



2023/2024 Statement - Combating Modern Slavery

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Introduction

'Modern Slavery' is the phrase used to describe the crimes of human trafficking, slavery and slavery-like practices such as servitude, forced labour, forced or servile marriage, the sale and exploitation of children, and debt bondage. A common thread runs through all of these offences: **they involve one person depriving another person of their liberty, in order to exploit them for personal or commercial gain.**

According to the International Labour Organization, Walk Free and the International Organization For Migration, the number of people in modern slavery has risen significantly in the last five years. 10 million more people were in modern slavery in 2021 compared to 2016 global estimates. Women and children remain disproportionately vulnerable.

Globally, the number of people in forced labour has risen between 2016 and 2021 - from 24.9 million to 27.6 million -

“This absolute number translates to 3.5 people in forced labour for every thousand people in the world. Women and girls make up 11.8 million of the total in forced labour. More than 3.3 million of all those in forced labour are children”

- according to the ILOs 2021 Global Estimates of Modern Slavery Forced Labour and Forced Marriage

While it is impossible to know the full extent of modern slavery in the UK, data released by the home office demonstrates that the number of people identified as victims of modern slavery has also been rising here year on year, with over 17,004 potential victims of modern slavery were referred to the Home Office in 2023, similar to the preceding year (16,921) but nonetheless the highest annual number since the National Referral Mechanism began in 2009. The real number of people trapped in slavery in the UK is estimated to be much higher – more than 130,000 people.

Modern slavery exists in many forms in the UK, including trafficking into criminal activities like cannabis farming, sexual exploitation, domestic slavery but also as forced labour on farms, in construction, shops or manufacturing - industries that form part of our supply chain.

Finding a reliable way to measure the full magnitude of modern slavery is universally acknowledged as a complex and challenging issue. The varied nature and forms in which Modern Slavery can be defined are vast, and the level of sophistication of the systems which have been developed to ensure that those who encourage or facilitate these horrific crimes remain undetected is sadly increasing.

Whilst some forms of Modern Slavery are overt, there are also much more subtle forms of coercion and control. Situations where a victim's vulnerability or lack of choice has been abused; where there is a hold over family back home through debt; or where the threat of deportation deprives them of any real freedom and choice.

This, our ninth Modern Slavery Statement, has been published in accordance with the UK Modern Slavery Act (2015). Section 54 of the MSA requires every organisation with a global annual turnover of £36 million or more, which carries out business (or part of a business) in the UK, to produce a slavery and human trafficking statement for each financial year. Lush's financial year runs from July to the end of June.

On June 15 2021, a UK Modern Slavery (Amendment) Bill was proposed in the House of Lords. The Bill (which is still in its first reading) proposes additional disclosure and substantive compliance requirements and would establish penalties for non-compliance with selected aspects of the Act and aims to prohibit the falsification of slavery and human trafficking statements; to establish minimum standards of transparency in supply chains in relation to modern slavery and human trafficking; to prohibit companies using supply chains which fail to demonstrate minimum standards of transparency.

Lush welcomes this amendment, which was the UK Government's response to both a public consultation launched in July 2019 and an Independent Review commissioned by the Home Office in 2018 to assess the effectiveness of the Act. The public consultation had sought views from businesses, public bodies, investors, and civil society on a range of options to strengthen the Act's transparency requirements.

The Government accepted several of the recommendations of the Independent Review and committed to making key changes to the Act, including the following:

- Mandating the specific reporting topics that statements must cover
- Requiring statements be published on a new Government-run modern slavery statement registry. (It currently is voluntary to post statements on the registry, however posting is encouraged, and the Lush statement can already be [found here](#))
- Setting a single reporting deadline for statements
- Introducing financial penalties for subject commercial organisations that fail to meet their obligations under the Act's transparency provision

Despite a clear need for additional legislation, there has been little progress on this [amendment](#) since June 2021 and it has not progressed into law yet.

In addition to the UK Modern Slavery Act, and its amendments, similar legislation has been introduced in other parts of the world. These include:

- The California Transparency in Supply Chains Act (2010)
- French Duty of Vigilance Law (2017)
- The Australian Modern Slavery Bill (2018)
- The German Lieferkettensorgfaltspflichtengesetz (Lieferkettengesetz or LkSG), known in English as the German Supply Chain Due Diligence Act (SCDDA)
- The Canadian Fighting Against Forced Labour and Child Labour in Supply Chains Act (the Act)
- The European Union's (EU) Forced Labour Regulation, which was adopted by the European Parliament in April 2024, prohibits the sale, import, or export of products made with forced labor within the EU

- Norwegian Transparency Act
- SwissConflict Minerals and Child Labor Due Diligence Provisions
- Japan: Guidelines on Respecting Human Rights in Responsible Supply Chains
- UFLPA (Uyghur Forced Labor Prevention Act)

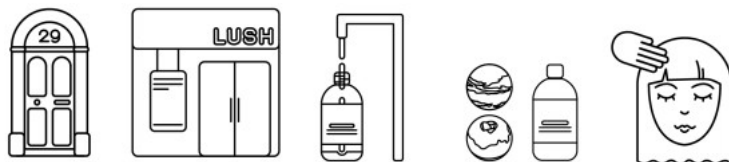
Our commitment to eradicating modern slavery extends across all markets and regions where we operate, ensuring that our supply networks and business practices uphold the highest standard ethical conduct and human rights. This statement is satisfying all our legal reporting requirements.

In 2024 the EU adopted the Corporate Sustainability Due Diligence Directive CSDDD. The directive aims to foster sustainable and responsible corporate behaviour throughout global value chains. Companies play a key role in building a sustainable economy and society. They will be required to identify and, where necessary, prevent, end or mitigate adverse impacts of their activities on human rights, such as child labour and exploitation of workers, and on the environment, for example pollution and biodiversity loss. For businesses these new rules will bring legal certainty and a level playing field. For consumers and investors they will provide more transparency. The new EU rules will advance the green transition and protect human rights in Europe and beyond. Although Lush does not fall within the requirements of this directive it will impact us as a business indirectly. We are working towards compliance with this directive as best practice.

This 2023/24 statement details what Lush is doing to combat the risks of modern slavery and human trafficking within our own business and our supply networks. The statement also provides an update on the activities and commitments detailed in our previous (eighth) Modern Slavery Statement and the steps taken during our financial year July 2023 - June 2024.

Finally, it outlines Lush's commitments towards mitigating the risk of modern slavery in our supply networks and business going forward.

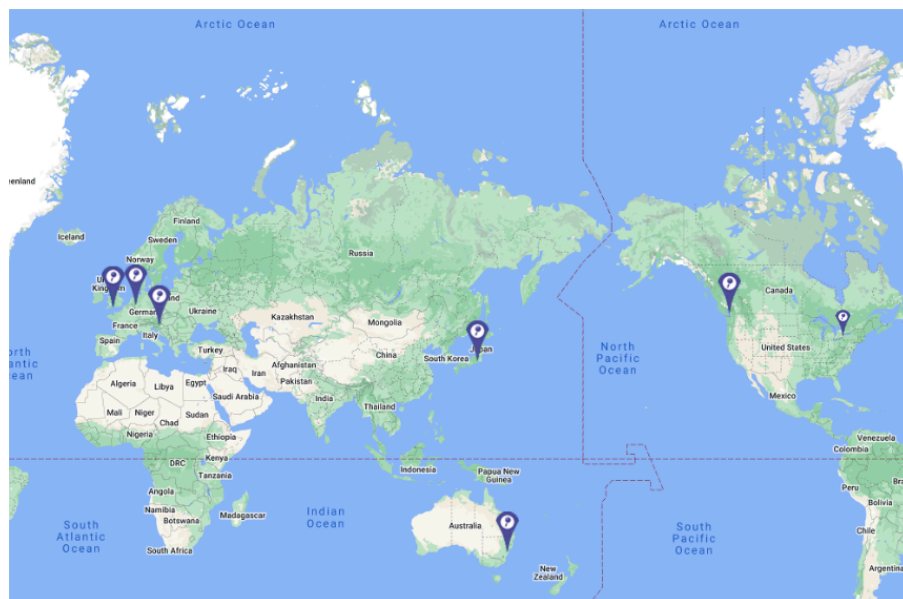
Our business - Organisational Structure



Lush is a UK cosmetics brand, with its head office in Poole and an additional office in London. Lush was started in 1995 by a close-knit team who have worked together for over 40 years. The first Lush shop opened at 29 High St, Poole in April 1995, with products being made in a small space above the shop. Lush places emphasis on the benefits of using the finest quality fresh, natural ingredients in our products for their nutritious effects on the body and mind. We strive to ensure our products reach our customers in the freshest condition, when they are most potent and effective – it's at the heart of our philosophy. We use ingredients such as fruits and vegetables, herbs, flowers, butters and essential oils - organic

wherever possible - and with minimal synthetic preservatives. All products are vegetarian, and the majority are vegan too.

Lush's global expansion, whilst rapid, has been carefully controlled. Nearly 30 years on, Lush has over 105 stores in the UK&I, 871 shops worldwide (including all Group and Partner shops) and is present in 51 countries, with manufacturing operations in 6 countries (UK, North America, Germany, Croatia, Japan and Australia), employing around 14,848 people throughout the Lush Group during peak production. We also operate 20 Lush Spas in select locations across the UK, Spain, UAE, Canada, the US, Japan and Korea. We invent, manufacture and retail our own range of unique products so that we can be confident that our beliefs and ethics are carried through at all stages.



(Lush Manufacturing Locations)

We are very proud to offer a range of fresh, handmade cosmetic products which are all manufactured in house and sold through our retail shops, digital channels and collaborative partners.

Lush prides itself on its innovation and creativity, and therefore the number of products we produce is constantly evolving. We sold an average of 1,800 product lines globally within FY23. This includes all year round products, collaborations and seasonal ones.

The Lush business is run in accordance with a set of founding ethical principles written by our founders at the very beginning of Lush's life, commonly known as our 'We Believe Statement'. These principles underpin all that we do and run through every vein of our business.

Lush further sets out its core values or principles in the Lush Ethical Charter.

As mentioned in our 2019/2020 statement, we have adopted the Stronger Together Framework for actioning our response to modern slavery, and you can see our progress against this below.

Our Business & Our Supply Networks

Lush products are for sale in our shops, on our website and through our carefully selected 3rd party partners. They are invented in-house and manufactured by our own factories. The Creative buying team manages the supply networks of our product and raw material suppliers who are selected based on ethical, sustainability and commercial criteria, and are supported by the integrated Supply Chain Impact team.

Product supply networks are complex, involving a number of different processes; and Lush's supply networks are no exception. Although we try wherever possible to buy as direct from source as we can, most supply networks are made up of several tiers stretching over numerous countries. We source our materials from close to 1000 suppliers (raw materials and packaging) and from about 97 countries globally, with an annual UK buying spend of £43.2m and a combined global buying spend of £81.6m).

We have many supply networks that contribute to the operation of our business and as the Lush business continues to grow in size, so do our supply networks.

We are committed to sourcing and developing top quality, ethical materials for our products through a resilient global network and we also grow materials ourselves via agricultural projects and direct partnerships around the world. From the early days of buying we learned from the adulteration of our essential oils that it is vital to gain an understanding of each material, from who is involved in its supply to the local impacts of its production in order to ensure top quality ingredients with no exploitation at any stage.

As a business, we realised that we could have both a positive and negative impact through our business operations. Due to this we have aspired to maximise the benefit of our actions, relying on positive and open relationships with our suppliers and producers to find a path to a truly ethical and sustainable business that will last into the future.

Our vision is that each and every ingredient we purchase is contributing to a positive future. We are already building a web of like-minded pioneers who wish to become part of the answer to the problems we all see every day. Through the ingredients we buy and through the people we meet and partner with, we are finding that some of these answers come through reciprocal trade. That means finding ways in which we can grow, produce, manufacture and ship our goods that are truly sustainable. In fact we have ceased to aim for just sustainable, but wish to reach beyond that to be *regenerative* - making sure that our purchases put back more into the soil, to the community and the natural world than they take out, and at the same time provide profit and a viable business for *all* of us. We want to leave the world lusher than we found it.

Our Commitment - Policies and Processes

We have several policies in place that help us to enforce the standards set to mitigate the risk of Modern Slavery and also encourage disclosure of any such practices within our business and throughout our supply networks. These policies are reviewed, communicated to and acknowledged by new and existing suppliers and also communicated to all Lush business partners. Suppliers are also reminded of our policies via every purchase order they accept. **As a minimum requirement** we ask all of our suppliers to acknowledge and comply with the following policies / documents (in addition to our strict Non Animal Testing Policy and declaration):

- Our Anti-Slavery & Human Trafficking Policy

This policy, last updated in June 2024, clearly defines Lush's position on Modern Slavery and sets the minimum standards that we expect all of our suppliers to comply with to ensure the fair treatment and well-being of all workers within our supply network.

This policy applies to everyone working for us or on our behalf in any capacity, including employees, directors, agency workers, seconded workers, volunteers, interns, agents, contractors, external consultants, suppliers, third-party representatives and business partners. Anyone who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct. We may terminate our relationship with other individuals and organisations working on our behalf if they breach this policy.

- Our Modern Slavery Remediation Policy

In FY 20/21, we published publicly our Modern Slavery Remediation Policy. Lush recognises the responsibility that we have as a business but also share with our suppliers to provide remedy to victims of slavery. Successful remediation is not easy to achieve and requires a victim-led, consultative and multi-stakeholder approach.

The Lush remediation policy is drawn from best practice guidance on remediation and builds on the requirements of International Labour Organisation Conventions, Protocols, Recommendations and Instruments such as the Declaration on Fundamental Principles and Rights at Work and the Tripartite Declaration of Principles concerning Multinational Enterprises and Social Policy, the UN Protocol to Prevent, Suppress and Punish Trafficking in Persons, Especially Women and Children, and the United Nations Guiding Principles on Business and Human Rights. The policy is intended to provide a practical framework for us as a business to apply remedy, should we encounter victims of slavery in our business or in our supply chains.

- Our People Care, Earth Care and Fair Share Buying Policy

These buying policies consist of legal requirements, non-negotiable standards and progressive standards. Within Section '4.0 Legal Obligations' of this policy (which has been

updated in January 2024 to make it clearer and stronger) we make suppliers aware of the following:

- 4.1** Suppliers must adhere to all relevant Lush policies. These policies include our 'Anti-Slavery & Human Trafficking', 'Anti bribery and corruption policy', "Modern Slavery Remediation Policy," amongst others, which can be found here: <https://weare.lush.com/lush-life/our-policies>. Suppliers will be notified of new policies through buyer communication, email or our supplier management system.
- 4.3** Suppliers must have systems in place to review and adhere to their legal obligations under regulations including, but not limited to; The UK Modern Slavery Act (or any other global legislation designed to combat modern slavery and offences relating to trafficking and slavery), UK Bribery Act, The Human Rights Act, The Nagoya Protocol, tax and environmental laws and where relevant the Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES), to protect endangered plants and animals and to help regeneration of degraded environments.
- We expect you to be:
- Aware of the risks of bribery and corruption, modern slavery, and other potential risks that may prevent your business from meeting these legal obligations
 - Committed to communicating awareness to your employees and business partners
 - In compliance with all of the legal requirements and legislation for the country in which your business operates.

We also include the 'employer pays' principle in our buying policy document. The People Care, Earth Care and Fair Share Buying Policy helps us to ensure that our supply networks match our core values.

- **Our Whistleblowing Policy**

The policy, which was last updated in October 2024, enables employees and anyone else to report any illegal or unethical malpractice that might be witnessed within our business or supply networks while remaining anonymous and protected by law against any mistreatment for reporting your concerns.

By encouraging a Whistleblowing culture, we can continue to promote transparency and empower our staff and those in our supply networks to help monitor and maintain our high ethical standards in every corner of the Lush business.

This is a global policy that must be adhered to by all Lush businesses and made available to all Lush employees.

In line with the requirements of the EU whistleblowing directive we have been working hard during 2023/24 to implement a new system for whistleblowing that makes it easier for anyone

within the business or in our supply network to raise concerns confidentially via multiple channels and in the preferred language. The system is now fully implemented.

We work with a confidential, third party global reporting service, SeeHearSpeakUp. SeeHearSpeakUp specialise in implementing effective whistleblowing solutions to businesses in a safe, secure and supportive environment to encourage whistleblowers to speak up and be heard.

Available 24-hours a day, 365 days a year, SeeHearSpeakUp provides an independent confidential hotline available in 217 languages and an online reporting tool to ensure that any malpractice concerns are brought to our attention in a secure and confidential manner. You can also contact SeeHearSpeakUp anonymously if you would prefer.

To make a whistleblowing report, please visit the [web portal](#) or contact the hotline on **0800 026 0466**.

Breaches to any of the above policies are not taken lightly. Where there is opportunity to influence change we will work hard with our suppliers to do so, but we will not hesitate to cease trade with any organisation where breaches of our policies are severe.

Assess - Understanding the Risks

Assessments

The risk of modern slavery lies everywhere; in all tiers of a company's supply network and within their own operations. For Lush, one of the sources identified as being high risk was mica, which is why we have moved away from sourcing natural mica and consequently made the decision to go completely natural mica-free as of January 2018.

During 2023/24 we have again conducted a salient human rights risk assessment of all our ingredients & packaging suppliers, taking into account the sourcing countries and prevalent risks, commodities as well as our spend and risk to the business.

This assessment continues to show that materials that are mined or are coming from agricultural supply chains (especially fragrance materials) are at high risk in terms of human rights abuses. Carrying out this assessment allowed us to prioritise which suppliers and countries to concentrate on and prioritise for a visit. In total we have carried out 47 supplier visits since July 2023 and also three human rights impact assessments of high risk supply chains in Egypt, the Dominican Republic and India. For these three assessments we enlisted the help of independent 3rd parties. For further information on the steps we have taken since carrying out the assessments please refer to the '*Act - Taking Action*' section below.

Egypt

Impactt, a consultancy that specialises in ethical trade and human rights travelled together with the Lush team to carry out a social impact assessment of Lush's Jasmine supply chain

in August 2023. We wanted to understand the human rights risks faced by workers in the supply network in more detail and gain a better understanding of how the formal supply chain channels function, and the relationships and dynamics between different actors. The assessments highlighted that despite Egypt having a well-established legal framework, iterative reforms to the law to address ratified international conventions, as well as diversified national policies relating to Child Labour practices, **deep rooted socio-cultural norms and at time household needs mean that many children are still engaged in agricultural activities.**

Children support their families during the production and picking session, more so during the school holidays, but during term time as well. This goes against the national legislation and Lush's People Care, Earth Care and Fair Share policy, especially as children are working during night time hours when Jasmine is typically picked. This is known to be a common challenge across many agricultural sectors in Egypt. Whilst at the national level there are many initiatives being implemented to address this challenge – both by the government and by donors and NGOs – it is a very hard and complex challenge to address. One critical risk is of course, non-compliance with the national legislation; however other risks include children being exposed to hazardous conditions and / or safety and security risks and their engagement in the labour market having a negative impact on their education.

In some instances, households and / or producers and pickers are becoming increasingly reliant on family members, including children, to support the harvest, especially during the peak. This is both due to the high costs of labour in parallel to the limited availability of workers willing to work for the income levels currently offered in the market.

Dominican Republic

Cocoa is one of our most key ingredients here at Lush. In order to minimise the risk of human rights abuses in the cocoa supply network, we work with suppliers who are taking active steps to mitigate these risks - we only buy certified fair trade and Organic cocoa butter which adds a layer of protection, but we wanted to go a step further and conduct our own independent human rights assessment of one of our sourcing countries.

This human rights risk assessment provided us with insight into the supply network in the Dominican Republic, the actors and processors involved, and any potential risks. Fortunately no child labour or forced labour was discovered during this assessment. We are working with the suppliers to get more detailed information from farmers following this initial assessment and hope for this to be completed Q1 2025.

India

For our peppermint supply chain in India we worked closely with human rights and ESG experts from the Re-Assurance Network. The objective of the assessment here was for Lush to gain greater transparency into its peppermint supply chain in Uttar Pradesh, to understand how it is structured and the associated human rights risks from supplier down to farm level. The project was completed during June and July 2024 and highlighted many common themes along the supply chain:

- Opaque supply chain with little traceability

- Absence of management systems for procurement & employment
- Farmers & farm workers in effective debt bondage - with farmers and workers taking advances. Farmers must pay interest or sell their crop at a reduced rate creating a cycle of poverty that needs to be broken:



- Use of child labour (only evidenced outside of school hours)
- Unsafe working and poor living conditions - lack of health and safety management & access to potable drinking water not ensured or toilets provided
- Pay below legal minimum wage and inconsistent earning for farmers and workers - female workers paid less than men, no agreed minimum value, price dictated by buyers (distillation units and peppermint oil producers)
- No experience of labour resource & human rights management

Further to the above the assessment also highlighted several external contributing factors:

- The market is subject to external influences beyond its control, which can substantially affect the extent and severity of the repercussions on workers and farmers.
- Legality of children working on family farms and benefits of additional income
- Caste system
- Low literacy levels among farmers and workers make written agreements challenging
- Water and sanitation infrastructure not in place
- Climate change impacts and water sensitivity exacerbated by a water-intensive crop

Bulgaria

Having established the rose oil industry as a high risk one for human rights abuses we have continued our work to understand the complexities of all our current rose supply networks. During May 2024 we visited our supplier of rose water in Bulgaria. The visit highlighted the following concerns:

- Child Labour - children, especially from the Roma community being involved in the rose harvest
- Working conditions - Insufficient access to drinking water and toilets
- Contracts - lack of official documentation, contracts for pickers, even though these

are enforced by the Bulgarian Government, contracts do not seem controlled and do not reflect the true employment relationship. Due to the lack of paperwork and official contracts we are unable to confidentially verify fair pay for all pickers.

- Discrimination / segregation of Roma community

Agricultural commodities

The risk assessment we carried out during this FY again highlighted some of our agricultural supply chains as high risk for human rights abuses. Agricultural production is very dependent on labourers and also in some cases seasonal migrant labour, especially during the harvest period, which can often also be very short.

This list was then analysed to create a short list; focusing specifically on those that had the highest risk of systemic forced labour, including child labour.

The United Nations Convention on the Rights of the Child (CRC) defines a “child” as a person below the age of 18, unless the laws of a country set the legal age for adulthood younger. Our policy also follows the same definition.

The Minimum Age Convention establishes a distinct connection between the minimum age for employment and that of compulsory education and sets the minimum age for hazardous work at 18.

In the light of these fundamental conventions, “child labour” can be defined as the practice of involving children in work activities that deprive them of enjoying their childhood, impede their potential and dignity, and harm their physical and mental development. On a broader level, “child labour” pertains to the involvement of children in works that pose mental, physical, spiritual, social, or moral risks and harm to their well-being. This includes work that hinders their compulsory schooling by disrupting regular attendance or leading to early dropout, as well as engaging in strenuous work and enduring long hours while still enrolled in school.

“In many countries child labour is mainly an agricultural issue. Worldwide 60 percent of all child labourers in the age group 5-17 years work in agriculture, including farming, fishing, aquaculture, forestry, and livestock. The majority (67.5%) of child labourers are unpaid family members. In agriculture this percentage is higher.” (Source: ILO)

According to Save The Children, Farmers Depend on their Children’s Contribution.

“Most agriculture communities rely heavily on children’s involvement on their family farms. While in some cases this seems to pose only minimal risks to children, for many others, it disrupts their education when they must miss classes to work during harvest. The older children get, the more likely they are to be exposed to hazardous work. Children of seasonal

migrant workers face even higher risks of working alongside their parents, dropping out of school early, and being exposed to hazardous living conditions.

While parents often refer to the importance of carrying on traditions to explain their children's involvement in work, the strong linkage between child labour and poverty indicates that references to these value systems are mostly a coping mechanism for families. The underlying problem that needs to be addressed is the economic situation of agricultural communities"

Poverty is the main cause of child labour in agriculture, together with limited access to quality education, inadequate agricultural technology and access to adult labour, high hazards and risks, and traditional attitudes towards children's participation in agricultural activities.

In the context of family farming, some participation of children in non-hazardous activities can be positive as it contributes to the intergenerational transfer of skills and children's food security. It is important to distinguish between light duties that do no harm to the child and child labour, which is work that interferes with compulsory schooling and damages health and personal development, based on hours and conditions of work, child's age, activities performed and hazards involved.

Participation in some agricultural activities is not always child labour. Age- appropriate tasks that are of lower risk and do not interfere with a child's schooling and leisure time can be a normal part of growing up in a rural environment. In some instances children are also brought to the fields by their parents as no alternative child care facility exists.

Migration can provide new opportunities for families, but it also creates challenges for children who migrate with their parents or are left behind. It is common for migrant children to assist adult family members in their labour, limiting access to education, social development, communication skills, and overall well-being. Consequently, children from migrant families are at a higher risk of being involved in child labour when compared to children from areas of destination.

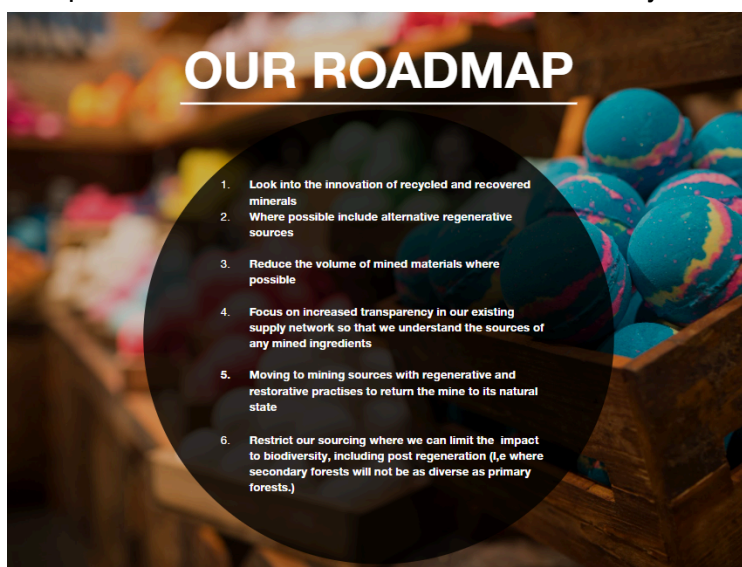
Having identified these risks we are working closely with our suppliers involved and independent human rights experts on addressing the issue on the ground and will continue to update on our joint progress annually.

Mined Materials

Lush uses several mined materials within its products, such as Kaolin, Calamine and Talc; all of which fall under the category of mined materials. Mined materials are another area of our ingredients that holds great human rights risks. Not only are mining supply networks often very complex, with many actors throughout the supply network, but they also foster some of the toughest working conditions. This can be from working underground, or dusty, hot and dangerous environments.

Lush has continued its stance (taken in 2018) to not use any natural mica in our products due to the risks that this poses and have assessed our options for minimising risk in the

other mined materials that we source. We are working with existing suppliers where materials cannot be replaced or reformulated to increase traceability back to the mine.



Palm Oil

Our focus on the palm industry began in 2006 when we realised what destructive environmental practices are involved, but we also now regard it as a high slavery risk. “Non-governmental organisations (NGOs) and unions report that even plantations that have been certified as ‘sustainable’ often show signs of child labour and forced labour” (*Greenpeace, Final Countdown Report, 2018*).

During FY24 we saw a decrease of 10.2% in palm derivative usage. Reformulating shampoo bars to replace SLS account for a 8.2% decrease in our overall palm derivative usage. Our suppliers have been focusing on getting EUDR ready. We are hoping the new EUDR legislation information will further enable us to gain specific locations of plantations used to supply to the manufacturers of our synthetics. We are expanding the transparency tracker, to identify specific practices linked to our palm derivative supply chains. The full details around our reduction of palm oil derivatives can be found in our [2024 palm report](#)

Improving Traceability

Human Rights Risk Assessment

Back in May 2024, we sent out 2864 questionnaires to our suppliers, delving into each of the materials that we purchased (raw mats) in FY2024. We had an overall response rate of 46.6% (1336) of the questionnaires returned to us.

- Of the surveys returned to us, 62.64% confirmed they have full traceability of the materials that we source. The remaining suppliers could not confirm visibility.

- Materials were listed as coming from 127 different countries, with the United States, India and Spain being identified as a source country the most often.
- We also asked questions about the land from which materials were sourced (wild harvested vs small holders vs large plantations) and the harvesting methods.
- 70.8% of our suppliers who responded have visited the farms they source from themselves
- 2.32% confirmed that they have historically had human rights concerns within their supply network
- 91.99% confirmed that they would be happy for Lush to visit the farms.

Following the outcome of these questionnaires, we will be looking to develop a strategy to dig deeper into those supply networks that had no transparency, had historical concerns or were not willing to allow us to visit. These questionnaires were aimed at those suppliers who provide agricultural or grown materials - the Synthetics team launched a similar survey last month tailored to synthetic ingredients.

Act - Taking Action

Steps Lush has taken since completing human rights risk assessments in FY23/24

Egypt - Jasmine

It is very hard to change socio-cultural norms however taking into consideration the two-fold issues of limited labour availability as a result of the low-income levels offered by the market, there is evidently a challenge with the current market value and therefore profitability of jasmine.

Following the assessment in August 2023, we have started working closely with our supplier and Impactt in April 2024 on a child labour correction program building on previous diagnostic work.

The objective was to develop a stakeholder-led understanding of root causes, impact and our suppliers management systems, to build solutions where those most affected have a say.

Impactt reviewed our suppliers existing management approach (based on assessments previously undertaken for LUSH), our suppliers action plan and documents evidencing the constitution and activities of our suppliers corporate social responsibility (CSR) foundation. This also included desk-based research into the local context and available tools, which was put together with Impactt's existing in-country expertise to develop a strong background understanding of the situation.

Following the review phase, Impactt began fortnightly one-hour advisory meetings to review progress and discuss approaches to overcome any challenges. Insights from the advisory process, together with evidence seen during the visit and feedback provided during

stakeholder consultations, supported Impactt's understanding of the company's response to the issue.

In June 2024, Impactt visited our suppliers site and supply network again for internal management, external stakeholder and rightsholder consultations. The objective was to understand perspectives on:

- The drivers of child labour
- Work types and working hours
- The extent to which children are involved in hazardous work
- The extent to which children's education is impacted
- Local options for education and obstacles to access
- Personal financial considerations
- Feedback on (and evidence for) effectiveness of suppliers action plan
- Rightsholders' own suggestions for solutions
- Feedback on Impactt's suggested solutions

In addition to meetings with company management, Impactt spoke to a total of 91 local stakeholders

The assessment has further enabled us to understand critical market level constraints in the sector and the role Lush plays as a primary buyer and how Lush can support and influence the sector in Egypt going forwards.

The market Level constraints include:

- High production costs and low market prices are forcing producers to switch to alternative crops which poses potential threat to Jasmine supply in the future.
- Jasmine faces frequent market volatility from the market most recently being hit by disruptions caused by the COVID-19 pandemic and the war in Ukraine, dampening demand, and straining supply chains. In addition, the recent rapid increase in inflation, reaching a reported 36% in July 2023 (but as high as 62% for food), paired with the devaluation of the Egyptian Pound (EGP) has had a significant impact on the cost of production, fuel costs and cost of living, all of which directly (and often negatively) impacts our suppliers own operations but also their supply-chains and those working within them. All these factors have contributed to a rapid decline in the market value of jasmine and as of today, most producers are struggling to generate sufficient profit from production of aromatics.
- The Egyptian government has introduced a range of initiatives to encourage farmers to start producing strategic crops (e.g., wheat, corn, rice) through government sponsored subsidy programmes to increase domestic production and reduce the reliance on (volatile) imports.

This has led to farmers uprooting other crops such as jasmine and specifically neroli to create space for strategic crop production. The result is a high level of uncertainty in the market both in terms of supply and demand, but also at the producer level in terms of the economic feasibility of staying in aromatic production.

To combat the root causes and contributing causes identified in this supply chain we are working closely with our supplier on the following:

- Adopting a best practice farmer jasmine price
- Extending the productivity/agronomy training to the full supply chain.
- Work within spheres of influence and peer networks as much as possible to encourage a diversity of crops in the area, so that jasmine is not fully relied on for livelihoods.
- Build Jasmine Project team capacity through train-the-trainer training, develop training
- module and implement child labour training throughout supply chain as part of farm visit programme.

India - Peppermint

There are several steps we need to take in order to help to break the poverty cycle peppermint farmers are currently locked into so we are closely working with our suppliers of peppermint on:

- Traceability - knowing the chain, understanding the routes and visibility of payments and agreements.
- Consistent and improved yield -Improving the value of each harvest to provide higher incomes for farmers and workers.
- Reciprocity - Establishing commercial relationships that provide benefits to all parties through the supply chain.

To improve traceability and transparency we will work with our suppliers to prioritise record keeping of crop source for the first season and then look to identify core farmers & identify cooperative collectors and Farmer Producer Organisations. To improve yield we will review current agricultural practices and improve the support and guidance currently offered. To make the system fairer we will work with our suppliers to maintain records of payments and earnings. We will continue to work to understand commercial arrangements such as margins and payment schedules with each supply route and work towards a minimum guaranteed price for the crop.

We are also looking at reaching out and collaborating with other stakeholders in the supply chain to work on these issues collaboratively.

Bulgaria - Rose water

Following our findings in our Bulgarian rose water supply chain we are working closely with our supplier on strengthening the Human Rights Due Diligence processes (management systems etc). A list of immediate actions to be taken was shared with our supplier. The actions that could be addressed immediately and verified virtually have been actioned,

however the remaining non conformities that require in person follow verification will be reviewed during the next visit. We will further assess the Bulgarian supply chain in more detail during the 2025 harvest season.

We are also planning an assessment of our rose supply chain in Pakistan to complete the picture of our rose supply chains (to be confirmed for March 2025).

In addition to the above Lush is also participating in a joint project, "Harvesting the Future," to promote and improve working and living conditions of seasonal agricultural workers in Türkiye. For further information please see the Fair Labor Association website.

Training and Raising Awareness

Internal Training

Around 14,848 people work for Lush globally (Lush Group Employees (Retail, Digital, Manufacturing and Support), not including Partners) - even more around peak times like Christmas when we recruit seasonal staff. We want all employees to have an active and engaged understanding of the risks of modern slavery to our business. We started our training programme in 2018, and since then have expanded this to a wide variety of departments and colleagues across the Lush global business.

We have organised sessions for individual teams and hosted a virtual session on modern slavery, which was recorded to maximise accessibility. With this experience, our staff are more likely to identify possible warning signs and raise issues if a supplier looks like they might be slipping below our expected standards.

This year, we have provided additional training to a number of our teams:

Support Teams - 60
Global Colleagues - 41

This brings our total training figures to date (December 2024) to:

Manufacturing - 221
Support Teams - 497
Retail Team Managers - 74
Global Colleagues - 331

We also hosted 2 Social Auditing sessions for our buying colleagues and wider support teams on how to be a Social Systems Auditor. This course covered:

- Understanding the potential range of social and ethical issues that face organisations and auditors, and the range of conventions, specifications, codes of conduct and other initiatives
- Explained the role of an auditor to plan, conduct, report and follow-up a social system audit in accordance with ISO 19011

- Plan, conduct, report and follow-up a social system audit in accordance with ISO 19011 and by interpreting the requirements of SA 8000

We hosted this in both our UK and North America Offices, with 19 global colleagues attending.

Finally, we asked our buying teams to attend digital training to upskill themselves on the potential risks in their own categories supply network. These included topics such as Effective Due Diligence For Addressing Child Labour Risks in the US which is a concerning theme that we are monitoring on an ongoing basis.

Talking about Modern Slavery

Communicating and keeping Modern Slavery at the forefront of people's minds is key to making sure that we are constantly doing everything we can to try and eradicate this horrendous practise. We do this through a variety of channels which are accessible internally, to our supply network and publicly too.

- Our Anti-slavery and Human Trafficking policy and Modern Slavery statements are published on our website where staff, suppliers, customers and anyone with an interest can read about the risks to our business and the steps we are taking to combat modern slavery.
- We also have also created an internal document called the Modern Slavery Handbook (last updated this year), which provides resources and materials created by Lush, as well as information provided by external organisations which campaign to eradicate modern slavery on a global scale. This is available internally, and is distributed in a follow up email to anyone who completes our online training. The document is comprehensive and covers topics such as: What is Modern Slavery, Our Obligations & Policies, Spotting the Signs, Reporting and Incident, and several external resources. It is also shared as part of our immersion sessions for new staff members.
- The importance of eradicating modern slavery, and the importance of raising awareness of this key issue was also included in the "Upholding of our Ethics" section in our employee magazine, Lush Insider in June 2020.
- We worked with our people team to create a referral procedure for colleagues or customers who may be affected by modern slavery. The whole team was briefed should any calls of this nature be received by our people care team.

Further to the above documents and policies, we have also explored more interactive options for supplier training and successfully hosted two virtual supplier conferences with the title of 'A collaborative approach to tackling modern slavery' on the 5th November 2020.

These two one hour sessions were co-hosted alongside Stronger Together and broached the following topics:

- Where Lush stands from a policy point of view
- An overview of what Modern Slavery is - what is the problem globally, in the UK and in different sectors
- The UK Government's & International Response - a businesses' responsibility to tackle modern slavery
- Who are the victims, how are they exploited and where?
- Next steps and further resources

A total of around 110 suppliers were able to join the live sessions and a recording was shared with everyone who was unable to attend.

In addition to training we have also participated in public discussions around modern slavery. Lush has also recently embedded a new whistleblowing process that allows anyone connected to Lush - be it a colleague, a supplier, or someone within the supply network to report (anonymously if they so wish) and wrongdoing. This new system allows us better control over the distribution of the queries to the right stakeholders to ensure they are dealt with efficiently and effectively. Last FY we received 2 whistle blowing reports, although none of these were related to modern slavery.

Whistleblowing reports can be submitted in a couple of ways:

- By emailing buying.policy@lush.co.uk, or emailing the Lush buyer directly.
- Should the reporter wish to remain anonymous, they can submit a report through our 3rd party whistleblowing platform - <https://fileaconcern.org/lush>

Operational Performance Assessment

Lush has previously used the Stronger Together Organisational Performance Assessment to self-assess how well we tackle modern slavery and hidden labour exploitation as a business (action taken during FY 19/20). The assessment was delivered by a trained and approved business and human rights expert consultant and provided independent verification of our company's progress in tackling modern slavery.

The OPA has been developed to support companies to evaluate their progress in tackling modern slavery and to inform their next steps to improve the scope and effectiveness of their programmes. The OPA analyses gaps, reports on strengths and provides detailed recommendations and action plans to support a business to make further organisational improvement.

The framework covers six steps:

- Commit - Make a public commitment to tackle modern slavery

- Assess - Understand modern slavery risks in your business and supply networks
- Act - Take action to deal with identified risks
- Remedy - Provide a solution for victims of slavery
- Monitor - Monitor progress
- Communicate - Tell people what you have done

We have used the output of this assessment to form a framework for this report, but also to guide us with a list of areas we wish to strengthen. We had another assessment planned for FY 23/24 but this has been postponed. When we carry out the next OPA we plan to extend the assessment across all of the Lush manufacturing operations.

Remedy - Provide a solution for victims of slavery

We have two main channels through which we would receive potential violations or incidents for concern; via the whistleblowing hotline (<https://fileaconcern.org/lush>), or during our own investigations of our supply network.

As part of our aforementioned remediation policy, we have identified a structure for dealing with these incidents. The Lush process for responding to violations will be to:

- Conduct an initial assessment of the allegations to ensure that there is sufficient information to understand the exploitation discovered and remedy it.
- Ascertain if a supplier or labour provider is implicated.
- Report the allegations to relevant authorities.
- Capture evidence about the violations, using an independent third party if necessary.
- Gather information from those affected.
- Take immediate steps to correct the situation for the worker, which will need to be tailored to their individual circumstances. This could include provision such as housing support, legal assistance, medical care or psychological support.
- Compensate the victim or restore their situation to before their ordeal took place, including for those found to be a victim of modern slavery within the Lush network, internal colleagues or supply chain. This could be in the form of:
 - Reimbursement of recruitment fees or illegal deposits
 - Compensation for lost wages or illegal wage deductions
 - Assistance with repatriation, if desired.
- Where possible, contribute to programmes and projects aimed at providing victim support.
- Work with local authorities and competent local organisations to provide assistance (on the express consent of the victim).
- Review progress over a suitable time period and verify that progress with local authorities and local organisations.
- Document remedial steps taken (see Remediation Reporting Tool).
- Build learnings into remediation procedures and operational procedures to prevent re-occurrence.

In FY 23/24 we had two instances that required investigation, this was received directly via the whistleblowing hotline. Although none of these were related to modern slavery.

Whilst the low numbers of reports is in some ways reassuring, we cannot be complacent and have identified that the awareness and accessibility of the Whistleblowing hotline is something that we wanted to refine. As mentioned above, in line with the requirements of the EU whistleblowing directive we have been working hard during 2023 to implement a new system for whistleblowing that will make it easier for anyone within the business or in our supply network to raise concerns confidentially via multiple channels and in the preferred language. The system is now fully implemented as mentioned above.

Monitor - Monitoring Our Progress

In September 2020, we launched the first set of surveys for suppliers to review and agree to our People Care, Earth Care and Fair Share Buying Policy and self-assess their organisation against the criteria covered within the policy.

In April 2022, we signed a new contract with an alternative software provider to be able to report on a global scale. This software enables us to monitor our suppliers and track what changes, and what progress has been made in their efforts to provide traceability and remediate risks within their supply networks.

These key indicators are now recorded on a global level, across all Lush entities; with the most recent tailored assessment focusing on our grown and agricultural materials (in line with the findings from our human rights risk assessment) which was issued in February 2024. These assessments were issued by material, rather than suppliers, to enhance visibility. 2854 assessments were issued to 346 suppliers with a response rate of 46% - 1336 assessments were returned. The below results are calculated from these 1336 replies.

KPI	Result FY23/24	Additional Comments
Number of materials where suppliers have indicated they have full traceability	62%	All suppliers who have responded “yes” to having traceability.
Number of materials where human rights risks have been identified	2.4%	All suppliers who have responded “Yes” to being aware of current, or historical human rights issues - Actions this year are to verify actual risk.
Number of high-risk suppliers based on 1336 assessment responses	38.9%	All suppliers that scored as “High Risk” on our human rights risk agriculture survey Calculated using aggregated scoring from our People Care Assessment This score is higher than previous years as we adjusted the highest risk suppliers to be those with known human rights risks, those without full traceability, or those who have not visited their suppliers.
Number of materials where suppliers have not visited their supply network	29.1%	This includes suppliers where we may have visited, but the direct supplier has not. Our action here is to ensure that our suppliers are engaging with our values for a transparent supply network, and we will continue to encourage them to visit their suppliers.
Number of materials where suppliers were not willing to provide transparency / allow Lush to visit	8%	We are in the process of working through these materials to gather further detail, and look to either negotiate with the suppliers to increase transparency, or, look at resourcing the materials if this is not an option.

Communicate - Communicating and Highlighting Modern Slavery

It’s been said that Lush is like a campaigning organisation fronted by a soap shop. We are active and vocal about the issues that we care about, and use our shop windows and website as a way to highlight them.

Historically, we have hosted campaigns in partnership with [After Exploitation](#), calling on Part 5 of the Nationality and Borders Bill to be scrapped.

Each of Lush’s 101 storefronts across the UK carried the slogan: “Don’t let the Government rip up support for modern slavery survivors”, alongside a QR code and URL, so that customers could quickly and easily take part in the Scrap Part 5 action.

In October 2024 we marked Anti-slavery Day by raising awareness of modern slavery and its prevalence via internal newsletters to all retail staff and via presentations in our UK offices and manufacturing sites.

As part of our company-wide ongoing commitment towards eradicating modern slavery and forced labour, we encouraged everyone to read shared information to :

1. Understand / remind themselves of what modern slavery is
2. Learn about recent modern slavery cases

3. Know how to spot the signs
4. Familiarise themselves with what to do if a case of modern slavery is suspected

Further to this we also shared an animation that was created by Stronger Together in partnership with Migrant Help, to support businesses in raising awareness of the signs of labour exploitation throughout their operations and supply chains.

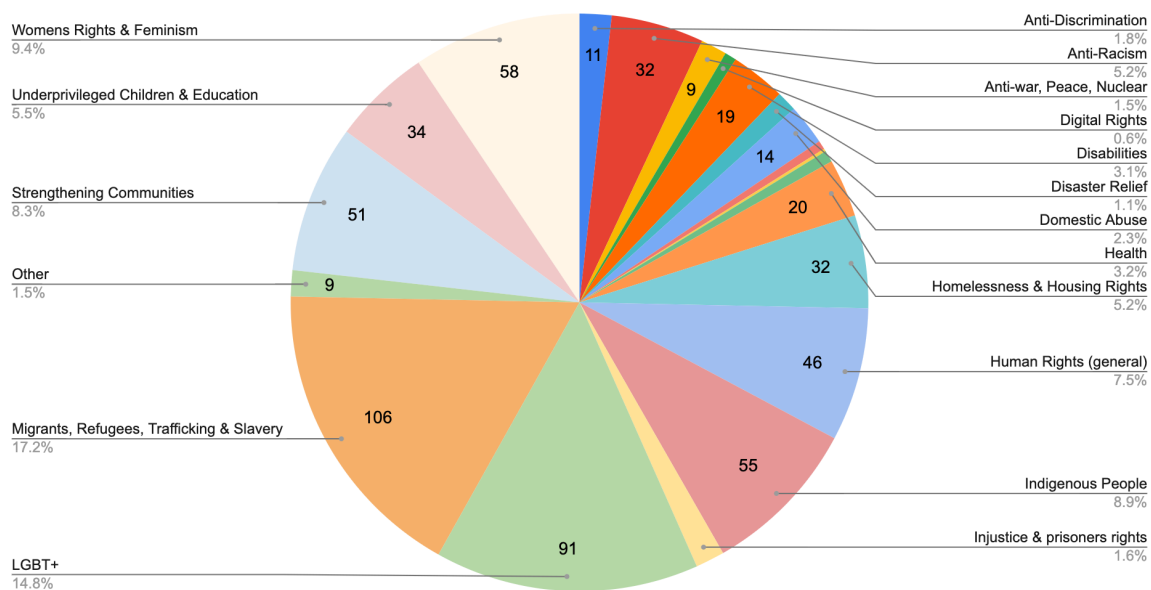
We are also in the process of creating new internal training on the topic of modern slavery and are hoping to roll this out during 2025.

Supporting Human Rights Charities

At Lush, we like to look after those who look after others, and we are committed to supporting small, grassroots groups and other non-profit Human Rights organisations.

Globally we have made 616 donations to Human Rights groups from our Charity Pot Sales in FY2024 (including groups supporting migrants, refugees and groups tackling slavery and human trafficking) – £2.1 million was donated in total to these groups. In the UK alone we have made 266 of these donations totalling £324K.

GLOBAL CHARITY POT HUMAN RIGHTS DONATIONS FY22/23



(Breakdown of donations by cause)

Via other funds (Product Campaigns) during FY 23/24 we have donated £464K to Human Rights groups.

Requirements

The Lush board of directors have overall responsibility for ensuring Lush's compliance with the Modern Slavery Act and that all those under our control comply with it. Management at

all levels are responsible for ensuring those reporting to them understand the issue of modern slavery and comply with this policy.

This statement is made pursuant to section 54 (1) of the Modern Slavery Act 2015 and constitutes our Group's slavery and human trafficking statement for the financial year ending 30/06/2024. It has been issued on behalf of the Lush Group, approved by the Lush board of directors and covers all UK Lush entities including Lush Ltd, Lush Retail Ltd, Lush Manufacturing Ltd and Lush Cosmetics Ltd.



Signed by: Hilary Jones, Ethics Director

Date: 19 th December 2024

Finding help in the UK & Further Afield

If you or someone you know is being or has been exploited or you are unsure if someone is in need of help, assistance and advice is available:

- for life-threatening emergencies, call 999, or for non-emergencies, call 101 for the police
- Modern Slavery Helpline can be called on 08000 121 700 or contacted via an online form. The helpline is available 24/7 and can be called for guidance on suspected cases or concerns or to report an issue.
- Victim Support can be called on 0808 16 89 111 or contacted via an online form
- Crimestoppers can be called on 0800 555 111 or contacted via an online form
- Migrant Help (covers Scotland, Northern Ireland and England) can be called on 0808 8010 503
- The Salvation Army (covers England and Wales) have a 24/7 confidential referral helpline, which can be called on 0800 808 3733
- British Red Cross (covers UK) - 0344 871 1111
- **Identifying Labour Exploitation:** In partnership with Migrant Help, Stronger Together have created this new animation to support businesses in raising awareness of the signs of labour exploitation throughout their operations and supply chains.

If you suspect someone is a victim of human trafficking, forced labour or worker exploitation, report it immediately. You can contact:

The Police - 101, or in the case of an emergency 999

Crimestoppers - 0800 555 111

The GLAA - 0800 432 0804 or 03000 718234 (outside office hours)

Modern Slavery and Exploitation Helpline - 0800 012 1700

UK Human Trafficking Centre - 0844 778 2406
The Salvation Army - 0300 303 8151