

MODERN SLAVERY STATEMENT FOR FISCAL 2016

This statement is made pursuant to Section 54 of the UK Modern Slavery Act and the California Transparency in Supply Chains Act and outlines the efforts L Brands has taken and is continuing to take to ensure that forced labor is not occurring within our supply chain.

Forced labor includes prison, indentured, bonded, involuntary or slave labor or labor obtained through human trafficking. L Brands has a zero tolerance policy regarding forced labor. We are committed to operating ethically and with integrity and transparency in all business dealings and to putting effective systems and controls in place to safeguard against any form of forced labor taking place within our supply chain.

OUR BUSINESS

More than stores, more than products ... L Brands is a family of brands. Our brands are world-renowned; they are household names. Through Victoria's Secret, PINK, Bath & Body Works, La Senza and Henri Bendel, L Brands is an international company that sells lingerie, personal care and beauty products, apparel and accessories. The company operates company-owned specialty stores in the United States, Canada, the United Kingdom and Greater China, and its brands are sold in franchised locations worldwide.

We are committed to providing superior quality merchandise and services to customers. As 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. L Brands only partners with suppliers that share our values and our commitment to ethical and responsible business practices.

Through Mast Global, L Brands' supply chain organization with more than 40 years of production, sourcing and logistics experience, the company sources goods from countries all over the world — the vast majority of which are produced in the United States, China, Sri Lanka, Vietnam and India. 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.

OUR POLICIES

L Brands has several policies in place to ensure that we are conducting business in an ethical manner and forced labor is not in our supply chain. These include:

1. **Supplier Code of Conduct**

To ensure that our expectations are clear, our standards are specifically outlined in our L Brands Supplier Code of Conduct. These standards and all relevant laws, regulations and conventions in all countries in which the supplier and factory operate must be adhered to and must be communicated to all workers and posted prominently in the workplace in English and the native languages of factory employees who work with our product.

Compliance with the Law

Compliance with all laws, rules and regulations.

Minimum Wages and Benefits

Payment to workers of the minimum wage prescribed by local law or the prevailing local industry wage, whichever is higher; provision to workers of benefits that conform to the better of applicable local law or prevailing local industry standards; and payment to workers of overtime compensation in compliance with all applicable laws.

Maximum Working Hours

Overtime shall be limited to a level consistent with humane and productive working conditions. Workers shall not be required, on a regularly scheduled basis, to work in excess of 60 hours (or lower if prescribed by local laws or local industry standards) per week; and, generally, workers shall be provided with at least one day off in seven.

No Forced Labor

Prison, indentured, bonded, involuntary or slave labor or labor obtained through human trafficking shall not be used.

No Child Labor

All workers shall be at least the local minimum legal working age or ILO standard, whichever is higher.

Health and Safety

The work environment shall be safe and healthy.

Nondiscrimination

Workers shall be selected only on the basis of their ability to do the job and not on the basis of other personal characteristics or beliefs.

No Corporal Punishment

Neither corporal punishment nor any other form of physical or psychological coercion shall be used against workers.

Freedom of Association

The lawful exercise of workers' rights of free association shall be respected and not restricted or interfered in, and workers lawfully exercising those rights shall not be threatened or penalized.

Environment

Suppliers must comply with all applicable environmental laws and regulations.

Community Involvement

Projects undertaken in partnership with community groups, or local or international non-governmental organizations, particularly those that address educational opportunities for younger people employed in production facilities, shall be encouraged and supported.

Access

For the purpose of monitoring compliance with our policies, the company, subcontractors and its agents shall be given unrestricted access to all production facilities and dormitories and to all relevant records, whether or not notice is provided in advance.

Subcontracting

L Brands requires all suppliers and subcontractors to fully comply with its Code of Conduct. L

L Brands does not allow unauthorized subcontracting. A formal request must be submitted to L Brands for approval, should a supplier require subcontracting.

2. Sourcing Country Policy

L Brands will not source product from any country prohibited or restricted by law as sanctioned by the Office of Foreign Assets Control. In addition, some countries with potential geo-political or social risks may pose a risk to our supply chain and, as a result, require pre-approval from L Brands executive leadership with compliance oversight.

Any associate who violates this policy is subject to disciplinary action, including, but not limited to, termination of employment.

3. Foreign Migrant Worker Policy

The L Brands Supplier Code of Conduct clearly states that prison, indentured, bonded, involuntary or slave labor or labor obtained through human trafficking shall not be used. Experts report that foreign migrant workers who travel across country borders to obtain employment are most at risk for human trafficking and forced labor and, therefore, we have established a policy to ensure that we minimize any risk of human trafficking or forced labor in our supply chain. The policy includes an executive approval process to use a factory that employs foreign migrant workers contingent on positive results found during a specialized audit developed in accordance with the International Labour Organization's handbook on Combatting Forced Labour. Factories that employ foreign migrant workers are closely monitored to ensure there are no forced labor violations and that workers have freedom of movement and are treated in accordance with the law.

Any associate who contracts a factory that uses foreign migrant workers without executive approval is subject to disciplinary action, including, but not limited to, termination of employment.

4. Uzbekistan and Turkmenistan Cotton Policy

L Brands is committed to ensuring that forced labor of any kind is not used in the manufacturing of our products. Because of the reports documenting the systemic use of forced labor (including the worst forms of child labor) in the harvest of cotton in both Uzbekistan and Turkmenistan, we have adopted a policy to prohibit the sourcing of Uzbek and Turkmen cotton for the manufacturing of any of our products until their respective governments end the practice of forced labor, including child labor, in the cotton sector. Until the elimination of these practices is independently verified, we will maintain this commitment and will collaborate with other stakeholders to raise awareness of this very serious concern and advocate for its elimination.

5. Conflict Minerals Policy

Conflict mineral supply chains in the Democratic Republic of the Congo and its adjoining countries (DRC + 9) have been reported to use forced and child labor. Therefore, L Brands prohibits its suppliers from using conflict minerals which may directly or indirectly finance or benefit armed groups in the DRC+9 in accordance with the Dodd-Frank Conflict Minerals Provisions. Form SD and Conflict Minerals Reports previously filed by L Brands can be viewed on our website [ADD LINK].

6. Independent Production Services (IPS*) Compliance Guidebook

The IPS Compliance Guidebook is a collection of policies our suppliers are expected and legally obligated to comply with. The purpose of the IPS Compliance Guidebook is to provide 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 also expect our suppliers to follow. Included in the IPS Compliance Guidebook are the L Brands Supplier Code of Conduct, compliance standards related to forced labor and human trafficking, the Uzbek and Turkmen cotton policy and the conflict minerals policy, among others.

*Independent Production Services (IPS) is a function within L Brands that works with suppliers to ensure goods are sourced from factories that meet or exceed L Brands compliance standards.

CONTRACTUAL OBLIGATIONS

L Brands suppliers are required to sign a Master Sourcing Agreement that explicitly states that the supplier will comply with all applicable laws and L Brands policies, including each of the policies listed above.

RISK ASSESSMENT

We recognize that there are risks of human trafficking and forced labor in certain countries, factories and product categories. Therefore, a verification and risk assessment is conducted for new suppliers to prevent involvement with high-risk business partners. We use resources such as the annual U.S. State Department's Trafficking in Persons report and the U.S. Department of Labor's reports on international child labor and forced labor to determine countries and product categories with heightened risks of human trafficking and forced labor.

L Brands also uses audits to assess risk. Audited factories are assigned a risk level, and additional follow-up actions are taken according to the level of risk.

Sourcing Risk Committee

L Brands has a Sourcing Risk Committee comprised of senior executives from various company divisions and functions that meets at least quarterly to discuss core business, sourcing and purchasing practices and assess current risks, including geopolitical, social compliance and associated supply risks. The Sourcing Risk Committee operates under the guidance and oversight of the Audit Committee of the Board of Directors. The Sourcing Risk Committee reports to the Audit Committee on a regular basis, and the Audit Committee reports periodically on these issues to the full Board of Directors.

DUE DILIGENCE

To ensure compliance with our standards, we have implemented an internal audit process and are committed to providing our suppliers opportunities for learning and development. To identify and evaluate the potential risks of human trafficking, slavery or violations of other local labor standards and/or those that may be unique to L Brands and its business, we conduct our own ongoing, internal

verification of our supply chain. The resulting information helps to ensure that our suppliers are in compliance with L Brands' Supplier Code of Conduct.

Monitoring

Independent Production Services (IPS) is a function within L Brands that works with suppliers to ensure goods are sourced from factories that meet or exceed L Brands compliance standards. IPS has been supporting global compliance for more than two decades, enabling improvement in working conditions, supply chain security, trade compliance and brand protection in our supply chain through monitoring, remediation, capacity building and training.

Our list of qualified suppliers is established and maintained in accordance with specific qualification standards and protocols developed by IPS.

About the process:

1. Once a supplier has passed the risk assessment, the relationship between L Brands and a qualified supplier begins with a written Master Sourcing Agreement wherein the supplier certifies that its factories and any that it may contract with will strictly adhere to L Brands' Supplier Code of Conduct, including those provisions pertaining to slavery and human trafficking.
2. Each supplier must agree to allow L Brands, or an independent third party hired by L Brands, to conduct an audit of the supplier's business without prior notice. IPS or a third party auditing firm conducts announced or unannounced audits of each of our approved factories at least annually to ensure compliance. The company may conduct more frequent reviews of factories located in countries designated as high risk by the U.S. State Department's Trafficking in Persons Report or identified through the company's annual risk assessment process. Certain exemptions from annual audits may be granted to factories with a record of consistent and rigorous compliance.

These audits cover all areas of the L Brands Code of Conduct, including the No Forced Labor code, which states "prison, indentured, bonded, involuntary or slave labor or labor obtained through human trafficking shall not be used. The International Labour Organization's Guiding Principles to Combat Forced Labor were used to develop the L Brands applicable standards.

A specialized assessment is conducted for factories that employ foreign migrant workers as experts believe those workers are most at risk of forced labor and human trafficking.

All factories are required to have a grievance mechanism for workers to file questions or complaints without fear of punishment or reprisal. The factory must adequately demonstrate that a system is available and workers' complaints are responded to and recorded.

Remediation

When audits are completed, an email notification is sent to the supplier to alert them that the audit report is available and corrective action may be required. It is the supplier's responsibility to submit all corrective action plans within 30 days. All corrective actions are expected to be completed in 90 days. All corrective action plans must include supporting evidence including photos, policies, supporting documentation to demonstrate implementation of those policies, etc. If a factory does not cooperate with L Brands to make improvements, L Brands has an escalation process in place which includes a

warning letter, reduction of business and ultimately loss of business if they do not take appropriate action to remediate to meet our standards.

L Brands sources from a few hundred suppliers and factories. During fiscal 2016, nearly 20,000 audit findings were evaluated across our supplier base through our standard auditing process, which includes a rating protocol where critical questions are weighted higher. Approximately 15 percent of these findings required corrective action.

ACCOUNTABILITY

L Brands maintains policies and procedures that govern the consequences of noncompliance by associates and suppliers with L Brands' sourcing and labor standards. L Brands aligns only with suppliers that share our values and our commitment to ethical and responsible business practices. To ensure that our expectations are clear, our standards are specifically outlined in our Supplier Code of Conduct.

In addition, the IPS Compliance Guidebook is provided to all suppliers and factories. The purpose of the Guidebook is to provide additional clarification to supplier partners and their factories regarding a broad range of compliance standards and requirements, as well as actions for noncompliance that may include termination of business. If we find our supplier is not in compliance with the Supplier Code of Conduct, we will require corrective action as set forth above.

L Brands will not partner with suppliers and factories that are unwilling or unable to work with us to achieve our compliance standards. L Brands also has an Associate Code of Conduct and Guide that outlines our standards and expectations and also addresses the consequences of noncompliance.

TRAINING

As L Brands continues to foster strategic relationships with suppliers, we maintain a commitment to supplier education. For suppliers, factory management and associates who have direct responsibility for supply chain management, we host annual awareness and training sessions on all compliance standards in multiple countries around the world. The training includes human trafficking and forced labor awareness as well as steps to take to mitigate that risk within the supply chain of our products.

In addition, we use one-on-one training in conjunction with compliance reviews and corrective action plans to continuously educate our factories on the prevention of human trafficking and forced labor, and to reinforce our Supplier Code of Conduct which explicitly states "prison, indentured, bonded, involuntary or slave labor or labor obtained through human trafficking shall not be used."

L Brands conducts online training for all associates responsible for supply chain management to further educate them on how to identify human trafficking and forced labor, how to mitigate risks and how to immediately report any potential concerns of human trafficking or forced labor in L Brands' supply chain. In addition, L Brands supported a pilot training project with the Pacific Links Foundation called FACT (Factory Awareness to Counter Trafficking - <http://www.pacificlinks.org/fact>) for the purpose of educating factory management and workers in Vietnam on the prevention of human trafficking. L Brands continues to support the FACT training program annually. To date, the Pacific Links Foundation has educated nearly 20,000 factory workers and managers in Vietnam.

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 the L Brands 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.

Collaborating With Non-Governmental Organizations

Additionally, we seek active and constructive engagement and cooperation with labor groups and non-governmental organizations focused on solving problems that may arise at our suppliers' facilities. Through these efforts, we strive to develop effective and sustainable models for addressing challenges throughout our supply chain.

L Brands engages with a broad range of non-governmental organizations, labor unions, academics and other stakeholders to obtain perspectives and information necessary to manage risk in the countries from which we source. L Brands' engagement includes participation with the Business Council for Global Development (BCGD). BCGD is a coalition of global businesses dedicated to advancing sustainable economic development and the rule of law through capacity building and a rules-based system for global trade and investment.

Some of these stakeholders help us to manage risk through programs that enhance the rule of law (through training and capacity building) and other collaborative activities.

EFFECTIVENESS

L Brands' Supplier Code of Conduct, our Ethics Hotline, training and the compliance standards listed in this statement help to prevent the use of forced labor in our supply chain. Our Master Sourcing Agreement, IPS Compliance Guidebook, due diligence, monitoring, remediation and training ensure that our suppliers are aware of our policies and implement our standards in their processes to minimize the risk of forced labor. We ask our suppliers to continuously make improvements in their compliance performance and educate their factories and subcontractors further up the supply chain. L Brands is also committed to continuously make improvements in our own compliance standards. If we find deficiencies or gain new insights, we update our policies and training to ensure we are in compliance with all applicable laws and reflect lessons learned and alignment with industry best practices.

COMMITMENTS FOR IMPROVEMENT

In 2017 and 2018, L Brands plans to take the following actions to improve our efforts to eliminate human trafficking and forced labor in our supply chain. We caution that any forward-looking statements involve risks and uncertainties and are subject to change;

- L Brands is increasing our focus on traceability throughout the supply chain, beyond tier 1 suppliers.

- We are updating our online forced labor and human trafficking awareness training for associates and will re-launch in 2018. We will also extend training and awareness further up the supply chain.
- Factories producing for L Brands are prohibited from charging recruitment fees to workers, forcing workers to work in order to repay an incurred or inherited debt or using irregular, delayed, deferred or non-payment of wages as a means to bind workers to employment.
- We will require suppliers to read and certify compliance with our Supplier Code of Conduct annually, specifically highlighting our No Forced Labor Policy.
- We plan to collaborate further with industry peers, non-governmental organizations and trade unions to address systemic issues at the root of forced labor.

APPROVAL FOR THIS STATEMENT

This statement covers Feb. 1, 2016, to Jan. 31, 2017, and has been approved by the L Brands Board of Directors.



Leslie H. Wexner

Chairman & CEO