

Modern Slavery Statement

July 2022 – June 2023



Introduction

ABOUT THIS REPORT

This report summarises **The Very Group's** work to prevent modern slavery in our business and supply chain from **1 July 2022 to 30 June 2023**.

The report meets the requirement under Section 54 (Transparency in Supply Chain) of the **Modern Slavery Act 2015**.

It was approved by **The Very Group's** Executive Team on **11/12/23**.

CEO statement

Our purpose is to **help families get more out of life**. Our multi-category digital retail proposition and flexible payments platform brings over **2,000 big brands**, as well as our popular own brands, to more than **4.4m people** across the UK and Ireland. Helping us provide the assortment that our customers love is our supply chain, and we recognise the complexity and potential risks it poses in terms of **modern slavery**. Monitoring and managing this risk is key to ensuring we run our business sustainably and responsibly, so we can continue to serve families for generations to come.

As part of our commitment to create a sustainable future for our business and the communities in which we operate, this year we launched our refreshed Environment, Social and Governance (ESG) agenda, which can be found in our **FY23 annual report** alongside our first ESG Committee report. The agenda sets out our ESG strategy and the associated commitments we want to achieve between now and 2030, including with regards to modern slavery and human rights. This includes completing a human rights salience assessment which will form the foundation of a focussed human rights strategy.

Our **human rights assessment** and strategy will complement the existing measures we have in place to meet our commitments, including extensive due diligence processes to identify and assess risks, and working to ensure our supply chain upholds the highest ethical standards. Through audits, collaboration with suppliers, and continuous monitoring, we strive to ensure that no part of our business is compromised by this issue.

Collaboration lies at the heart of our strategy. We actively engage with industry partners, NGOs, and governmental bodies to share best practice. By leveraging collective expertise, our aim is to create lasting change that resonates far beyond our organisation.

This **Modern Slavery Statement** serves as a testament to our ongoing efforts, but it also reinforces our belief that there is still much work to be done. By holding ourselves accountable, we inspire each other to take actions that will have a lasting impact in the prevention of **modern slavery**.

LIONEL DESCLEE
GROUP CEO



This statement applies to all entities within **The Very Group** including **Very, Very Ireland** and **Littlewoods**.

What is modern slavery?

Human rights organisation [Anti-Slavery International](#) defines modern slavery as ‘when an individual is exploited by others, for personal or commercial gain. Whether tricked, coerced, or forced, they lose their freedom’.

Modern slavery is a global issue which takes many forms. [The International Labour Organization \(ILO\)](#) estimates that at least 50 million men, women and children around the world are in some form of slavery.

There are around 50m people around in the world in some type of slavery.

That comprises:



Types of modern slavery

Modern slavery takes many forms. According to Anti-Slavery International, the most common are:

- Human trafficking
- Forced labour
- Debt bondage or bonded labour
- Child slavery
- Descent-based slavery
(where people are born into slavery)
- Forced and early marriage
- Domestic servitude

You can find more information about different types of modern slavery [here](#).

Our organisation at a glance

OUR PRODUCTS AND SUPPLY CHAIN

Our supply chain can be categorised into three groups:

Own brand, third party brands, and goods and services not for resale.

OWN BRAND

We have the greatest opportunity to influence and drive change within our own operations and the supply chain for our own brand products. As of June 2023, **The Very Group** manufactured own brand products through **372 tier 1 factories** across **22 countries**, working with **219 suppliers**. We have mapped a total of **174,415 workers** within those factories, of which approximately **55% are male** and **45% are female**. We have also mapped a further **156 priority tier 2 factories** across **10 countries**.



BY VERY

everyday

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Our top 10 sourcing regions, representing 98.4% of our own brand product purchasing, are:

Country	Sourcing Mix % (units)	Global Slavery Index (estimated prevalence per 1000)
CHINA	46.65%	4.0
BANGLADESH	16.63%	7.1
TURKEY	12.11%	15.6
PAKISTAN	7.07%	10.6
INDIA	6.62%	8.0
ROMANIA	2.77%	7.5
SRI LANKA	2.36%	6.5
VIETNAM	2.09%	4.1
MALAYSIA	1.13%	6.3
UK	0.99%	1.8

Our organisation at a glance

(CONTINUED)

Transparency of our supply chain is fundamental to our ambitions to mitigate modern slavery and to that end we publish our supply chain on the **Open Supply Hub**. You can view our **tier 1** and **tier 2 factory** lists here.

THIRD PARTY BRANDS

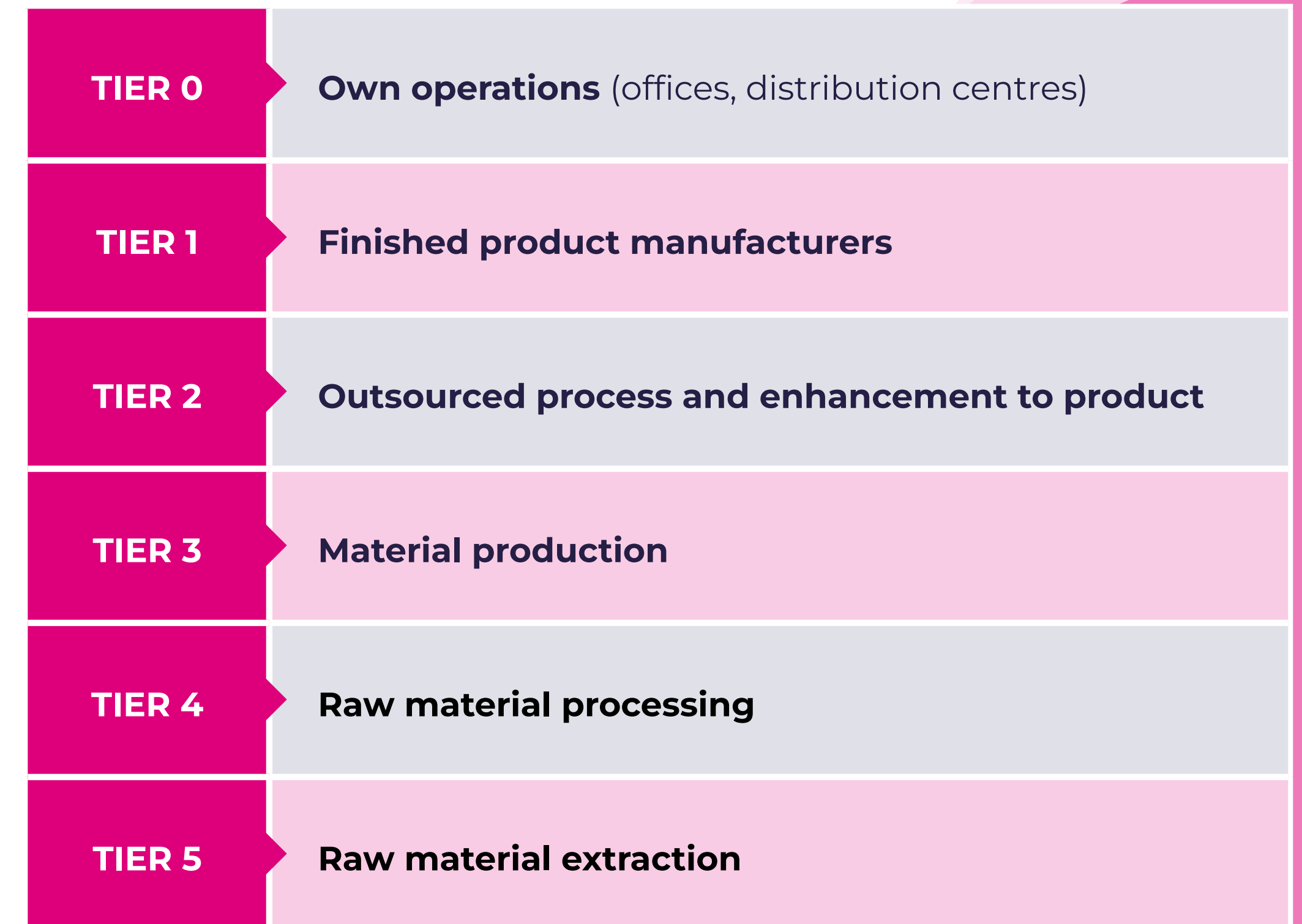
We provide our customers with access to over **2,000 big brands** across fashion, electrical, home, and more.

As part of our commitment to creating a sustainable future for our business and the communities in which we operate, we ask brands being on-boarded to **Very** and **Littlewoods** to complete **'The Very Basics'**. This self-assessment questionnaire covers transparency, modern slavery, human rights, more sustainable materials, and animal welfare. Responses to the questionnaire are reviewed by our in-house team and, where required, discussed with the brand.

We are also active participants in a cross-industry working group chaired by **The Industry We Want**, which is seeking to unify third party brand retailers in conducting consistent due diligence when it comes to social and environmental practices of partner brands.

GOODS NOT FOR RESALE (GNFR)

GNFR refers to purchased goods and services that are not sold to our customer but are instead used to support our operations and activities. We have over **1000 GNFR** suppliers.



Governance

In FY23, we established our **ESG Committee** to drive our new **ESG strategy** and help us better embed sustainability in our business decisioning process. **The ESG Committee** has been effective in spotlighting the importance of the topic and has led to a full review of how **ESG** is governed by the business.

To provide the **ESG** function with the right, support, and alignment it needs to be effective, it has been promoted to a tier 1 committee of the Board, chaired by Non-Executive Director **Mark McMenemy**. You can read our first **ESG Committee** report in our [FY23 annual report](#).

The Chief Risk Officer is accountable for the delivery of our **ESG programme**, including our modern slavery and human rights objectives. Responsibility for delivery of specific **ESG** matters is delegated to appropriate leaders who attend the **ESG Steering Committee**. The **ESG Steering Committee** comprises leaders from all areas of the business and allows specific **ESG** issues to be addressed in different parts of our value chain.

POLICIES

There are a **number of policies** in place to support our commitment to protecting and respecting human rights, many of which are relevant to modern slavery. These policies are aligned to internationally-recognised standards and based on the principles of the **International Labour Organisation's Declaration on Fundamental Principles and Rights at Work**, as well as the **Ethical Trading Initiative (ETI) Base Code**.

Third Party 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.

Young Worker, Child Labour and Prevention of Children Entering Production Sites Policy:

This 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, this policy sets out our remediation process.

Anti-Bribery, Corruption and Conflicts of Interest Policy:

This 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.

Migrant Worker Policy:

This details the steps suppliers and factories need to take to responsibly recruit migrant worker and ensure they receive the same rights and benefits as local workers. This policy also underlines the importance of the **Employer Pays principle**, reflecting **principle 1** of the [Dhaka Principles for Migration with Dignity](#).

Risk assessment and management

OUR APPROACH

We are committed to identifying and mitigating modern slavery risk in our business and supply chain. Our approach is insight-based, including detailed mapping of our business and supply chain, intelligence from expert stakeholders, desk-based research, audit data, and contribution from our colleagues and suppliers.

OUR PROCESSES

1. Location-based risk assessment

We refer to [Walk Free's Global Slavery Index](#) to understand the prevalence of modern slavery in our sourcing regions (see page 4).

2. Awareness of industry-wide risks

We maintain awareness of risks common to our industry which can be contributing factors to modern slavery.

Those risks include but are not limited to: short lead times, use of agents, speed and price that do not meet ethical standards, delayed payments, and unapproved sub-contracting.

3. Monitoring and responding to world events

Major world events including political instability, climate change and armed conflict are widely noted to be driving migration, disruption in employment and access to education, subsequently creating a heightened risk of modern slavery in impacted areas.

We recognise the following groups of people to be most vulnerable to modern slavery and monitor the impact of world events on these demographics: migrant workers, minority groups, homeworkers, contract workers, agency workers, temporary workers, young workers, and female workers.

KEY RISKS

In FY23, our risk assessment processes recognised the following issues as presenting the highest risk of **modern slavery** in our business and supply chain:

- Use of labour agencies in our own operations and our supply chain
- Lower tiers of our supply chain, where we have reduced visibility
- Migrant workers entering Malaysia

Having identified these risks, mitigating activity was undertaken to identify and prevent any form of exploitation. See **page 12** for further details.



Due diligence

SOCIAL AUDITS OF FACTORIES IN OUR SUPPLY CHAIN

Social audits provide a snapshot of working conditions in a factory on a given day and are a vital tool in enabling us to identify and manage modern slavery risks in our supply chain.

Our audit programme consists of a combination of assessments conducted by nominated third party audit companies and our in-house team.

The audits use local law, **The Very Group's code of conduct** and the **ETI Base Code** to identify risks and areas for us to work with factories on improvement actions.

FACTORY VISITS FROM OUR IN-HOUSE TEAM

Our in-house team carry out regular visits to factories to offer advice and support on improving issues and implementing best practice.

NEXT STEPS

We are committed to the ongoing improvement of our audit programme and gaining transparency throughout our supply chain.

While we currently have audits for 100% of our **tier 1 factories**, we recognise that modern slavery is also a risk in the lower tiers.

Through a combination of self-assessment, third party audits and visits by our regional team, we are currently working to gain insight into conditions in **tier 2 factories**.

Training

OUR APPROACH

We believe that preventing modern slavery in our business and supply chain is the responsibility of all colleagues at **The Very Group**, as well our suppliers and partners.

In FY23, we refreshed our mandatory annual e-learning for desk-based colleagues and held workshops for colleagues based in our fulfilment centres.



2,627
colleagues
completed e-learning



473
colleagues
completed in-person
training

We provide updates and raise awareness of modern slavery risks to our **ESG Committee** and **Executive Team**, as well as to frontline colleagues, to help us find solutions to mitigate these issues.

Measuring the impact of our work to prevent modern slavery

SOCIAL AUDITS

Tier 1 audits

- **358 third party audits** and **137 in-house audits** were conducted, covering **100% of tier 1 factories**.
- **13% of audits** were announced, **84%** were semi-announced and **3%** were unannounced.

Priority Tier 2 audits

- **74 audits** were conducted through a mix of in-house and third party visits, covering **47% of priority tier 2 factories**.
- **58% of audits** were announced, **20%** were semi-announced and **22%** were unannounced.

Modern slavery indicators were noted in 18 tier 1 factories in China, India, Indonesia, Malaysia, Thailand, the UK and Vietnam. The main indicators included inadequate systems to manage hours, overtime, wages and annual leave, overtime exceeding local law requirements, recruitment fees and deductions.

We worked closely with suppliers to support them with remediation of critical issues, and we addressed root causes to ensure preventative measures are in place to mitigate future risk. Applicable suppliers are in the process of reimbursing workers impacted by recruitment fees or deductions, following support and education from our team.





Measuring the impact of our work to prevent modern slavery

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EVERYONE'S BUSINESS

- Our in-house teams use the **Everyone's Business app** during routine visits to **tier 1 factories**. The app is a human rights toolkit that supports users with identifying and reporting issues or potential issues.
- Issues entered into the app are analysed by our **ESG Team** and modern slavery flags are escalated for investigation.
- In FY23, **80 visits** were logged and **32 issues** were flagged.
- These issues were investigated further by our **ESG team**, and none led to confirmed cases of modern slavery.

We are currently exploring ways of empowering worker voices in other locations across our supply chain.

EMPOWERING WORKER VOICES

We believe that all workers should be empowered to use their voices and have mechanisms in place to share views and raise grievances within their working environment and with third parties who can offer support.

OUR WORK IN THIS AREA INCLUDES:

- **India:** Launching **TIMBY**, an app which allows workers and their families to raise concerns and grievances, and access support and remedies.
- **Bangladesh:** Promoting the **Amader Kotha helpline**, which provides workers with a mechanism to report and resolve concerns around safety or other issues.
- **UK:** We are founding members of **FAB-L**, a community engagement programme in Leicester, providing essential support and advice for garment workers, and members of anti-slavery charity **Unseen UK**.

Other actions taken in FY23

Location	Action and impact
Global	We updated and expanded our audit policy to require annual audits from all suppliers including both tier 1 and priority tier 2 factories . We defined remediation for different gradings from low to high risk and developed an escalation process that is aligned across all regions.
China	More than 800 workers took part in our women's empowerment programme, delivered in partnership with INNO . Modules are designed to boost skills and have a positive impact both in the workplace and personally.
China	100 participants from Tier 1 factories and 25 participants from Tier 2 factories took part in online training about ethical recruitment. Topics included raising awareness of and preventing modern slavery and child labour.
India	Continued our UN-award winning work in India's textile industry. To date, we have opened six migrant resource centres and will open a seventh centre during FY24. In FY23, 13 female migrant workers were supported with retrieving unpaid wages and returning home, in line with their wishes.
Malaysia	4 factories began reimbursing fees paid by workers during the recruitment process. Such fees are not permitted, as they are linked to modern slavery. 5 factories began progressing plans to implement responsible recruitment. Sometimes referred to as ethical or fair recruitment, this means treating workers lawfully and in a fair and transparent manner that respects and protects their rights throughout recruitment, employment, and post-termination.
Poland and Romania	The Just Good Work app we developed and launched in FY22 was used by 1,532 Ukrainian refugees in Poland and Romania in FY23. The app provides labour rights and human rights guidance to prevent refugee exploitation.
Sri Lanka	In response to the economic crisis in Sri Lanka, risk assessments were carried out in two factories to help us better understand conditions for workers in our supply chain. No negative responses were received from the 776 workers we engaged with.
Turkey	Social dialogue training was conducted in three factories, with 1,018 participants . Delivered in partnership with Varner, Tesco, Primark, M&S, and JustMaxIt , the training was designed to strengthen communication between workers and managers.
Leicester, UK	Provided continued support for FAB-L's community outreach programme for garment workers, of which we were founding members. In FY23, our support helped FAB-L to introduce English language and IT classes and hire two new employees to continue and expand their essential work.
UK	Visited all of our UK furniture suppliers to carry out assessment of non-conformances from third party audits, and observations of modern slavery indicators. No cases of modern slavery were identified. We also worked with suppliers on follow up actions and supported them with compliance to our audit programme.
UK	50% of our UK furniture suppliers attended a modern slavery training event we held in partnership with partnership with Slave-Free Alliance .
UK	We began to consider our broader ESG commitments through the lens of preventing modern slavery by carrying out due diligence on our UK-based third-party take-back scheme partners. This included site visits to Traid, Reskinned and Vision Ireland .

Next steps in our work to prevent modern slavery

1. Expand the availability our worker voice app, **TIMBY**, throughout **India**.
2. Provide suppliers with training on recruitment best practice and increase use of our **Just Good Work** app among migrant workers entering our supply chain in **Malaysia**.
3. Sign the **Pakistan Accord** and support access to its grievance mechanism throughout our supply chain in **Pakistan**.
4. Continue to practice due diligence by working closely with agencies that supply operatives to our **UK** fulfilment centres.
5. In **Turkey**, we will expand our collaboration with **MUDEM's Worker Support Center (WSC)** by rolling projects out at a total of seven factories (up from four factories currently). **WSC** is an online platform that contributes to a safer working environment by empowering both Turkish and refugee workers to raise issues.
6. Revise our policy and due diligence around **child labour** to ensure even more robust processes are in place. This is to prevent child labour in our supply chain and protect the rights of children if the issue is identified.
7. Work with the **International Transport Federation (ITF)** to identify whether human rights breaches have taken place aboard vessels shipping our goods, through the creation of a **RightsCheck** report. The findings will inform our approach to mitigating future risk of modern slavery in our shipping supply chain.
8. Continue to support **industry collaboration** in setting the standard for prevention of modern slavery by **third party brands**.
9. Conclude our human rights salience assessment and **develop our human rights strategy**.

OUR PARTNERS

We recognise that some of the challenges we face in identifying and preventing modern slavery in our business and supply chain are complex.

Therefore, we partner with external organisations to share best practice, gain access to diverse expertise, and help us make the most meaningful impact possible.

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

We also continue to build and maintain strong relationships with other stakeholders including NGOs, trade unions and government departments.

