



THE VERY GROUP

Modern Slavery Statement 2021



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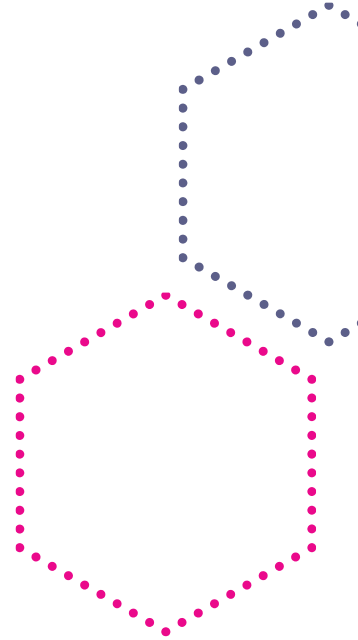


Partnerships



THE VERY GROUP

CEO statement



Reflecting on the past year, the role of business and corporate responsibility has been dramatically redefined. Whilst being accountable to our consumer and their expectations is still key, business's role and impact on society has never been more visible, or important.

The turbulence of recent times has disrupted our status quo and driven innovation across our operation. Part of this journey has involved a renewed commitment to operating as a responsible business and seeking solutions which ensure the longevity of The Very Group.

Modern slavery remains a prevalent risk in any global supply chain. At the Very Group we understand the potential for exploitation in both our own operations and across our supply chain and are committed to both identifying and combatting any instances we influence.

The last year posed unprecedented challenges to business and as we continue to feel the aftermath of Covid-19 we remain committed to ensuring the safety and protection of workers in our business and supply chain. Recognising that this year was extremely difficult and disruptive, I am proud to reiterate our commitment to tackling modern slavery and to the protection of human rights.

Henry Birch,
Group CEO



Our progress

WHAT WE SAID	WHAT WE DID
Continue to monitor recruitment of agency staff into our own owned facilities and provide access to helpline	We have met regularly with our recruitment agents and conducted due diligence with a new labour provider
Work with logistics partners to mitigate risk of modern slavery	Conversations with logistics partners have now commenced, including working with them to set clear sustainability agendas for their business
In India, we intended to open 5 community centres offering legal support, grievance redressal and covid-19 response	We have now managed to open our community centres, offering training and support for workers and their families. Alongside this we have launched worker voice app Timby.
Support in rescue of child labour in India by partnering with the child welfare commission	Our partnership with the child welfare commission (CWC) has commenced and incidents of suspected child labour which come through Timby are passed on to the CWC for investigation
Reduce forced overtime in Malaysia through production planning and tools for local teams	Due to the pandemic and factory closures in Malaysia, we have been unable to implement new processes in factories
Support migrant workers entering Malaysia through 50eight app	At time of publication, migrant worker corridors are yet to reopen into Malaysia, however we continue to develop the Just Good Work app and have now integrated a more robust support system with partners Our Journey
Ensure due diligence and training in our Turkish supply chain to prevent exploitation of refugees	We have continued our partnerships with United Work and Mudem, renowned refugee NGOs to train and advise our suppliers on the responsible recruitment of refugees. Last year we supported one Syrian refugee to gain a work permit through United Work

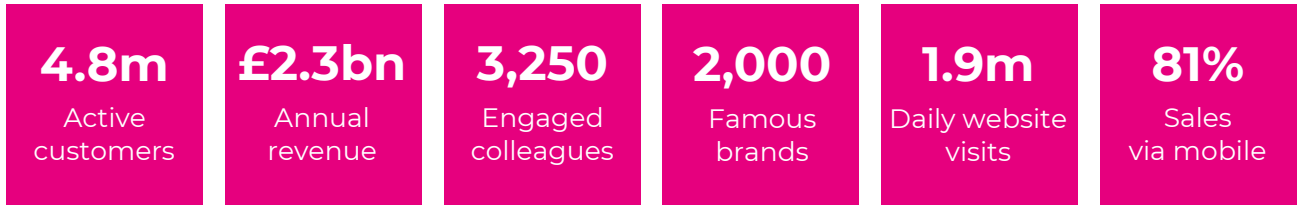


WHAT WE SAID	WHAT WE DID
Increase support to communities we impact in Bangladesh through focussed community programme	Through the pandemic we worked with local NGO Sajida to provide food and hygiene parcels to over 2000 workers and their families in key communities in Dhaka
Trial a social dialogue training programme in one Bangladeshi factory to enhance worker voice	We worked with the ETI in Bangladesh to deliver social dialogue training in one factory which impacted over 1366 workers
Tackled increased use of temporary labour in china through education of suppliers and colleagues	We delivered six supplier training workshops in China covering The Very Groups Code of Conduct and best practice. Alongside this we sent emails to all suppliers reiterating our expectations in relation to temporary workers and carry out spot checks during site visits
Tackle the risk of Uyghur forced labour in our supply chain through an exit of Xinjiang supplies and enhanced due diligence	Additional due diligence was put in place for suppliers in China, including supplier questionnaires and unannounced visits to factories
Develop and implement a due diligence programme for our third-party brands sold on our platforms	'The Very Basics' have been developed which aims to ensure a minimum standard amongst third party brands
Tackle exploitation in UK garment factories through industry collaboration and enhanced due diligence	Through participation in the JRI Governance committee and funding of the L-GWASP project we continue to seek a sustainable solution for labour exploitation in Leicester



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Our business at a glance



As a digital business that combines online retail and financial services, our purpose is to:

MAKE GOOD THINGS EASILY ACCESSIBLE TO MORE PEOPLE

With our multicategory range of leading brands and our Very Pay platform, which offer customers flexible ways to pay, we are well placed to deliver on that purpose.



The Very Group consists of three customer facing brands which are **Very.co.uk**, **Littlewoods.com** and **LittlewoodsIreland.ie**.



Littlewoods

Littlewoods
Ireland

Headquartered in **Liverpool**, we also have offices in **London** and **Dublin** and fulfilment facilities in the **East Midlands** and **Wrexham**.



Littlewoods



Governance

As a business we have recognised the increasing importance of sustainability not only to our operations but also to our customers, colleagues, and the investor community, and so this year we took the decision to develop a dedicated ESG committee.

The boards initial activities have been focussed on reviewing our strategy and current focus areas to ensure we have clarity of vision and are moving towards a leadership position in this space, reflecting our customer expectations and our desire to embed sustainability into core business activities.

The Very Groups sustainability strategy has enabled the business to develop a fully integrated sustainability agenda, based on the business purpose of making good things easily accessible to more people. The multi-year programme sets out how we address the risks and opportunities presented to the business through our social and environmental impacts and ensures that sustainability is at the heart of key business decisions.

Its five pillars, people, planet, product, circularity, and communities ensure that as a business we are supporting our customers, colleagues, and broader communities to engage in our sustainability agenda and delivering positive outcomes which will create a more sustainable future for all. As a committee we recognise the increasing importance of our environmental and social programme to all stakeholders.

For the first few months we have been meeting monthly, feeding outcomes of the meetings to the business executive. Moving forward we will ensure that members of the executive leadership team and senior management attend committee meetings to keep abreast of progress against our sustainability commitments.

The role of the board is to oversee the stewardship, accountability, and leadership of Very's E&S strategy. Providing informed guidance and counsel on the strategic direction of activities and their alignment to The Very Group's Vision, Values and Purpose. In doing so the Board seeks to balance the interests of the various stakeholders to whom it is responsible to enable Very to have a successful and sustainable future.

Alongside this, the ESG committee will support with our business risk management approach, as we recognise that having an effective risk management framework is crucial for our work in sustainability. Enabling us to understand and respond to the challenges we face in our operations, our supply chain, and the wider communities in which we operate. To manage our risks, we regularly come together to identify, assess, and create mitigation strategies for both existing and emerging risks within sustainability. Having the ESG committee in place will offer an additional layer of governance by overseeing the effectiveness of our risk management process and ensuring that the executive and shareholders are comfortable with our risk identification and mitigation strategy.



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Outside of the work of the board we have also recognised the need to work with an external company to undertake a full materiality assessment of the business which can then be used to shape our scenario analysis that will form part of our strategic thinking in this area and enhanced reporting requirements. The committee will then ensure that any risks or changes in the external environment are considered, and that appropriate responses and actions are implemented.

To date, no cases of modern slavery have been escalated to the ESG committee however in FY2020/2021 progress made by the group includes:

- Identified key environmental and social risks faced by The Very Group
- Ensured effective mitigation strategies are in place
- Developed robust reporting and communication lines with the main board

In 2021/2022 the ESG committee plans to:

- Review and assess the materiality assessment ensuring key ESG risks are built into the businesses risk appetite and risk management processes
- Ensure robust reporting of ESG issues both internally and through external reports
- Continue to hold the business to account to its ESG strategy and targets



Sustainability improves the quality of our lives, protects our ecosystem and preserves natural resources for future generations. For Very, putting sustainability at the heart of our business means making choices that reduce our impacts, secures our long-term success and brings a liveable future to everyone.

Jacqui Humphreys,
Chair of ESG Board



Policies

At The Very Group we have clear policies and processes in place to support our commitment to conducting business responsibly. They are designed to ensure that people are treated with dignity and respect in all areas of our business and supply chain and are based on the principles laid out in the International Labour Organisation's Declaration on Fundamental Principles and Rights at Work.

The Very Group Modern Slavery and Human Rights Policy: outlines our company wide stance on modern slavery and human rights. The policy is owned by the company people team and is publicly available on our website.

The Very Group Bribery and Corruption Policy: establishes The Very Group's position on preventing and prohibiting bribery, in accordance with the Bribery Act. The policy applies to all individuals working for The Very Group, including senior managers, directors, employees' consultants, contractors, or any other person associated with the business.

Supplier Ethical Code of Conduct: based on the International Labour Organisation's core standards as well as the Ethical Trading Initiative Base Code, the document reflects best practice industry standards being applied globally by responsible retailers. All merchandise suppliers must sign this document prior to doing business with us.

Child Labour Remediation and Young Worker Policy: sets out the steps suppliers need to take to protect young workers and to make sure no children are involved in the manufacture of any of our products. If we discover child labour in our supply chain, the policy sets out our remediation process.

Migrant and Contract Worker Policy: sets out the steps suppliers and factories need to take to responsibly recruit migrant labour and ensure they receive the same rights and benefits as local workers. This policy also underlines the importance of the employer pays principle.

Syrian Refugee Remediation Policy: designed to provide support and guidance to suppliers and factories in the event of hiring Syrian workers within our Turkish supply chain. All our public policies can be viewed [here](#).



Our commitment

The Very Group continue to be committed to preventing modern slavery and human trafficking throughout our business operations and supply chains and to understanding the risks presented by modern slavery to our business.

We do this through:

- Continuing to strengthen our due diligence and governance process to guarantee modern slavery risk is built into business risk appetite and risk management processes
- Enhancing transparency of our supply chains and our wider partners to better understand potential risks
- Ensuring our policies and procedures are regularly updated and that training is provided to both colleagues and partners
- Ensuring new suppliers understand our requirements and that existing suppliers meet our expectations

Risk & due diligence

Our approach to risk assessment is currently founded on an internal methodology comprised of detailed mapping, intelligence from expert stakeholders, desk-based research and contribution from colleagues and suppliers.

Through our due diligence approach, we recognise that the following areas expose us to the highest potential risk of modern slavery:

- The Very Groups own brand supply chain
- Agency workers in our UK operations
- Tier two manufacturing processes e.g., dyeing, frame building and electroplating
- Goods and services procured for The Very Group e.g., logistics providers, cleaning, and catering services
- Specific country risks where human rights abuses and modern slavery is prevalent e.g., China, India

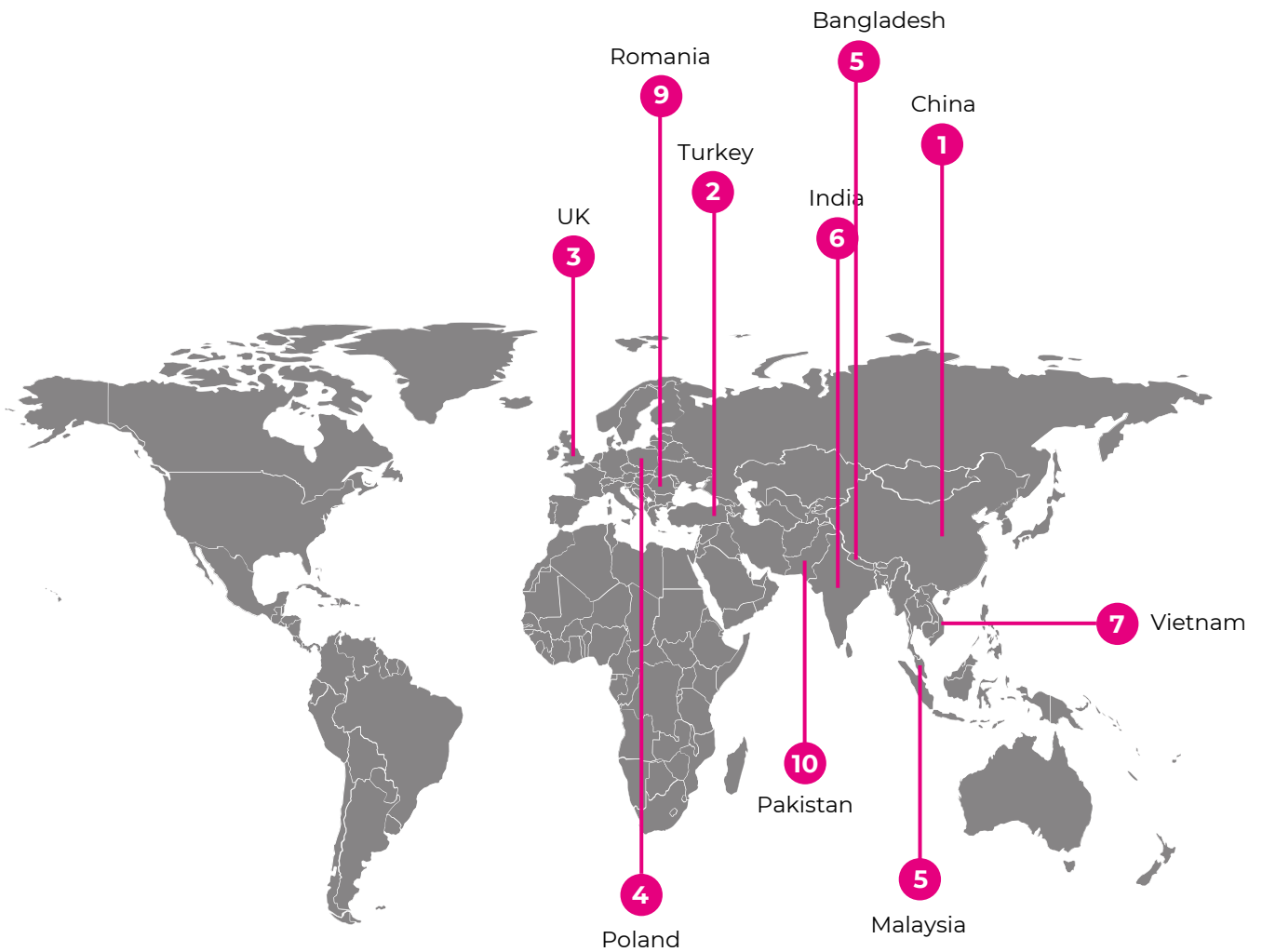
To strengthen our due diligence processes going forward we intend to formalise our approach to corporate risk in partnership with Datamaran to establish a business wide materiality assessment, utilising this assessment to calibrate our approach to modern slavery and identify human rights risks going forward.



A global supply chain

The Very Group has a broad and varied supply chain, manufacturing product across our own brand clothing and home and living ranges. We source from approximately 385 tier 1 factories and 1310 tier 2 factories in 26 countries worldwide with a colleague presence in key sourcing countries: Bangladesh, China, India, Malaysia, Poland and Turkey.

Of the 385 tier 1 factories, 178 supply Clothing and & Footwear and 207 supply Home & Living. A full list of our manufacturing sites can be found [here](#).



The top ten countries that we source from by volume are detailed above.



Supply chain due diligence

Understanding, identifying, and mitigating salient human rights risk in supply chain through:

3rd party
audits

In country
factory
monitoring

Training and
capacity
building

Partnerships
and
collaboration

From our due diligence, we know that the following workers are most vulnerable to modern slavery:

- Migrant workers
- Minority groups
- Homeworkers
- Contract, agency, and temporary workers
- Young workers
- Women workers

There is also an increased risk of modern slavery where the below conditions exist:

- Recruitment fees and labour agents
- Cash-in-hand payments
- No union presence
- No access to grievance mechanisms
- Accommodation tied to employment
- Poor working conditions
- Irregular work



Our audits are carried out by three third-party audit companies against local law, our code of conduct and the ETI base code. These audits allow us to identify risks and enable our in-country teams to work with factories on improvement actions.

This year we developed further due diligence in partnership with audit body Bureau Veritas to flag potential indicators of modern slavery and gender discrimination through interrelated non-conformances identified in audit. These flags will be shared with our regional teams so we can investigate with the factory and develop robust solutions.

Our in-country experts carry out regular visits to our factories to offer advice and support on improving issues and implementing best practice. During the pandemic we continued factory visits in Bangladesh and China and worked through desktop communication in regions where visits were on hold for the safety of colleagues and workers.

Where we recognise salient human rights risks or identify problems relating to specific issues within our supply chain, we work with partners to develop and deliver training to both factories and workers to mitigate and remediate. Elements of our training programmes and project work are explored later in the statement.

Using our internal approach to risk assessment we can ensure our supply chain due diligence programme is working to mitigate risk effectively.

During FY2020/2021 209 third party audits were conducted in our supply chain for tier 1 factories.

We recognise the limitations of ethical audits to identify modern slavery issues and therefore have additional methods of due diligence.

In the past year this has included:

- Unannounced visits to high-risk factories in supply chain countries
- Funding of the Leicester Garment Workers Advice and Support Programme for garment workers in Leicester
- Implementation of the Everyone's Business app amongst The Very Group colleagues to enhance modern slavery due diligence



In our financial year 2021/2022 we plan to go beyond our existing due diligence and focus on having impact in the following key areas:

Identify, support, and mitigate any exploitation of migrant workers in our supply chain

- In India, we will open a migrant worker resource centre in Tirupur to assist them in fair recruitment, equal rights, and pre-departure knowledge.
- In Turkey, we will work with our partners United Work and Mudem to protect Syrian workers found in our supply chain.
- In Malaysia we continue to work with 50eight, The Ethical Trading Initiative and Our Journey on the development of the Just Good Work

Increase the capability of worker voice to better enable grievance raising and remedy:

- In India and Sri Lanka, we will be expanding our existing worker voice solution TIMBY across all tier 1's
- In Bangladesh we will deliver social dialogue training across our tier 1 supply chain
- In Turkey and Bangladesh, we will deliver social dialogue training to support workers in communicating effectively with factory management and raising concerns or grievance

Identify risks or unethical practice by recruitment agents used in supply chain:

- In China we will conduct focussed due diligence across our tier 1 sites to identify any unscrupulous recruitment processes. We will also work with supplier to ensure their understanding and practices regarding ethical recruitment.

Expand our approach to due diligence:

- Incorporate tier 2 into our annual audit programme and improving our approach to supply chain mapping
- Respond to modern slavery risk identified through colleague use of Everyone's Business in Poland, Turkey, Bangladesh, India, China, and Malaysia.
- Continue to respond to modern slavery risk indicators raised through our own- and third-party audit programme ensuring all indicators are investigated and remedied



Case studies

Timby Worker Voice App – South India

Last year we spoke about our South India mill project and the implementation of Timby, our worker voice app, across our network of mills. This year we have been able to expand the use of Timby through our 6 community centres across the region, offering workers and their families a confidential way to report challenges and concerns being faced by workers in the textile industry. Alongside the utilisation of Timby we have also developed a relationship with the Child Welfare Commission to support us in resolving grievances across the industry.

So far this year we have had 229 issues raised, across several topics, including health and safety, wages and benefits and discrimination. Of these grievances only 47 were directly linked to the supply chains of the three brands involved in the mill project. Currently 56 of these issues have been resolved, including all of those directly related to us and the other 173 are in progress through further conversation with workers and other industry bodies.

We recognise that to be able to resolve more of the issues that don't relate to our direct supply chain we need to work with additional local partners and so have started conversations with both the Tamilnadu Spinning Mills Association (TASMA) and the Tirupur Exporters Association (TEA) to develop mechanisms to work in partnership on remediation going forward.

China Modern Slavery Training

We recognise that China poses a heightened risk to us of modern slavery and so as a business we decided to host modern slavery training for all our China colleagues to outline potential risks, support them in understanding our requirements of partners and knowing how to spot potential indicators.

The colleague training started with a baseline survey to assess colleagues' understanding of modern slavery, which helped shape the content of the day and ensure the training's relevance to colleagues and the business. Colleagues were then educated on what modern slavery is, why it's relevant to Very, potential indicators of modern slavery and who to speak to in order to raise concerns.

In total more than 60 people across our Shanghai and Shenzhen office received this training and all participants said they had a much greater understanding of the risks of modern slavery on our business, the types of slavery that existed and what to do if they have concerns when visiting a supplier.



Own operations

The Very Group's operations are all located within the UK and Ireland, with sites across Liverpool, London, Greater Manchester, the East Midlands, Wrexham, and Dublin. It is our responsibility to ensure where we have direct control within our own operations that no forms of modern slavery are found. Our primary focus within our business operations is to ensure all colleagues are employed legally and human rights are protected. The Very Group actively promotes the use of grievance mechanisms to ensure workers can raise concerns and support both colleagues and our communities.

In a bid to strengthen our Modern Slavery due diligence within our own operations this year we launched a partnership with Unseen, supporting colleagues with access to the Modern Slavery helpline, allowing people to confidentially report any concerns they may have. The partnership also enables us to utilise the Unseen business portal giving us access to information Unseen receive about potential abuse and exploitation cases related to our business and the retail sector. Unseen is then able to support us with addressing and mitigating these situations by facilitating conversations with other agencies, offering on the ground support to vulnerable workers and offering bespoke trend analysis to support us with continuous improvement.

Over the last year we have received 8 notifications through the Unseen Business portal related to our industry sector. Following further investigation, we were able to ensure that these instances were not related to our business operations or broader supply chains.

Alongside the work with Unseen, we are also aware of the increasing labour challenges within the UK market and so over the last 12 months have had to onboard a second labour provider, Job and Talent to work alongside existing partner Mach Recruitment.

When bringing on job and talent we recognised the need for enhanced due diligence to ensure they had the right policies and procedures in place to identify and manage any potential cases of modern slavery. We undertook a full review of their policies and procedures as well as the training they offer colleagues to ensure the robustness of their processes and suggest changes where necessary. This collaboration has ensured the smooth onboarding of job and talent and laid out from the beginning our requirements and expectations of partners.

As a business we recognise the increased risk of poor recruitment practices, particularly in the run up to peak when more temporary workers are required to fulfil business need. With this in mind we will continue to work closely and collaboratively with our recruitment partners to monitor incoming labour and further our partnership with Unseen through providing training to our recruitment agents as well as our own colleagues.



Colleague training

UK colleague training on Modern Slavery

We provided training for 2,665 of our colleagues to educate them on how to spot the signs of modern slavery and what to do if they suspect it is taking place. The awareness that this gives our colleagues increases our level of due diligence across our operations.

By creating a dedicated e-learning module we were able to reach our colleagues despite the restrictions placed upon us by the pandemic. The module gave colleagues insight into the meaning of modern slavery and how it occurs. It emphasised to colleagues that modern slavery is not a problem of the past but one that occurs across the globe, including the UK.

The module contained a list of key indicators of the existence of modern slavery, a checklist of what to do should any colleague suspect it is taking place along with a video presented by our head of sustainability to ensure that all colleagues know what action to take.

Ensuring that all colleagues completed this mandatory training also gave us an opportunity to promote our existing partnerships in this space with Unseen and the International Slavery Museum.

The feedback we received demonstrates the importance of reaching out to colleagues on this issue to meaningfully engage them in the problem.

"We are quite ignorant to think it doesn't happen in the UK. This is an eye opener"

"You're exactly right, that it's easy to think Modern Slavery only happens in far off places. This was a good reminder to be open minded and vigilant in our day to day"

"What an insightful and thought-provoking piece of learning. Really interesting, super important for us all not to assume that this stuff 'happens elsewhere'"



Partnerships

We recognise that some of the issues we face are incredibly complex and that in order to make the most meaningful impact, we need to partner with external organisations to share best practices and gain access to expertise to resolve any potential issues throughout our operations.

We ensure that we are active participants in any initiative that we commit to and also only partner with organisations with whom we know we can add value throughout our supply chain and in the communities, we operate in.

Partnerships for us are key to ensuring effective protection of workers and so we play an active role with each of our partners to respond to the risk and needs of our supply chain. We continue to build and maintain strong relationships with varied stakeholders including NGOs, trade unions and government departments to ensure integrity in our work and provide the best solutions to complex issues and deliver positive outcomes for workers.

Over the past 12 months we have maintained our relationships with existing key partners including the UN Global Compact, Ethical Trading Initiative and British Retail Consortium. We have also partnered with Unseen and The Centre.



For workers' rights.
For better business.

