

Modern Slavery Transparency Statement

Fiscal Year Ended January 31, 2022

VS&Co
VICTORIA'S SECRET & CO.

Overview

This statement is made pursuant to Section 54 of the U.K. Modern Slavery Act and the California Transparency in Supply Chains Act and outlines the efforts Victoria's Secret & Co. (VS&Co) has taken and is continuing to take to ensure that modern slavery is not present in our supply chain.

VS&Co has a zero-tolerance policy regarding modern slavery. Modern slavery includes forced, child, prison, indentured, bonded and slave labor as well as labor obtained through human trafficking. Human trafficking is defined as the recruitment, transportation, transfer, harboring or receipt of persons, by means of threat or use of force or other forms of coercion, abduction, fraud, deception, the abuse of power or a position of vulnerability or the giving or receiving payments or benefits to achieve the consent of a person having control over another person, for the purpose of exploitation.

We are dedicated to operating ethically, transparently and with integrity in all our business dealings and putting effective systems and controls in place to safeguard against any form of modern slavery taking place within our supply chain. We are committed to aligning with the principles outlined in the UN Global Compact (UNGC), the UN Guiding Principles on Business and Human Rights, the International Labor Organization (ILO) Declaration on Fundamental Principles and Rights at Work and the International Bill of Human Rights and the Organization for Economic Co-operation (OECD) Guidelines for Multinational Enterprises.

Structure & Supply Chain

VS&Co is a specialty retailer of modern, fashion-inspired collections including signature bras, panties, lingerie, casual sleepwear, athleisure and swim, as well as award-winning prestige fragrances and body care. VS&Co is comprised of market leading brands, Victoria's Secret and Victoria's Secret PINK, that share a common purpose of inspiring and uplifting our customers in every stage of their lives. We are committed to empowering our more than 30,000 associates across a global footprint of nearly 1,400 retail stores in more than 70 countries. We provide our customers with products and experiences that make them feel good inside and out while driving positive change through the power of our products, platform and advocacy.

VS&Co is committed to providing superior quality merchandise and services to our customers, and as a part of our corporate culture and values, we strongly believe the quality of our merchandise begins with the treatment of the people who create our products.

VS&Co only works with suppliers that share our commitment to ethical and responsible business practices. This commitment is embedded in the many measures by which we evaluate supplier partners and has been part of our comprehensive and proprietary approach to how we have done business for decades.

Suppliers are selected based on their ability and commitment to meet our safety and quality standards as well as follow our strict ethical, labor and environmental standards.

VS&Co sources all its product lines – lingerie and apparel, accessories and beauty products from more than 300 factories around the world – the vast majority of which are in Vietnam, United States, Sri Lanka, Indonesia and China.

Our top 10 suppliers represent more than 80 percent of our production volume; we have worked with the majority of these partners for 25 years or more. We have traced 100 percent of our Tier 1 and Tier 2 supply chain for our lingerie and apparel products. We have also begun the work of tracing our Tier 3 suppliers.

Please click [here](#) to view our Tier definition.

Key Activities in 2021

Commitment & Governance

Updated our [Supplier Code of Conduct](#)

Supply Chain Transparency

Updated our [Tier 1 Core Apparel Factories](#)

Risk Assessment

In 2021, 100 pre-production audits were conducted for new factories. The pre-production audit approval rate for 2021 was 93 percent. The remaining factories were not approved for production.

Monitoring

In 2021, we audited 90 percent of our in-scope factories.

We have increased the number of unannounced audits. The following is the breakdown of unannounced audits for the last few years:

2019: 47 percent
2020: 64 percent
2021: 83 percent

Of the audits conducted for our lingerie and apparel suppliers, 99.2 percent of our in-scope factories were audited, of which 88.3 percent were unannounced audits.

Accountability & Remediation

In 2021, we evaluated approximately 12,000 labor standards and workplace conditions audit findings across our supply chain through our standard auditing process.

Approximately 11 percent of those findings required corrective action. Less than one percent of those were considered elevated violations.

Of the audit findings, approximately 3,000 evaluated were for our lingerie and apparel supply chain, where approximately nine percent of those findings required corrective action, and 0.1 percent were considered elevated violations, the majority of which concerned wages and benefits.

Over 85 percent of all non-compliance findings were successfully remediated by the factories in partnership with IPS, and the remaining are still in progress. Factories that are not willing to remediate will be removed from the VS&Co approved factory list.

Training & Awareness

Conducted quarterly training and communication sessions with various internal and external subject matter experts on key topics for suppliers and factories.

Partnering for Improvement

VS&Co continues to collaborate with industry peers, non-governmental organizations and trade organizations to address systemic issues at the root of modern slavery. For example:

- We partnered with Sourcemap, a supply chain traceability platform, and have traced 100 percent of our Tier 1 and Tier 2 supply chain for our lingerie and apparel products.
- We have partnered with Pacific Links Foundation since 2007 in support of their academic scholarship program called Girls Empowerment Mekong Scholarships (GEMS), which provides access to education for underprivileged youth, and their human trafficking prevention program. In addition to supporting the scholarship program, VS&Co was the first partnering company to sponsor Pacific Links' Factory Awareness to Counter Trafficking program (FACT) and continues to actively support its expansion.

Governance & Oversight

VS&Co is fully committed to ensuring our products are ethically sourced. This commitment starts with our executive leadership team and cascades throughout our organization.

Sourcing Risk Council

VS&Co has a Sourcing Risk Council, comprised of senior executives from company divisions and functions, that meets quarterly to discuss core business, sourcing, purchasing practices and approve policies as required. Executive representation includes leaders and stakeholders with expertise in the following areas:

- Company Affairs
- Compliance and Ethics
- Global Trade Compliance
- Government Affairs
- Independent Production Services (IPS)*
- Legal
- Logistics
- Procurement
- Production and Sourcing
- Regulatory and Quality Assurance

The Council assesses current risks, including geopolitical, social compliance and associated supply risks and sets policies related to responsible sourcing, including locations from which we will source materials or produce goods as reflected in our Sourcing Country Policy. The Sourcing Risk Council operates under the guidance and oversight of the Board of Directors' Audit Committee. The Chair of the Sourcing Risk Council reports to the Audit Committee on a regular basis, and the Audit Committee updates the Board of Directors.

Given the complex nature of our supply chain, we have adopted stringent measures to ensure workers in our suppliers' facilities are treated fairly and ethically. We require our suppliers to adhere to our [Supplier Code of Conduct \(Code\)](#) and Independent Production Services'* (IPS) [Supplier Compliance Guidebook \(Guidebook\)](#), which we update regularly. We conduct audits at supplier facilities for compliance with our Code. The Code clearly outlines our standards against forced or child labor, corruption, bribery, discrimination, harassment and abuse, unauthorized subcontracting and more. The Code must be posted in common areas by all our factories in the factory workers' preferred language.

Independent Production Services (IPS)*

IPS is a compliance function within VS&Co responsible for social compliance and social responsibility in the supply chain for over 25 years. IPS publishes a [Guidebook](#) and distributes it to all our suppliers worldwide. The [Guidebook](#) is a collection of policies and standards with which our suppliers are expected and legally obligated to comply. The [Guidebook](#) provides additional clarification

to supplier partners and their factories regarding a broad range of compliance standards and requirements that we are committed to as an enterprise and expect our suppliers to follow. Included in the [Guidebook](#) are the VS&Co [Supplier Code of Conduct](#), compliance standards related to forced labor and human trafficking, the cotton policy, the conflict minerals policy, and many other policies to mitigate supply chain social compliance risk.

The [Guidebook](#) is made available to all suppliers and associates involved in the production and purchasing process and outlines the requirements each must meet to work with VS&Co.

Policies on Modern Slavery and Human Trafficking

Protecting Human Rights

VS&Co is committed to respecting human rights. Our approach and activities to respect human rights is based on the principles as defined by the Universal Declaration of Human Rights (UDHR), which recognizes that "all human beings are born free and equal in dignity and rights."

Our actions – both in our local communities and across our company – are guided by fostering inclusion, creating equity, acting with integrity, and behaving ethically. VS&Co seeks to mitigate adverse human rights impacts as it relates to our associates, business partners, suppliers and customers.

You can read our full Human Rights Statement [here](#).

Supplier Code of Conduct

The Supplier Code of Conduct sets forth standards – in addition to all relevant laws, regulations and conventions - that apply to suppliers and their factories, sub-suppliers and subcontractors. Suppliers must adhere to these standards and communicate them to all workers in all countries in which they operate. The Supplier Code of Conduct is based on core ILO Conventions, the Universal Declaration of Human Rights and Principles 1-6 of the UN Global Compact.

Please click [here](#) to view VS&Co's Supplier Code of Conduct.

Other Policies

In addition to the previously outlined policies, the policies below also help us mitigate risks of modern slavery and human trafficking in our supply chain, including but not limited to the:

- [Sourcing Country Policy](#)
- [Foreign Migrant Worker Policy](#)
- [Cotton Policy](#)
- [Conflict Minerals Policy](#)
- [Independent Production Services \(IPS\)' Compliance Guidebook](#)

Responsible Purchasing Programs

VS&Co realizes that responsible business practices start with partnering with suppliers and factories that have an excellent compliance track record and share our commitment of preventing modern slavery. To that end, all of our associates involved in the production and purchasing process must understand the critical role they play in that process. The company is committed to providing these associates with ongoing training and educational opportunities to keep teams vigilant and fully engaged in this process.

We also have an [Associate Code of Conduct](#) that outlines our standards and expectations and also addresses the consequences of noncompliance.

Associates who influence decisions in VS&Co's supply chain receive a course called "Preventing Modern Slavery in Our Global Supply Chain" to ensure they are aware of the risks of modern slavery in our supply chain, can recognize the warning signs and know what tools are available to report any concerns of forced labor or human trafficking in the supply chain. The training was developed in alignment with the ILO Indicators of Forced Labor. During the calendar year, there were no sites with foreign migrant workers added for production. Foreign migrant workers continue to account for less than 1% of the overall worker population.

We also have a supplier scorecard that incentivizes strong labor rights as well as other criteria. Suppliers who have more than 20 to 30 years of history with us and have solid compliance performance receive a higher percentage of our order volume. The scorecard is reviewed with suppliers regularly to track their performance.

Raw Materials Sourcing

We are committed to sourcing raw materials responsibly and have strict compliance standards related to forced labor and human trafficking. Our Conflict Minerals Policy and Cotton Policy specify due diligence measures in place and supplier requirements to comply with our standards. We are committed to the responsible sourcing of man-made cellulosic fibers and have a process in place to ensure that we do not knowingly source fabrics from ancient and endangered forests or sources that contribute to deforestation, the loss of High Conservation Value Forests or human rights abuses.

Traceability & Risk Assessment

Traceability

VS&Co is committed to tracing our products through every stage of the manufacturing process, from finished goods to raw materials. We have traced 100 percent of our Tier 1 and Tier 2 supply chain for our lingerie and apparel products using Sourcemap, where a substantial majority of our facilities are located in the countries where the largest volume of our production takes place in Vietnam, United States, Sri Lanka, Indonesia and China.

Please click [here](#) to view our list of Tier 1 Core Apparel Factories.

Our Tier Definition

Our definition of tiers is aligned with the Sustainable Apparel Coalition initiative, as follows:

TIER 1	Finished goods manufacturing
TIER 2	Facilities that supply Tier 1 facilities with fabrics, trims or components Facilities that provide processing services (e.g., embroidery, printing, laundries)
TIER 3	Raw material processing
TIER 4	Raw material extraction

Risk Assessment

We recognize that there are elevated risks of modern slavery in certain countries, factories and product categories. Therefore, IPS conducts continuous risk assessments of all suppliers and factories to prevent involvement in high-risk business ventures. We use resources such as the U.S. State Department's Trafficking in Persons report, the U.S. Department of Labor's reports and third-party open and closed source information on international child labor and forced labor to determine countries and product categories with heightened risks of human trafficking and forced labor.

The online system that IPS utilizes to manage VS&Co's social compliance program allows our suppliers, auditors and associates to access critical information such as policies, guidance tools, supplier/factory information, audit reports, corrective action plans and remediation status at any time.

Please click [here](#) to view our detailed risk assessment process that ensures we are working with business partners that are willing and able to comply with our standards.

Monitoring and Due Diligence

To ensure compliance with our [Supplier Code of Conduct](#) and supply chain standards, ongoing verification checks are conducted in our supply chain to identify and evaluate the potential risks of human trafficking, slavery, or violations of other labor standards and/or those that may be unique to VS&Co.

Please click [here](#) for more details on our verification program.

Accountability & Remediation

VS&Co maintains policies and procedures for associates and suppliers that govern the consequences of noncompliance with VS&Co's sourcing and labor standards. If we find a supplier or factory is not in compliance with our Supplier Code of Conduct or supply chain standards, we will partner with them to bring them into compliance.

Please click [here](#) to view our robust remediation process.

Training

As VS&Co continues to foster strategic relationships with suppliers, we maintain our commitment to supplier education. For suppliers, factory management and associates who have direct responsibility for supply chain management, we host awareness and training conferences - called Communication Sessions - in multiple countries around the world on all compliance standards. In addition, we use one-on-one training in conjunction with compliance reviews and corrective action plans to continuously educate our factories and reinforce our [Supplier Code of Conduct](#).

We continuously engage in training and capacity building for suppliers on risks, policies, and standards, particularly those associated with human trafficking and forced labor. Due to the pandemic, we have been taking precautions and have been conducting virtual quarterly training on key topics such as human trafficking and modern slavery, forced labor and Supplier Code of Conduct standards.

Additionally, formal training is delivered annually to VS&Co associates who have responsibilities related to supply chain management and training is provided on an ongoing basis via monthly and quarterly calls.

Consistent with our commitment to supplier education, all associates are required to review and acknowledge our [Associate Code of Conduct](#). This Code, based on our values, defines behaviors that are acceptable and those that are not. All our policies, whether in the Code of Conduct or not, in our standard operating procedures or from other sources in our business, are based on our values.

Please click [here](#) to view our detailed supplier and associate education process.

Worker Voice

We require our suppliers to post our [Supplier Code of Conduct](#) poster in the native language of all factory workers who work with our product at every active factory in — more than 25 languages in total. We require all factories to communicate the Code of Conduct to their workers and ensure the training is documented.

VS&Co also requires each factory to have an effective, third-party grievance mechanism in place for workers to file questions or grievances without fear of punishment or reprisal. The factory must adequately demonstrate that a grievance system is available, and workers' complaints are responded to and recorded in a timely manner.

Grievance boxes and grievance intake forms with no action taken are not compliant, and we require the factory to implement an effective mechanism within 90 days.

For our core factories, our third-party auditing firm conducts anonymous worker sentiment surveys with a focus on harassment and abuse. If there are adverse findings, we require the suppliers to conduct training on harassment and abuse awareness. For high-risk regions, additional surveys will be conducted to ensure the effectiveness of the training.

Partnering for Improvement

About Our Sourcing and Labor: Building Capacity

We have been actively engaged in the development of initiatives and best practices that enhance the capacity of local governments to improve legal compliance and the capacity of our suppliers to comply with our [Supplier Code of Conduct](#). We have undertaken these initiatives in collaboration or consultation with other leading companies, non-governmental organizations, labor groups, international organizations and multi-stakeholder initiatives.

Stakeholder Engagement and Women Empowerment

VS&Co is committed to supporting organizations that work to improve the lives of those within our supply chain. We engage with industry-leading, non-governmental organizations and other stakeholders to obtain perspectives and information necessary to manage risks in the countries from which we source. We are members of the Responsible Minerals Initiative (RMI), an industry group that assists member companies like VS&Co to investigate and mitigate risks of conflict minerals that may be used in our supply chain. We are also members of the United States Fashion Industry Association (USFIA), National Retail Federation (NRF), Retail Industry Leaders Association (RILA) and the Mekong Club, which all work to minimize risks for workers in the supply chain. Additionally, furthering our commitment to support women, we have several longstanding partnerships with organizations focused on women empowerment and well-being, fighting modern slavery

and human trafficking, including Pacific Links Foundation and HERproject™.

Since 2007, our partnership with Pacific Links Foundation includes supporting their academic scholarship program called Girls Empowerment Mekong Scholarships (GEMS) which provides access to education for underprivileged youth, and their human trafficking prevention program. In addition to supporting the scholarship program, VS&Co was the first partnering company to sponsor Pacific Links' Factory Awareness to Counter Trafficking program (FACT) and continues to actively support its expansion.

Through the HERproject™, Victoria's Secret has supported HERhealth™, which is focused on raising awareness on critical health topics, improving health-related behaviors, addressing common myths and misconceptions and building confidence. It also helps to improve the capacity of workplace clinics and strengthens policies to promote worker well-being.

Effectiveness

VS&Co's [Supplier Code of Conduct](#), our Ethics Hotline, training and our compliance standards help to prevent the use of modern slavery in our supply chain. Our Master Sourcing Agreement, the IPS [Guidebook](#), due diligence, monitoring, remediation and training ensure that our suppliers are aware of our policies and have the tools to implement our standards in their processes to minimize the risk of modern slavery. We ask our suppliers to continuously make improvements in their compliance performance and educate their factories and subcontractors further up the supply chain.

VS&Co is also committed to making continuous improvements in our own compliance standards. If we find deficiencies or gain new insights, we update our policies accordingly and update our training materials to reflect lessons learned and/or align with industry best practices.

Commitments for Improvement

In 2022, VS&Co plans to take the following actions to improve our efforts to eliminate modern slavery in our supply chain. We caution that any forward-looking statements involve risks and uncertainties and are subject to change.

- VS&Co will continue to do the following:
 - Increase our focus on supply chain traceability further upstream to identify and mitigate modern slavery risks.
 - Enforce the Employer Pays Principle to ensure factories producing for us do not charge recruitment fees to workers or use debt bondage or irregular, delayed, deferred or non-payment of wages.
 - Conduct chain of custody audits on cotton fiber, yarn, fabric and finished goods manufacturing of cotton products or containing cotton components to ensure they are from an approved country in the [Cotton Policy](#).
- We will update and relaunch “Preventing Modern Slavery in our Supply Chain” training for all associates responsible for supply chain management to further educate them on how to identify modern slavery, how to mitigate risks and how to immediately report any potential concerns of modern slavery in our supply chain.
- We will continue to collaborate with industry peers, non-governmental organizations and trade organizations to address systemic issues at the root of modern slavery.

Approval for This Statement

This disclosure statement covers VS&Co and our subsidiaries Intimate Apparel Retail UK Limited and VS Brands Holdings UK Limited for the 2021 fiscal year, and was approved by the VS&Co Board of Directors on May 26, 2022.

Signed by:



Martin Waters
Chief Executive Officer