



BY APPOINTMENT TO
HER MAJESTY THE QUEEN
BEDDING AND UPHOLSTERY
MANUFACTURERS
HYPNOS LIMITED ENGLAND

HYPNOS®

THE MOST COMFORTABLE BEDS IN THE WORLD

Modern Slavery Statement

**This statement has been published in accordance
with the Modern Slavery Act 2015.**

It sets out the steps taken by Keen and Toms Holdings Ltd and other relevant group companies (Hypnos) during year ending 30th June 2022 to prevent modern slavery and human trafficking in its business and supply chains. This statement has been approved by the Board of Directors.

Introduction

This is Hypnos' seventh Modern Slavery Statement issued under the Modern Slavery Act and it outlines the steps we have taken (and continue to take) as a business to prevent slavery and human trafficking in our own operations and supply chains.

We recognise that modern slavery is a growing global issue, and we understand our responsibility to prevent, mitigate and remediate where necessary, the risks of human trafficking, forced, bonded and child labour.

This year, like the previous year, has been an exceptional one. Covid-19's legacy has caused unprecedented disruption and change on a global scale. The impact of the pandemic has been greatly felt by retailers, suppliers, and the workers within our supply chains, and we have had to adapt to the challenges it has presented. In the UK, the impact of Brexit and the ending of freedom of movement for EU citizens remains a significant impact on several sectors, particularly those with low-skilled workers, and so continuation with due diligence is essential.



This year we also acknowledged the important role the Independent Anti-Slavery Commissioner (IASC) has taken engaging with businesses, identifying best practice and undertaking a review of the learnings from Operation Fort. We welcomed the IASC maturity framework with its four clearly defined stages, and its broader purpose beyond assessing legal compliance to the Modern Slavery Act. We have assessed ourselves against the IASC maturity framework and predominantly sit in the "Meeting Basic Expectations" category with some activity in "Evolving Good Practice". This clear structure will enable us to continually improve our maturity and give us a clear benchmark in tackling modern slavery.

Our commitment to our customers and stakeholders is very clear; we will always treat people in our business and supply chain fairly. This means we will continually review and improve our policies, practices, and procedures so that we can fulfil this commitment

James Keen
Chief Executive Officer
Keen and Toms Holdings Ltd t/a Hypnos



Our Business and Supply Chains

Hypnos is a British bed manufacturer with production sites in Princes Risborough, Buckinghamshire and Castle Donington, Leicestershire.

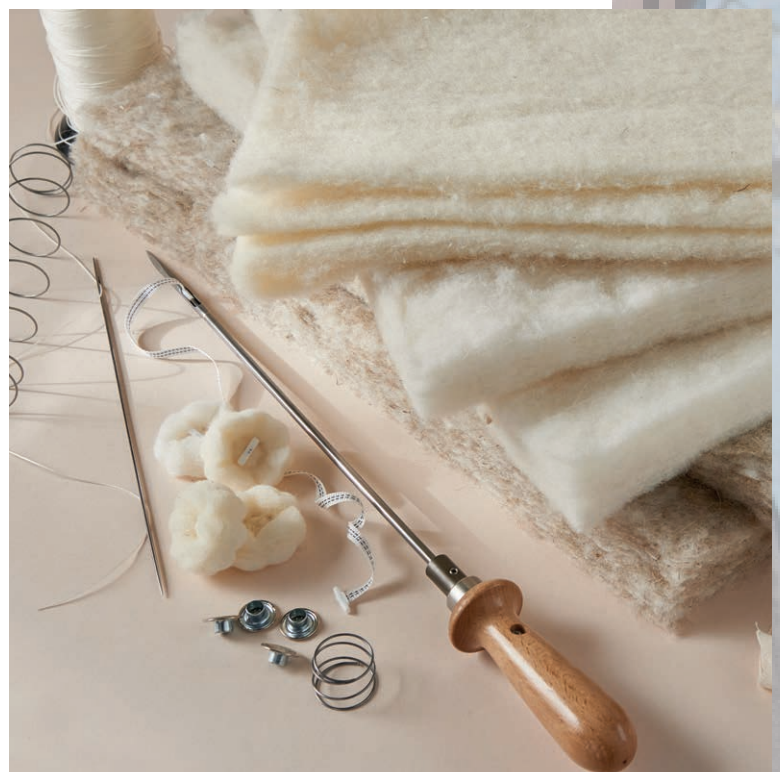


The business is focused on the design, development and manufacturing of branded and own-label products for the domestic and hospitality marketplaces.

Our raw material supply chains are local and global and consist of two main types:

- 1 Raw Materials: To assist in the purchasing of sustainable and ethically produced raw materials our business works in partnership with Better Cotton; Cotton Connect; The Global Organic Textiles Standard (GOTS); The Textile Exchange; Responsible Wool Standard (RWS); Himalaya Nettle; Red Tractor Farm Assurance; Forest Stewardship Council; Programme for the Endorsement of Forest Certification; Global Recycling Standard (GRS); and The Vegan Society.
- 2 Goods Not For Resale (GNFR): This category includes any products or services we buy to run our business – this includes (but is not limited to): professional services; logistic operations; marketing support; and office and stationary equipment.

It is our intention to publish a Tier I supply chain map to help facilitate the total transparency of our supply chain locations. This is planned for completion by financial year end 2024.



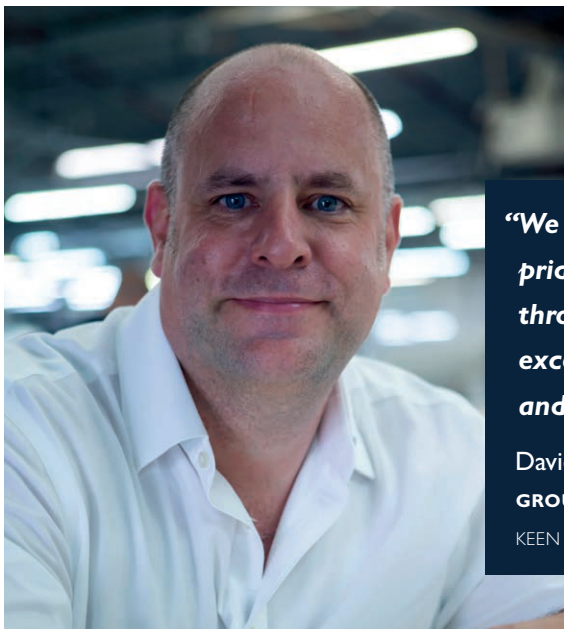
Governance and Leadership

The executive director team, chaired by James Keen CEO, has overall accountability for managing modern slavery risk within Hypnos' operations.

The groups wider senior management team are accountable for departmental modern slavery risk assessments and due diligence sign off.

As part of the business' wider commitment to environment, social and governance (ESG), modern slavery specific annual metrics will be put in place by end of FY 2024 to monitor compliance and to continually assess the adequacy of our controls framework.

As a continued commitment certain senior colleagues will be required to sign the Hypnos Ethical Trading Policy, which focuses on key policy areas that affect the business.



"We are a family business and we take great pride in meeting our stakeholders' expectations through achieving and where possible exceeding industry standards, relevant laws and regulations."

David Baldry

GROUP MANAGING DIRECTOR

KEEN AND TOMS HOLDINGS LTD T/A HYPNOS

Policies

Over the last three years, to support our programme of compliance we have continued to develop our policies with input from internal experts, suppliers and stakeholders.

We have several policies in place that are relevant to modern slavery, all of which are signed off by the board of directors. These are:

Human Rights Policy

States Hypnos' commitment to respect internationally recognised human rights in line with the principles and guidance contained in the United Nations' Guiding Principles on Human Rights.

Responsible Sourcing Policy (RSP)

Introduced in 2020, the policy sets out our minimum ethical and environmental standards. The RSP has been published using principles drawn from international standards and international collaborative codes like the Ethical Trading Initiative (ETI) Base Code.

Grievance and Discipline Policy

Aimed at remedying adverse human rights impacts, the policy sets out how to raise a grievance and what to expect from our disciplinary process.



Whistleblowing Policy

The policy is aimed primarily at Hypnos employees but is also available to others working within our supply chains. It outlines confidential communication channels so that concerns can be raised.

Contractual Controls

In 2020, the business introduced Supplier Level Agreements, which outline contractual obligations to conduct Modern Slavery Act risk assessments including notification of any findings.



Case Study



Introducing new standards for British wool.

Wishing to support British farming, Hypnos embarked on a journey to source and buy traceable British wool.

As part of the risk assessment Hypnos identified 'fair pay' issues within the supply chain and consequently pioneered a new way of buying British wool that not only dealt with the fair pay issues, but also introduced animal welfare and wool traceability standards.

To ensure trust and credibility, Hypnos co-developed new audit standards with bona-fide certification partners.



Assessment of Modern Slavery Risk

Hypnos have committed to assessing risk within our business operations and supply chains on an annual basis.

The business recognises that the manifestation of modern slavery are complex and hidden, so our risk assessment includes the following to help us to prioritise our activities:

- 1 Desk-based research
- 2 Supplier engagement
- 3 Supplier surveys
- 4 Mapping of supply chains and activities
- 5 Discussions with expert stakeholders

The audits help to provide a baseline from which to manage any suppliers who do not meet our minimum standards.

Following risk assessments due diligence audits are conducted either in person or via virtual assessments where travel is not possible. These are conducted by internal experts.



Partnerships and Collaborations

Essential in tackling modern slavery, our partnerships and collaborations are listed below:

The organisations and why we are in partnership:

Better Cotton (BC)

BC's mission is to help cotton communities survive and thrive, while protecting and restoring the environment. BC have published a task force report outlining the short, medium and long-term priorities to strengthen systems on forced labour and decent work.

Cotton Connect (CC)

CC transform the lives of farmers, and the communities connected to farming, by giving them training on issues such as human rights, gender equality and how to run successful businesses.

Forestry Steward Council (FSC)

FSC ensures local communities living in and around forest areas are consulted, and their legal and cultural rights to land and forest resources are respected. All workers are provided with proper training, adequate safety protocols, and fair wages.

Global Organic Textile Standard (GOTS)

The GOTS standard stipulates requirements throughout the supply chain for both ecological and labour conditions in textile and apparel manufacturing using organically produced raw materials.

Himalaya Wild Fibres

Social and community enterprise focused on fair pay for women subsistence farmers'. Working towards W+ Certification; Naturally Organic Certification; and Savory Institute Ecological Outcome Verification.



Global Recycling Standard (GRS)

GRS includes requirements for certified organisations to meet the ETI base code as well as providing robust environmental, chemical and overall supply chain requirements.

Red Tractor Farm Assurance

The Red Tractor wool standard in conjunction with The Woolkeepers programme introduces fair pay for British wool producers.

Responsible Wool Standard (RWS)

The RWS standard incorporates social welfare criteria for all certified organisations based on the ETI base code.

SEDEX

The SEDEX communication platform creates consistency across supply chains making it much easier for suppliers to take action.

Programme for the endorsement of Forest Certification

PEFC certification promotes living wages, safe working conditions as well as equal opportunities, non-discrimination and freedom from workplace harassment, in addition to compliance with fundamental ILO conventions.

Independent Anti-Slavery Commissioner (IASC)

Maturity Framework.

Barely Achieving Compliance

- Superficial modern slavery statement – policy but no action
- Little or no mapping of supply chains
- Minimal awareness of modern slavery amongst staff
- Sole reliance on audits
- No protocol for dealing with labour abuse

Evolving Good Practice

- External challenge or working groups informing strategy
- Going beyond auditing – deep dives and unannounced visits
- Cascading ethical standards throughout supply chains
- In-depth training for staff in key roles, such as procurement
- Commitment to worker engagement
- Implementing the Employer Pays principle



Meeting Basic Expectations

- Evidence of activity or improvement in modern slavery statement
- Identifying areas of high-risk in the business and supply chains
- Educating suppliers on policy and setting expectations
- Regular staff training and awareness-raising exercises
- Basic protocols for dealing with labour exploitation cases
- Installing whistleblowing hotlines

Leading On Human Rights Innovation

- Board leading on human rights strategy
- Using data analytics to identify risk
- Local, national, international intelligence gathering
- Supporting suppliers to develop ethical competencies
- Pioneering new ways of worker engagement, using technology
- Factoring in the true cost of labour



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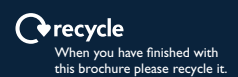
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