

# HUSH

Modern Slavery Transparency Statement  
2022-2023

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## INTRODUCTION

Hush's Modern Slavery Statement, reporting on progress, challenges and commitments made for our financial year ending in March 2023, is produced in line with the requirements set out in Section 54 of the UK Modern Slavery Act 2015. We are not currently required to report under any other modern slavery legislation and welcome the ongoing movement worldwide towards more robust legal frameworks for human rights.

Over the past five years, the number of people locked in forced labour has significantly increased to an estimated 27.6 million. According to research by International Labour Organisation (ILO) in 2022, this is a result of several factors, including the pandemic, armed conflicts and climate change. Modern slavery is an abhorrent crime and a breach of human rights. We have zero tolerance for forced labour and human trafficking anywhere within Hush's business or supply chains.

Operating within a high-risk sector where vulnerable workers are found in our complex supply chains, we have a clear responsibility to carry out effective due diligence to ensure the rights of all people working on behalf of Hush are protected and respected, in line with the UN Guiding Principles on Business and Human Rights.

# STRUCTURE, BUSINESS AND SUPPLY CHAINS

## ABOUT HUSH

Founded in 2003 by our Creative Director Mandy Watkins, Hush is an online fashion and lifestyle brand selling women's clothing, footwear and accessory products through our website (Hush-uk.com), Zalando, John Lewis & Partners' website (johnlewis.com) and across 31 John Lewis concessions. We have 173 employees: 153 based at our head office in Clapham, London and 20 working out of John Lewis stores around the UK. We directly employ our employees. We do occasionally utilise the services of freelancers and contractors. We also use a third-party managed warehouse based in the UK. Hush is a private limited company registered in England and Wales under registration number 04791362. Hush is majority owned by True Capital, which has a 51% stake in our business. The remaining shareholders are founders Mandy Watkins and Rupert Youngman and other senior Hush executives.

We went through the process of finalising our application to become a B Corporation during the last financial year and plan to submit our application in the first half of 2023. Through B Corporation certification, we hope to further galvanise our employees and customers around our sustainability efforts and learn from and collaborate with others who are driving positive industry change.



## KEY BUSINESS FIGURES



Established 2003



1 UK based office



1 third-party managed  
UK based warehouse



173 employees with 153 based  
in head office and 20 across  
John Lewis concessions

## OUR STOCK SUPPLY CHAIN

We divide our suppliers into three categories: stock (for which there are 5 tiers of production), non-stock and third-party branded suppliers.

Tier	Process
Tier 1	Main Production Site
Tier 2	Primary Process Subcontractor E.g. stitching, cutting, packing
Tier 3	Secondary Process Subcontractor E.g. embroidery, embellishment, laundry
Tier 4	Fabric and Components E.g. fabric mills, trims
Tier 5	Raw materials
Non-Stock Suppliers	Goods and services that support our business operations

## KEY SUPPLY CHAIN FIGURES



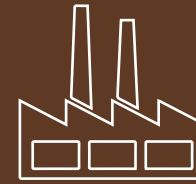
**13**

tier I manufacturing countries



**95.5%**

of Hush production takes place in the following 5 countries China, India, Turkey, Italy and Vietnam



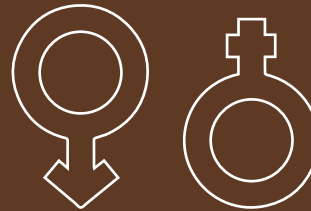
**165**

tier I manufacturing sites



**30,622**

workers in our Tier I manufacturing sites



**51%**

male

**49%**

female



**22**

third-party brands sold through our website



## TIERS 1-3 STOCK SUPPLIERS

We have 165 Tier 1 approved factories (defined as our main manufacturing sites) in China, India, Turkey, Vietnam, Italy, Portugal, Romania, Spain, UK, Tunisia, Latvia, Ecuador and Greece. For the financial year ending March 2023, we placed orders with 140 of these. We recognise the importance and the ongoing challenge of achieving supply chain visibility to help us understand and combat modern slavery risks. As such, we have put in place regular checks to track the sites being used to manufacture our products. These include:

- as part of our new supplier/factory onboarding process, requiring new sites to identify all units involved in Hush production before we place any orders with them
- contractually requiring all suppliers to provide Tier 1 factory information on all purchase order forms
- following up with the suppliers at least every six months to confirm which sites they are using
- as part of our existing supplier programme, during each site assessment our ethical trade assessors ask to see evidence of site production information

## NUMBER OF TIER 1 FACTORYSITES PER COUNTRY

CHINA	74
ECUADOR	1
GREAT BRITAIN	2
GREECE	1
INDIA	38
ITALY	10
LATVIA	1
PORTUGAL	6
ROMANIA	4
SPAIN	2
TUNISIA	2
TURKEY	20
VIETNAM	4





## TIERS 4 AND 5 STOCK SUPPLIERS

The processes outlined above help us to determine as best we can our tier 1-3 sites. As we reach the lower tiers of our supply chain, gaining transparency becomes a greater challenge and we continue to work towards uncovering tiers 4-5 of our supply chain.

We are members of Better Cotton and the Leather Working Group. Our membership of these initiatives helps us to achieve greater visibility of where our materials are derived from and the conditions the workers producing these materials are experiencing.

We have set a target to source 100% sustainable cotton by the end of 2023, which we define as organic, in transition (farmers who are in the process of switching from conventionally grown cotton to organic), recycled and Better Cotton of which we have been a member of since 2021. As of the end of the last financial year, 72% of our cotton was sustainably sourced according to our definition.

## NON-STOCK SUPPLIERS

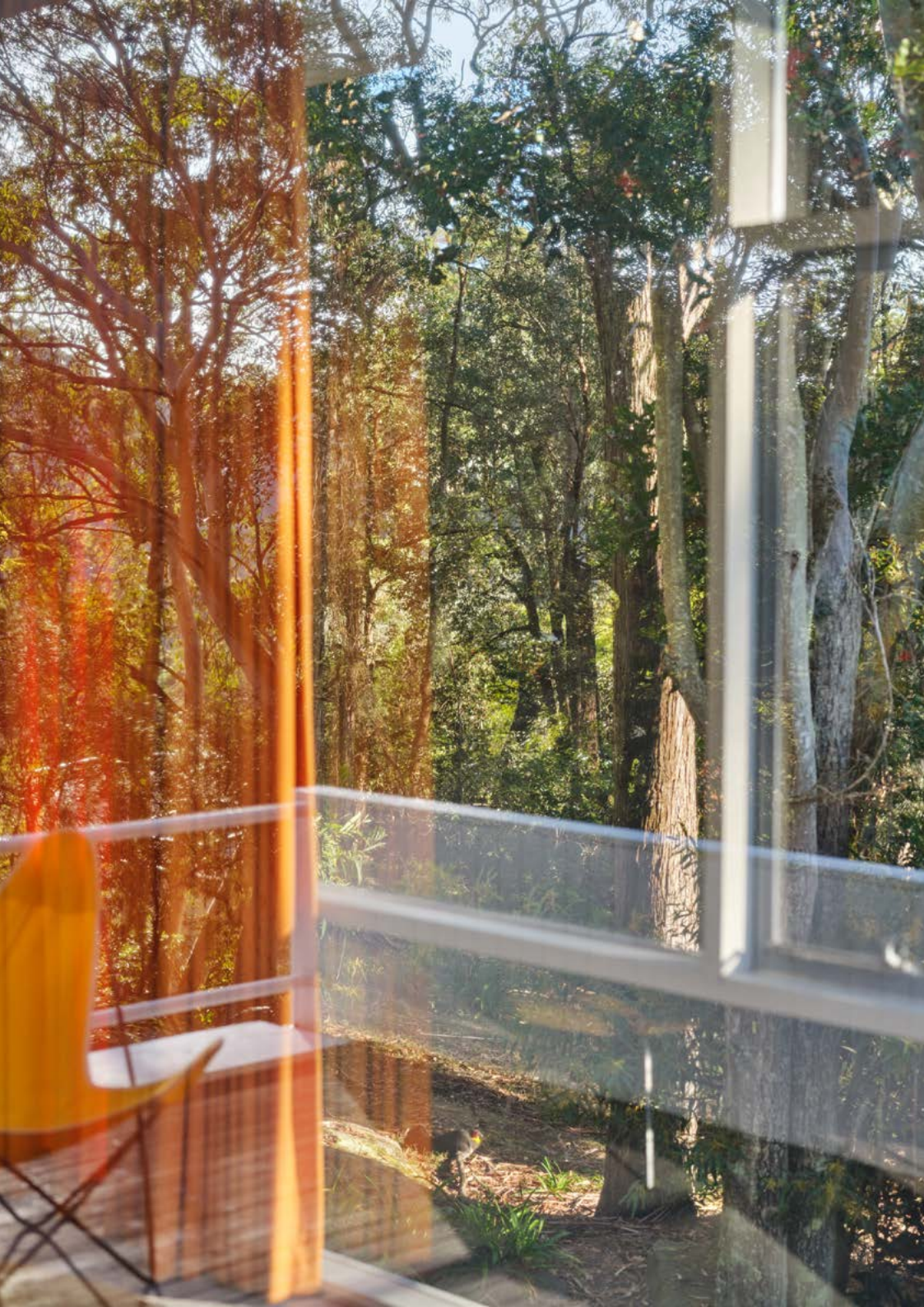
Through our non-stock suppliers, we source a range of goods not for resale and services which support our business operations, such as printing, packaging, labelling, office cleaning, recruitment, warehousing, transport and shipping. These suppliers are contractually required to comply with Hush's supply chain policies described below. We committed in our last Statement to map our non-stock suppliers. Unfortunately, due to team movements we have not been able to complete this work during the last financial year. Therefore, this commitment has been carried into financial year 2023-2024.

## THIRD-PARTY BRANDED SUPPLIERS

While much of our business is our own-brand product, we also stock a number of smaller third-party brands. These brands are contractually required to comply with all our supply chain policies. Over the last year, we have designed a more in-depth third-party brand self-assessment questionnaire to help us understand their current sustainability performance and where they might need support. We plan to roll this out in 2023.



# OUR POLICIES



## MODERN SLAVERY GOVERNANCE

Hush's human rights, ethical trade and modern slavery prevention programmes are overseen at the highest level by our CEO, and are implemented by our sustainability, human resources (HR) and product teams.

CEO- overall responsibility for championing human rights and preventing modern slavery



Sustainability, human resources and product teams – responsible for developing and implementing modern slavery related policies and procedures, protecting employee and supply chain worker rights, conducting supplier reviews.



Hush's Sustainability Manager - responsible for the day-to-day management of our modern slavery and supplier ethical trade programmes.

In the autumn of 2022, we introduced an internal Sustainability Task Force , comprising of representatives throughout the business who meet monthly to raise awareness and act upon emerging sustainability issues and legislation.

## BUSINESS POLICIES

We have policies and procedures in place to protect our employees throughout the recruitment processes and during their time with us. Our Employee Handbook contains the following policies relevant to employee rights:

- Anti-Corruption & Bribery Policy
- Anti-Harassment and Bullying Policy
- Anti-Slavery & Human Trafficking Prevention Policy
- Code of Ethics Values Statement
- Corporate Social Responsibility Policy
- Disciplinary Procedure
- Equal Opportunities Policy
- Grievance Procedure
- Health & Safety Policy
- Inclusivity & Diversity Statement
- Whistleblowing Policy

Over the last year, we reviewed our policies to keep pace with emerging best practices and legislation. We also added two new policies to our Handbook: Our Code of Ethics Values Statement and Corporate Social Responsibility Policy. We rolled out these new policy updates in spring 2023. Our new Human Rights Policy is also in the process of being signed off.

All new employees are given these policies when they receive their employment contract. All existing employees were given a copy of the updated Employee Handbook. The policies are also available on our internal HR portal.



## SUPPLY CHAIN POLICIES

Our supply chain policies are developed in conjunction with an external human rights expert and reviewed annually to ensure best practice alignment. They apply to all stock, non-stock and third-party brand suppliers, recruitment agents, labour providers, homeworkers, intermediaries and sub-contractors. The table below describes our supply chain policies, codes and statements.

Policy, Code or Statement	Description
Supplier Code of Conduct	This code sets out our supplier expectations to ensure safe and fair working environments and practices within our supply chain. It is based on the ETI Base Code, an internationally recognised code of labour practice, founded on the conventions of the International Labour Organisation (ILO).
Child Labour & Young Worker Policy	This policy sets out our requirements for ensuring children are not working within our supply chains, that young workers are adequately protected at work and remediation guidelines if child labour or young worker hazardous work is identified.
Supply Chain Whistleblowing Policy	This policy supports suppliers to establish proper worker dialogue channels that are accessible, safe and understandable to enable workers to raise concerns or disclose information confidentially.
Cotton Sourcing Statement	This statement sets out our reasons for prohibiting cotton sourced from Uzbekistan, Turkmenistan and XUAR region in China owing to ongoing concerns about child and/or forced labour.
XUAR Statement	This statement sets out our requirements for our suppliers to ensure forced labour and human trafficking of Uyghur and other Turkic and Muslim-majority people is not taking place in our Chinese supply chain.
Supplier Terms	These terms set out a framework governing how business should be conducted between Hush and our suppliers. It contains contractually-binding agreements relating to production as well as our sustainability, anti-slavery & human trafficking and sub-contracting standards.
Migrant and Agency Worker Policy	Draft: this policy describes our requirements for suppliers and agencies to ensure migrant and agency workers are protected in the workplace, including a worker checklist for them to action prior to, during and after employment.
Supply Chain Homeworking Policy	Draft: this policy communicates our stance on homeworking in our supply chain and our commitment to work with suppliers to assess and improve conditions where homeworking occurs. It also contains our requirements for suppliers and intermediaries to put in place systems to protect homeworkers.
Responsible Exit Guidelines	Draft: these guidelines set out the steps our internal teams and suppliers can take to minimise the impact of exiting a site on workers.



## SUPPLY CHAIN POLICIES (Cont..)

We strengthened our Supplier Code of Conduct in 2022 by adding clauses on homeworking, piece rate working, and further stipulating a worker's right to refuse overtime.

Our new Migrant and Agency Worker and Supply Chain Homeworking policies are still in the draft phase as we work to understand better the needs of these vulnerable workers within our supply chain. We hope to have these ready for deployment in 2023, along with internal guidelines, currently under development, on how to exit a supplier responsibly should the need arise.

Most of the documents above can be found in our Supplier Sustainability Standards, also reviewed annually. Suppliers must read and sign a declaration confirming their compliance with our Standards when they start our new supplier onboarding process. We set out in the Due Diligence section below how we monitor compliance with our policies and what we do when suppliers cannot meet our standards.

## GRIEVANCE AND WHISTLEBLOWING MECHANISMS

Employees can report concerns through two mechanisms:

- They can raise any personal concerns that they are not able to resolve with their manager through Hush's Grievance Procedure
- Employees can raise more serious business issues through Hush's Whistleblowing Policy.

We encourage anyone within the business to raise concerns, in good faith, through these safe channels of communication without fear of retribution or any detrimental treatment. We investigate all reports fairly and confidentially, where possible, and provide remediation in the best interests of those affected when required. We will provide feedback to whistleblowers on the progress and outcome of their concerns. We have a dedicated email whistleblowing email address.

We also have a Supply Chain Whistleblowing Policy, which guides suppliers to ensure they establish proper worker dialogue channels that are accessible, safe and understandable and enable workers to raise concerns or disclose information confidentially.

Over the last year, we strengthened our grievance and whistleblowing mechanisms to ensure they meet best practices.





# DUE DILIGENCE



## NEW SUPPLIERS AND FACTORIES

We aim to build stable, long-term relationships with suppliers who share our values, to influence and support them over time to improve our product and sustainability standards.

Through our stock new supplier and factory onboarding process, all new sites undergo a selection process to assess their ability to meet Hush's sustainability and technical standards. During 2022, we revised our new supplier forms to give us a clearer picture of a supplier's human rights and environmental risks, challenges and overall performance in these areas so that we can better assess their capabilities to meet our standards.

Product team identify a new supplier/factory and sends out our new supplier form which includes questions on supply chain tiers 1-3



Supplier completes new supplier form and provides an ethical trade audit for each proposed Tier 1 site.



Sustainability team review and grade the audit. If the site meets Hush sustainability requirements the site is given approval. If the site falls short, we ask the supplier to remediate issues of concern and we provide support where necessary. We may conduct a pre-assessment visit if we determine we need greater visibility on the site's working conditions. If the site is unable or unwilling to improve, we will not approve the site.



All site information is reviewed by Hush's technical, sustainability and logistics teams and can only be signed off once all three teams have given their approval.

## EXISTING SUPPLIERS

Hush has had an ethical assessment programme in place for our Tier 1 stock suppliers, who represent the majority of our spend since 2019. We support these suppliers via site visits, factory assessments, bespoke project work and on-site training. We partner with a sustainability consultancy called The Reassurance Network (TRN), which supports our policy and programme development and undertakes site assessments and training.

Once a site has started to produce Hush orders, TRN conducts an ethical assessment on our behalf. The timing of this assessment depends on the rating we gave the site during the onboarding process. During site assessments, the assessor will review a factory's ability to meet Hush's Supplier Code of Conduct. They will also select vulnerable worker groups, such as women, migrants, agency, refugee and young workers for worker interviews to gain further insight into their working conditions.

We track our supply chain site assessment data and non-compliances against our set of modern slavery indicators. The indicators provide a sign or clue pointing to the possible existence of forced labour or human trafficking. If a modern slavery indicator is identified during an assessment, the TRN assessor, based on their overall site findings, provides their opinion to us as to whether they think there is an elevated risk of modern slavery at the site. If the TRN assessor suspects a higher risk, we conduct a more in-depth investigation at the factory and within the local community to try to gain a better understanding of the workers' circumstances. We have not identified any instances of modern slavery through our in-depth investigations. Still if the situation ever arose, we would work with TRN's local experts and other local specialist organisations to understand the root causes and scale of the problem, ensure the needs and rights of the workers are protected and to put in place a course of action that is in the best interests of the workers.





## MODERN SLAVERY INDICATORS

- Presence of migrant workers
- Use of labour providers and recruitment agents
- Evidence of informal or indirect recruitment
- Child labour
- Accommodation tied to employment
- Abuse of vulnerability
- Deception during recruitment
- Restriction of movement
- Isolation from other workers or in remote locations
- Violence
- Intimidation or threats
- Retention of IDs
- Withholding of wages
- Debt bondage
- Abusive living or working conditions
- Excessive working hours

During the last 12 months, 85% of our tier 1 factories were either audited by us or provided us with a third-party audit undertaken within the last 2 years.

## REMEDIATION

Our approach to site assessments is based on problem-solving rather than fault-finding. If we do identify any non-compliances during assessments, we will work together with the supplier, factory and TRN to put in place a corrective action plan and resolve any issues found. We follow up with regular calls, visits, assessments and document reviews to confirm any issues have been addressed. We expect the factory to make continuous improvements over time with our support. If serious non-compliances are found or repeated violations occur, and the site is unwilling to improve, Hush reserves the right to terminate all business with the supplier. We are developing guidelines to ensure we exit sites in a way that minimises the negative consequences on workers.

TRN's assessors have the autonomy to follow up on outstanding non-compliances with the factory directly to ensure their timely resolution and to provide immediate support when required.

## BEYOND-AUDIT ASSESSMENTS

Now that we have a mature assessment programme that has helped us identify risks in our supply chain, we have introduced beyond-audit assessments to gain a deeper understanding of the root causes of these issues and identify the most effective ways for Hush to provide support to address them. We piloted FORUM, a new initiative developed by TRN, with one of our key Chinese suppliers in the summer of 2022. Using open and transparent dialogue and engagement, FORUM takes a collaborative and constructive approach to identifying the root causes of labour rights by putting factory managers' and workers' needs at the programme's centre. TRN's FORUM consultants found the site had strong labour rights practices overall. The management and workers agreed that communication channels between them could be strengthened and have been working together to improve these with the support of TRN's consultants and Hush's buying team. We are now considering how to extend the FORUM approach to other factories within our supply chain.

## NON-STOCK SUPPLIER ASSESSMENTS

Due to team movements we have been unable to progress with our goal of incorporating high risk non-stock suppliers into our ethical assessment programme. We have identified warehousing as a priority category to continue to assess, given that they employ some of the more vulnerable types of workers, such as migrant and agency workers. We use the services of a UK based warehouse and undertook an assessment of this site in 2022.



# RISK ASSESSMENT



## SUPPLY CHAIN

Our internal teams with the support of external organisations such as TRN and Slave-Free Alliance carry out our risk assessments. Risk assessments include desk-based research, supply chain mapping, assessments and site visits and supplier and stakeholder engagement. We consider the following risk factors: product and service type, geographical location, worker type, including vulnerable worker groups, high-risk labour practices, such as excessive working hours, and the likelihood of involvement of recruitment and labour agencies and intermediaries. Our risk assessments have determined that our stock supply chain contains the greatest risk of modern slavery, so this is where we have been focusing our efforts through our ethical trade programme.

Our warehouse, logistics and cleaning companies occasionally use agency workers who, due to the nature of their employment, may be at greater risk of modern slavery. We will continue to assess the risks related to workers in these facilities and how best to protect them during the following year.

## VULNERABLE WORKERS

We are continuing to look for ways to better protect some of the more vulnerable workers in our supply chain, including Uyghur and other Turkic and Muslim-majority people, migrant and agency workers and homeworkers. We carry out worker mapping, ask questions about these worker groups during our assessments and have drafted policies to strengthen protection towards these workers.

- **UYGHUR AND OTHER TURKIC AND MUSLIM-MAJORITY PEOPLE**

In 2020, we became aware of reports of forced labour and trafficking of Uyghur and other Turkic and Muslim-majority people, particularly in China's Xinjiang Uyghur Autonomous Region (XUAR). At the time, we sent out a statement to all our suppliers setting out our position and asking them to sign a declaration of compliance. We continue to undertake due diligence through on-site visits and desk-based research on our stock suppliers to ensure we were not sourcing from factories located in XUAR or factories elsewhere in China where there have been allegations of forced labour conditions. We track legislation aimed at protecting Uyghur people and others trapped in forced labour to ensure our ongoing compliance.

- **MIGRANT AND AGENCY WORKERS**

We recognise that migrant and agency workers risk greater exploitation, inferior employment terms and working and living conditions, lack of access to health and welfare services, discrimination and human trafficking and forced labour. We continue to monitor and assess the exploitation risk to our tier 1 migrant workers. We have drafted a Migrant and Agency Worker Policy, which contains a checklist for suppliers and agencies to review at each stage of the worker employment journey. We will be rolling this policy out to our suppliers and provide additional support to sites that use migrant labour over the coming months.





- **HOMEWORKERS**

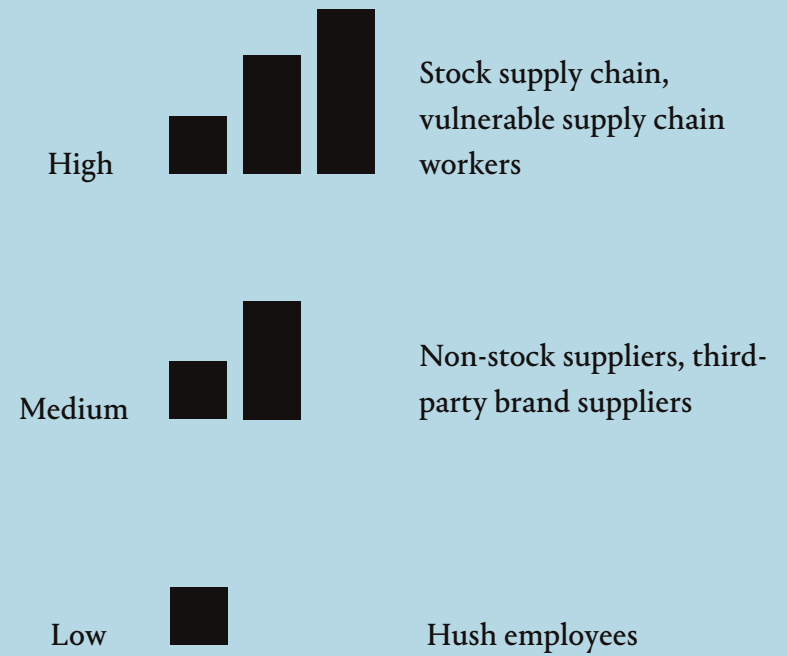
Due to the informal nature of their work, we are aware that homeworkers are vulnerable to wage exploitation and unsafe working spaces and may involve children in production processes. As we map further down our supply chain, we have identified sub-contractors using homeworkers, particularly in China. We have a clear position on homeworking described in our Homeworking Policy, currently still in draft format. It sets out our stance on homeworking and our requirements for suppliers and intermediaries to protect the rights of homeworkers. In 2022 we conducted a deep dive investigation into a specific homeworking supply chain in China to better understand current working conditions and to inform Hush's position on homeworking.



## OPERATIONS

Within our own business, we believe the risk of modern slavery is low; all of Hush's employees are employed directly by us, with over 90% of our employees on permanent contracts.

## MODERN SLAVERY RISKS WITHIN OUR BUSINESS AND SUPPLY CHAIN



# TRAINING AND CAPACITY BUILDING



## EMPLOYEE TRAINING

Slave-Free Alliance runs modern slavery induction sessions for our new employees to ensure everyone in the business understands what modern slavery is and the different types that exist; is able to recognise the signs and indicators of modern slavery; and understands the appropriate reporting pathway if a victim or incident is identified. We have been running these training sessions since 2020.

New employees also receive more general training on Hush's sustainability programme as part of the induction process. Next year, we plan to incorporate an overview of our sustainability standards and policies into the training.

## SUPPLY CHAIN CAPACITY BUILDING

Given the size of our business and our relatively small order volumes, the best way to leverage influence with our suppliers to build their capacity and knowledge is to partner with other brands, either individually or as part of an industry initiative. Over the coming year, we aim to identify partnerships that will help us to have a greater impact on raising supply chain standards.

# EFFECTIVENESS OF OUR APPROACH

## EFFECTIVENESS OF OUR APPROACH

We have not identified any incidents of modern slavery within our business and supply chains throughout our due diligence and risk assessment processes. We have also not had any reports of modern slavery through our grievance mechanisms.

In light of the prevalence and growth of modern slavery risks, we must continue to seek greater transparency in our supply chains to shine a light on the working conditions within them to place ourselves in the best possible position to detect and prevent modern slavery.



## PROGRESS AND FUTURE COMMITMENTS

We share below our modern slavery prevention programme progress and our commitments for the coming year. We acknowledge that we have made less headway than we would have liked over the last year in some areas due to team changes. With our new Sustainability Manager due to be onboarded in June 23, we look forward to making more significant progress during the coming year.

Statement Section	2022-2023 Commitments	Progress	2023-2024 Commitments/Notes
Structure, business & supply chains – transparency	Publish a list of Tier 1 factories	Completed	
Structure, business & supply chains – governance	Commence Sustainability Task Force meetings	Completed	
Structure, business & supply chains – certification	Source 100% sustainable cotton by the end of 2023	In progress – currently at 72%	Source 100% sustainable cotton by the end of 2023
Structure, business & supply chains – transparency	Continue to map Tier 4 & 5 sites	Carried over to 23/24	Continue to map Tier 4 & 5 sites
Structure, business & supply chains – transparency	Map and risk assess non-stock suppliers	Carried over to 23/24	Continue to map and risk assess non-stock suppliers
Structure, business & supply chains – certification	Submit B Corp application by end 2022	Carried over to 23/24	B Corp application to be submitted during the first half of 2023
Policies	Sign off and roll out Migrant and Contract Labour Policy, Homeworker Policy, Business Human Rights Policy, further strengthening our whistleblowing policies and procedures. Continually review and improve policies.	Carried over to 23/24 – all policies awaiting sign off from new Sustainability Manager	Sign off and roll out Migrant and Contract Labour Policy, Homeworking Policy, Business Human Rights Policy. Continually review and improve policies.
Due diligence	Strengthen new supplier onboarding process	Completed	
Due diligence	Roll out risk assessment programme to Tier 2 & 3 suppliers	Carried over to 23/24	Roll out Tier 2-3 SAQ
Due diligence	Start to develop a third party brands sustainability programme	Carried over to 23/24	Finalise third-party brands SAQ and roll out
Due Diligence	N/A	New	Extend FORUM to suppliers who would benefit most from the programme
Training & capacity building	Train all new employees on sustainability standards as part of their induction process	Carried over to 23/24	Train all new employees on sustainability standards as part of their induction process
Training & capacity building	Within 18 months run another supplier survey to establish supplier training needs and identify potential improvements needed in business relationship.	Carried over to 23/24	Within 18 months run another supplier survey to establish supplier training needs
Training & capacity building	N/A	New	Identify partners to help build supplier capacity and knowledge

## ONGOING COMMENTS

Statement Section	2022-2023 Commitments	Progress	2023-2024 Commitments/Notes
Due diligence	Assess factories manufacturing 80% of our products by the end of the next financial year	Ongoing	Ensure 100% of our tier 1 factories are assessed by us or another reputable third-party provider every 2 years
Due diligence	Undertake assessment of warehouse at least every 2 years	Ongoing	Undertake assessment of warehouse at least every 2 years
Due diligence	Conduct further due diligence on Chinese factories to ensure there is not forced labour or human trafficking taking place.	Ongoing	Conduct further due diligence on Chinese factories to ensure there is not forced labour or human trafficking taking place
Due diligence	Continue to map and risk assess vulnerable workers (migrant, homeworkers and women)	Ongoing	Continue to map and risk assess vulnerable workers (migrant, homeworkers and women)
Training & capacity building	Continue to provide training on modern slavery prevention to all new employees	Ongoing	Continue to provide training on modern slavery prevention to all new employees



Signed

A handwritten signature in black ink, appearing to read 'S Miles', enclosed within a dotted rectangular border.

Sarah Miles, Chief Executive Officer, on behalf of the board of directors

Date 26.09.23

