

ACTIVITY REVIEW

The activity review below outlines our progress made against our objectives, established in our second statement in August 2019:

WORKSTREAM	OBJECTIVES 2019/20	PROGRESS	ACTIVITY REVIEW 2019/20
<p>Policies & Governance</p> <p>Including details on due diligence processes</p>	<p>Evolve the existing supplier documents into a standardised Supplier & Partner Code of Conduct across the group, with supporting ethical trade policies that address our most significant Modern Slavery risks, specifically:</p> <ul style="list-style-type: none"> ▪ Migrant Labour ▪ Child and Young Workers ▪ Homeworkers 	<input checked="" type="checkbox"/> Fully completed <input type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> ▪ Liberty Supplier & Partner Code of Conduct created ▪ Supplementary policies relating to Migrant Labour, Child and Young Workers and Homeworkers created
	<p>Cascade the above documents to:</p> <ul style="list-style-type: none"> ▪ Direct suppliers (of goods and services) ▪ Licensed partners ▪ Third party brands 	<input type="checkbox"/> Fully completed <input checked="" type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> ▪ Training delivered to own brand apparel and accessories Production and Sourcing Teams to build internal awareness and understanding of new policy documentation. ▪ Policy documents shared with all Tier 1 own brand direct apparel and accessories suppliers <p>In 2019-2020, we began the process of mapping all own brand production, successfully cascading documents with directly managed Tier 1 own brand apparel and accessories suppliers, in addition to our direct Liberty Fabrics suppliers.</p> <p>As our understanding of our risk exposure evolved, the mapping project grew to incorporate own brand production managed through licensing, distributor and agency business models. The mapping project therefore expanded significantly to incorporate both direct and indirect suppliers, requiring more time than originally planned, with ongoing mapping activity still taking place.</p> <p>As such, engagement with suppliers on our policy documents has only been partially completed, as we focus our efforts on drawing an accurate picture of all own brand production, directly or indirectly managed.</p> <p>With a greater understanding of our risk and with the resource we have available, in the immediate term, we will continue to focus cascading within this community, before assessing how we manage risk in our third party brands and non-stock operations.</p>
	<p>Build partner understanding of our ethical trade expectations, and secure commitment to expectations</p>	<input type="checkbox"/> Fully completed <input checked="" type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> ▪ Own brand direct apparel and accessories suppliers engaged with expectations through consistent messaging from Production, Sourcing and CSR functions. ▪ Own brand direct apparel and accessories suppliers requested to sign and return code of conduct <p>Through consistent cross-functional supplier communication, we were able to engage with all own brand direct apparel and accessories suppliers to receive signed commitments from all.</p> <p>Due to the evolving nature of the mapping project, this exercise has only been partially completed. However, we aim to continue engaging in this way with own brand direct and indirect suppliers.</p>

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	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	<input type="checkbox"/> Fully completed <input checked="" type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> Review of terms for licensees and third party brands was completed, to include enhanced expectations around transparency. New terms and conditions have been prepared and are awaiting cascade.
	Drive clarity and consistency in supplier, licensee and third-party brand approval process	<input type="checkbox"/> Fully completed <input checked="" type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> Onboarding process for Liberty apparel and accessories suppliers reviewed, analysed, repurposed and standardised. <p>The onboarding process for own brand direct apparel and accessories suppliers was thoroughly reviewed, and a gap analysis was conducted to draw out any inconsistencies in approach, or opportunities to share critical information. In collaboration with Production & Sourcing functions, a new onboarding process was agreed, and was embedded by September 2019.</p> <p>Due to the evolving nature of the mapping project, this exercise has only been partially completed and delivered to own brand direct apparel and accessories suppliers. We will continue to refine this process for indirect apparel and accessories suppliers, and our Fabric suppliers.</p>
	Engage and collaborate with multi stakeholder initiatives to help both strengthen our programming and influence sector-wide responses to the issue of Modern Slavery	<input checked="" type="checkbox"/> Fully completed <input type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> Application to become a Company Member of the Ethical Trading Initiative confirmed in October 2019.
Visibility Including details on risk assessment and management	Collaborate with teams across the business to clarify tiers within the three divisions and respective product categories	<input type="checkbox"/> Fully completed <input checked="" type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> Tier definitions clarified and embedded for own brand direct apparel and accessories suppliers <p>Tier definitions for apparel and accessories production were defined and rolled out for use by the Production, Sourcing and CSR teams.</p> <p>Work is underway to research and define tiers for Liberty Fabrics, and map accordingly.</p>

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	Engage an auditing company to deliver a fit for purpose audit programme for high risk suppliers, defined by: Tier risk Product risk Country risk	<input checked="" type="checkbox"/> Fully completed <input type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> Liberty's first auditing programme defined for apparel and accessories suppliers, taking into account tier, product and country risk. To minimise audit fatigue, an audit trigger filter was created, allowing for the acceptance of existing valid audits from suppliers. Additionally, supplier sharing of any Liberty-commissioned audits, paid for by Liberty, has been encouraged. Formal tender process to select a global auditing partner carried out, reaching a conclusion in October 2019, with a global auditing partnership formalised. <p>Blending our understanding of tier, product and country risk, with our risk exposure based on order volume, our audit programme focuses on gaining further insights on working conditions to complement an initial in-depth risk assessment.</p> <p>Given the number of smaller, artisanal suppliers used by the own brand apparel and accessories teams, a document explaining our Social Auditing Programme was additionally created to support supplier understanding of this activity, which is the company's first auditing programme.</p> <p>Our ongoing focus in this area will be to expand our auditing programme to our Fabrics division, and to establish a fit-for-purpose model for indirect apparel and accessories sourcing.</p>
	Build an understanding of our risk profile using audit data, external country data, and supplier-facing employee insights	<input type="checkbox"/> Fully completed <input checked="" type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> Zero Tolerance and Critical Issues identified, informed by tier, product and country risks. Risk ratings assigned to all direct own brand apparel and accessories suppliers following receipt of risk assessments and audits. <p>Liberty's understanding of its risk profile has evolved significantly in the last year, informed by auditing data and a greater understanding of risks and risk indicators in our sector. Generated through membership of the ETI, sector collaboration, and research from industry papers, our comprehension of both actual and possible risks has grown.</p> <p>As our focus has been on developing our department's understanding of risk, we look forward to being able to share this in greater detail with our supplier-facing employees, building their ability to identify risk indicators and access a method of escalating any concerns.</p>
	Complete our first full supply chain risk assessment	<input type="checkbox"/> Fully completed <input checked="" type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> Risk assessment of own brand apparel and accessories supply chain completed, including analysis of internal compliance processes and risks inherent in our supply chains Risk assessment of the same within Liberty Fabrics is underway
Training	Devise an annual Modern Slavery awareness and training programme	<input type="checkbox"/> Fully completed <input type="checkbox"/> Partially completed <input checked="" type="checkbox"/> Not completed	<ul style="list-style-type: none"> Company-wide training completed in June 2019, and planned to conduct a similar exercise this summer. However, due to the impact of Covid 19, the next annual training will be postponed to take place in Q4 2020.
	Provide guidance and training on pre-selection criteria for: <ul style="list-style-type: none"> Sourcing teams – who select new suppliers Buyers - who buy third party brands for retail Licensing team Facilities teams – who procure office services that are deemed high risk 	<input type="checkbox"/> Fully completed <input checked="" type="checkbox"/> Partially completed <input type="checkbox"/> Not completed	<ul style="list-style-type: none"> Pre-selection criteria for own brand apparel and accessories suppliers shared as part of the newly formalised onboarding process Monthly cross-functional calls established to update on prospective and new suppliers, and build discussion around ethical credentials of suppliers as part of the selection process