level of severity of the findings.

As with any other programme, we aim to continuously improve our LRA and ask our suppliers for feedback at the end of the process. We analyse and implement relevant suggestions to ensure the experience is as streamlined as possible.

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. They also either need to provide a valid ethical audit or undergo Liberty's Labour Risk Assessment. 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.

Digitising supplier data

As Liberty Product's ethical trade programme becomes more mature, we need to process an increasing amount of supplier and product data. At the beginning of 2024, we partnered with an external compliance platform for fashion and textile supply chains which will help us manage all supplier information gathered during onboarding as well as trace the origin of a selection of Liberty Products. The platform will also allow us to map the lower tiers of our supply chains more efficiently and to monitor the risk levels across different geographies and industries. We intend for the platform to be fully operational in Q4 2024.

Section 6: Risk Assessments

Social audit programme

Ethical audits are reviewed as part of the risk analysis on each factory producing Liberty Products (unless the site meets the criteria for our in-house LRA). We require suppliers to submit a valid in-date audit on a cyclical basis, with the frequency of submission dependent on the severity of the findings of each audit. Where no valid audit exists, the CSR Team works together with the factory, supplier or 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 a budget to cover the cost of the initial audit of all new sites.

We continue to partner with a 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.

Audits assessed

Since last year, Liberty has commissioned 19 full audits and has conducted nine LRAs. In addition, our suppliers submitted 32 third-party audit reports as either part of their onboarding or cyclical auditing process.

Remediation

When audits identify Zero Tolerance issues at a factory, we cannot authorise production there until these non-compliances are resolved or substantially progressed. To ensure this happens, we first collaborate with the supplier on a viable remediation plan. We then organise regular check-ins with our supplier to monitor the progress their production site has made and to provide them with further assistance where needed. At the end of the remediation process, we arrange for another audit to verify that the Zero Tolerance issues found during the initial assessment have been closed or improved upon and re-assess whether the site is ready to begin producing Liberty Products.

Section 6: Risk Assessments

See **Case Study 1** for an example of remediation we carried out with one of our Retail suppliers.

Case Study 1: successful remediation programme with ceramics supplier

A renowned UK supplier ('the Supplier') of hand-crafted ceramic collectibles have been Liberty's supplier for over 15 years. In 2023, we began working with them on a branded line of ceramic decorations which meant we needed to onboard them onto our Ethical Trade Programme. The process started in June 2023 and the initial semi-announced social audit of the Supplier's Thai production site was carried out several weeks later in August. The audit found four zero tolerance issues around pay and leave entitlements.

We met with the Supplier to discuss the audit findings and options for remediation. The Supplier's management impressed us with their proactivity and openness to work together to close the zero tolerance issues at the factory. They entered into a contract with their factory committing the latter to implement sustainable change to their payment systems and repay workers all of their dues with the Supplier's support.

Liberty and the Supplier agreed on the following remediation plan:

- The Supplier would monitor the factory's compliance with the contract;
- The Supplier would share the factory's pay records with Liberty every month for a period of six months;
- The Supplier and Liberty would have check-in calls every 6-8 weeks;
- External audit would take place at the beginning of 2024; and
- The Supplier would explore together with the factory how to ensure that the workers were paid all their legal entitlements going forward.

Whilst reviewing the payroll documents provided by the Supplier, Liberty discovered that in a few cases the site made deductions from workers' pay which, even though in line with the Thai legislation, were not aligned with the ethical standards Liberty adheres to. Once again, the Supplier's management immediately began working with the factory to cease making any deductions altogether.

The follow up audit at the beginning of 2024 confirmed that all the zero tolerance issues found half a year earlier had been closed and all other issues disclosed by the 2024 assessment were also successfully dealt with in a matter of weeks.

This example demonstrates how supplier's willingness to collaborate and proactive attitude can result in material improvements for the workers.

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. To understand additional salient risks within our sector, we use a variety of other tools and resources to conduct further ongoing risk assessments.

Homeworking Supplier Assessment Questionnaire (SAQ)

All suppliers of Liberty Products are asked to provide us with up-to-date information about their production facilities and operations on a regular basis. If they disclose homeworking, we follow up with a specific homeworking SAQ which covers the key risk areas typically associated with this model of employment i.e. piece rate calculation, child labour, health and safety, contracts and grievance mechanisms. Sometimes, this SAQ is filled in together with the supplier as part of a Labour Risk Assessment site visit (please see **Case Study 2** for an example of this).

Section 6: Risk Assessments

Case Study 2: best practice of managing homeworking by our Christmas crackers supplier

Nancy & Betty Studio Ltd. are Liberty's supplier of branded luxury hand-crafted Christmas crackers. Due to Nancy & Betty's very small size, we decided that for onboarding it would be more appropriate to conduct our Labour Risk Assessment rather than arrange a full social audit.

The Supplier disclosed to us in the Management Survey that they employ homeworkers to make and package the crackers. We adapted our site visit accordingly and carried out an additional homeworking risk assessment as part of it. It covered the following areas:

- Agent information;
- Recruitment process;
- Work distribution and collection;
- Pay, benefits and targets;
- Work stability;
- Health and safety; and

The findings of this assessment were positive: Nancy & Betty have signed contracts in place with each homeworker, stating the terms and conditions of their employment, including access to the same benefits as factory workers.

The piece rate was determined by Nancy & Betty through a time and motion study. During our visit, we observed the factory workers making the crackers and were able to confirm that the time the Supplier estimated is needed to make a single cracker was accurate.

Comprehensive training of homeworkers was also demonstrated, with workers confirming that their first few weeks of employment were factory-based, enabling them to receive guidance on how to carry out their work correctly and safely. Following satisfactory completion of this training, employees were then permitted to work from home.

Liberty is proud to be working with a supplier like Nancy & Betty who is exemplifying best practice in homeworking management. Given the number and severity of risks homeworkers usually face, it's paramount that positive cases like this one are celebrated.

Section 6: Risk Assessments

Visiting our supply base

Apart from the site visits that our CSR Team conducts as part of the Labour Risk Assessments, our product sourcing teams also visit our 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.

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 and salient risk updates for Liberty's Product sourcing teams. We deploy business-wide virtual Modern Slavery training as part of our new employee induction programme, and we conduct Enhanced Modern Slavery training for our supplier-facing 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.

Section 6: Risk Assessments

Other risk areas

Given the complexity and the wide geographic span of Liberty Product's supply network, we are faced with a number of social risks which do not all fall under the umbrella of modern slavery. To enhance our due diligence, we now conduct regular assessments of our salient human rights risks and update the supplier-facing teams on these during interactive quarterly sessions.

We determine the saliency of risks (both actual and potential) using the United National Guiding Principles (UNGP) framework. It covers three criteria:

1. Scale (i.e. how grave the impact is);
2. Scope (i.e. how wide the impact is); and
3. Remediability (i.e. how difficult it is to remedy).

We also evaluate the likelihood of the identified risks happening in the foreseeable future.

Liberty Product's most recent salient risk assessment carried out in April 2024 found four salient human rights risks in our global supply network:

- Fire safety in India, Türkiye and the UK;
- Forced labour in China;
- Working hours in China; and
- Gender based violence and harassment in India and Türkiye.

Section 6: Risk Assessments

Please see the table below for the breakdown of each salient risk against the UNGP framework criteria and the mitigating actions taken by Liberty CSR:

Salient risk	Scale/ Gravity of impact	Scope	Remediability	Likelihood	Mitigating actions
Fire safety (IN, TR, UK)	High - inadequate fire safety can lead to serious injuries or even loss of life	Wide/ global	Relatively easy but consistency in approach required	High	<ul style="list-style-type: none"> Working with suppliers to improve housekeeping Training Liberty Product's supplier-facing teams on spotting signs of poor fire safety practices
Forced labour (CN)	Extremely high - workers are denied most of their basic rights putting their health and life in danger	Highest prevalence in Xinjiang province	Nearly impossible at this stage	Medium to high (assessment of likelihood hindered by lack of visibility)	<ul style="list-style-type: none"> Conducting enhanced human rights due diligence in relation to current and prospective suppliers in China Collecting and sharing of data relating to product origin Communicating and ensuring compliance with Liberty's Cotton & Textile Policy throughout our supply chain
Working hours (CN)	High - long working hours and excessive overtime can lead to an increased risk of health and safety issues (lack of sufficient rest, accidents at work) and safety concerns (workers leaving factories late)	Predominantly in China	Difficult	Extremely high	<ul style="list-style-type: none"> Working with suppliers to reduce reliance on overtime through long-term remediation programmes Increasing our understanding of production capacity of the factories we work with and not making any changes that would unduly stretch it
Gender based violence and harassment (IN, TR)	Very high - physical and psychological well-being of women is affected; GBVH is also indicative of wider societal issues prevalent in some apparel and textiles producing countries – patriarchy, casteism, poverty	Prevalent in many apparel and textiles producing countries (assessment of scope hindered by lack of reliable data and underreporting)	Very difficult	Very high	<ul style="list-style-type: none"> Exploring engagement with collaborative industry-wide GBVH-related projects Continuing our work on strengthening worker voice in our supply chains in India Opting for female-owned suppliers/ suppliers who openly support female workers

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 allow 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: Performance Review And KPIs

Risk Focus Area	Key Performance Indicators 2023-2024	Progress	2023- 24: Activity Review	Key Performance Indicators 2024-2025
Improve visibility of Fabrics and Jewellery supply chains	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.	In progress	Our Fabrics visibility programme is built around our top 5 best sellers – further to gaining visibility of active printing and weaving mills, we are working closely with the Sourcing Team to embed a qualification programme for new suppliers of these fabric bases. Within Jewellery, we have made good headway in mapping suppliers, gaining visibility of the three main sites and their overall production split.	Complete audits for the remaining printing and weaving sites in this programme and extend traceability to spinning mill.
	Undertake a modern slavery risk assessment, involving key stakeholders internally and externally if required.	In progress	In Fabrics, we continue to roll out our auditing programme, and will additionally visit a key site in Tamil Nadu, India in Q4 2024. The business' Modern Slavery Toolkit will be used when visiting the site, further to our understanding of country-related risk, and will serve as an initial assessment as to whether risk indicators are present. Within Jewellery, a visit was conducted in November 2023 to a principal production site in Italy, responsible for 30% of the Liberty Jewellery business. Modern slavery risk at the site was deemed low following the visit, as the recruitment focus was clearly on highly skilled jewellery technicians. The CSR Team will continue to extend the programme to remaining sites, but reconsider how to risk assess lower tiers within the jewellery supply chains, where modern slavery is more prevalent.	Finalise qualification programme for new suppliers of top 5 bestsellers. Complete visibility aspect of the Liberty Jewellery programme, visiting all key production sites by the next reporting period.
	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).	In progress	No clear cases of Modern Slavery have been identified in these supply chains. We continue to explore issues raised in audit, such as limited working hour and pay records in one Chinese Fabric site, which may be indicative of exploitation. In instances where audits identify issues of concern, suppliers are placed on time-bound pathways and supported by Liberty CSR to understand the impact of the non-compliance and work towards agreed remedial actions.	Develop a programme to address risks in the lower tiers of the jewellery supply chain, drawing on industry best practice.
Complete Tier 2 mapping of own-brand apparel, accessories, home and gifting	Continue the roll out of our Tier 2 mapping activity, to incorporate factories managed through indirect sourcing models.	In progress	We have sent out a data request to all Liberty Product's suppliers managed through indirect sourcing models (see Progress in Tier 2 Mapping above for further details).	Target a fully mapped Liberty Product Tier 2 by the next reporting period.

Section 8: Performance Review And KPIs

Risk Focus Area	Key Performance Indicators 2023-2024	Progress	2023- 24: Activity Review	Key Performance Indicators 2024-2025
Address barriers to social dialogue mechanisms	Assess the data we have relating to barriers to social dialogue, using external resources to build our knowledge around how best to overcome these and come up with a strategy prioritising the factories that we have strategic relationships with.	In progress	Our data relating to access to social dialogue is sourced from audits and the worker interview process that is incorporated into the audit. We have ensured this question is part of our onboarding processes, and is also asked during our own Labour Risk Assessment of small sites. Following analysis of the data, we have identified potential projects in India and Turkey for 2025, that balance our leverage and identified areas for improvement.	Continue to monitor access to social dialogue and barriers to reporting, providing a full update in the next reporting period, outlining access across our supply chains, identified barriers, and any remediation measures.
	Continue to collect data on access to social dialogue mechanisms in the supply chains of our new direct, own-brand suppliers.	In progress	We have mapped this in our audits, through worker interviews, and additionally through our onboarding practices. We will additionally use ETI sessions to build and maintain our subject knowledge.	
Build understanding of procurement of non-stock suppliers (packaging, logistics, cleaning and security service providers)	Build a list of non-stock suppliers and their contract lengths and clarify our current internal procurement controls.	In progress	We are working cross-functionally, including with Liberty's Finance Team, on compiling a comprehensive list of all non-stock suppliers that we have sourced from within the last six months.	Finalise list of active non-stock suppliers and our internal controls and set objectives for the next reporting period.
	Using external resources, build an understanding of where the most significant risks lie, and build a strategy to address risk.	Not started yet	We are aiming to have the list completed by 2024-Q3.	Once the list is finalised, we will investigate partnering with the relevant industry organisations to conduct risk assessments for the key sectors covered in the list. We will then work on actioning the recommendations given as part of these assessments, prioritising the areas of highest risk.

Section 8: Performance Review And KPIs

Risk Focus Area	Key Performance Indicators 2023-2024	Progress	2023- 24: Activity Review	Key Performance Indicators 2024-2025
Protecting homeworkers	Continue to work closely with direct and indirect factories to ensure that our policy and position regarding homeworking is shared.	In progress	We remain open to homeworking and continue to ask suppliers about it during all forms of assessment. Where it is disclosed, we follow up with a specific Supplier Assessment Questionnaire and conduct enhanced due diligence where gaps are identified. We have maintained relationships with NGOs that we have previously worked with to sense check our approach.	Continue to monitor the presence of homeworking in supply chains and provide a full update in the next reporting period, outlining where it has occurred and what steps were taken to mitigate any risk to workers.
Chinese sourcing	Continue to cascade our Cotton & Textiles 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.	In progress	Cotton & Textiles Policy shared with suppliers across all business functions as part of our onboarding process.	Continue to review the Cotton & Textiles Policy to align with risks to human rights. Ensure that the policy continue to be cascaded.
	Continue to engage key teams internally with our position outlined in our Cotton & Textiles Sourcing Policy.	In progress	We continue to engage our Fabrics Sourcing Team and CSR Steering Committee on the position outlined in our Cotton & Textiles Sourcing Policy, raising any risks or concerns with these two stakeholder groups. Using external resources, we continue to monitor any developments in cotton harvesting in countries of concern.	Review approach to China sourcing and reassess risk mitigation measures, providing a full update in the next reporting period.
	Conduct enhanced due diligence with factory/supplier/Licensee where China sourcing is disclosed within Liberty Product.	In progress	Where China sourcing is disclosed, additional risk assessments are carried out by CSR Team and the frequency of check ins with suppliers is increased to ensure continued monitoring of the situation at their production facilities.	