

# GRADUS

## Modern Slavery and Human Trafficking Statement

Financial Year Ending 31 December 2018

This statement is made by Gradus Ltd pursuant to section 54(1) of the Modern Slavery Act 2015 and sets out the steps that the Company is taking to ensure that modern slavery or human trafficking are not taking place within our business or supply chain.

“Modern Slavery” encompasses slavery, servitude, human trafficking and forced labour. Gradus has a zero-tolerance approach to any form of modern slavery. We are committed to acting ethically and with integrity and transparency in all business dealings. Effective systems and controls are being developed to safeguard against any form of modern slavery taking place within the business or our supply chain.

### Our Business

Gradus is a market leading UK manufacturer of interior finishing products; specialising in carpet tile, broadloom and impervious backed carpets, barrier matting, wall protection, LED lighting design, stair edgings and floor trim profiles. Employing approximately 250 people, our head office is based in Macclesfield with six production and warehouse sites across the UK. We also have Sales offices in Singapore and Dubai. All staff are employed on Gradus contracts, with the exception of occasional holiday or sickness cover provided through licenced temporary staffing agencies.

The Company has an annual turnover in excess of £36m and is organised into two operational business units: Accessories and Carpets.

### Our Supply Chains

Our supply chains include the sourcing and purchasing of materials for the principal activities of manufacturing, installation and servicing of flooring and flooring accessory products. The majority of the materials we use are sourced from suppliers who are based in the UK and in other parts of the European Union. We also source a limited number of products from outside the EU.

### Our Policies and Procedures

We are committed to ensuring that there is no modern slavery or human trafficking in any part of our business. We will not knowingly support or deal with any business

involved in slavery or human trafficking. We operate a number of internal policies to ensure that we are conducting business in an ethical manner. These include:

1. Responsible Sourcing Policy Statement
2. Recruitment Policy
3. Whistleblowing Policy
4. Grievance Procedure
5. Corporate Social Responsibility Policy Statement
6. Charter of Ethics
7. Supplier Audits and Questionnaires

As part of our compliance with the policies referred to above, we will take the following steps:

- Assess and monitor potential risk areas in our supply chains.
- Mitigate the risk of slavery and human trafficking occurring in our supply chains, including reviewing, where necessary, the controls that our suppliers have in place.
- Review and audit our working time, personnel data and payroll information
- Ensure relevant members of staff are trained to understand the risks of modern slavery and human trafficking in our supply chains

### **Due Diligence**

Where possible, Gradus seeks to build long standing relationships with both local and international suppliers. We make clear our expectations of business behaviour and require all suppliers to comply with the Modern Slavery Act 2015, and the standards laid out in our ethical trading, health, safety and environmental policies. We require our suppliers to confirm that they pay their employees at least the prevailing national minimum wage within their country of operation. It is not practical for us to have a direct relationship with all suppliers within the supply chain, therefore we expect every entity to adopt a minimum of 'one up' due diligence within the next link of the supply chain.

In 2018, we started the process of mapping the first tier of our supply chain and updating our Approved Supplier list for the raw materials used in our manufacturing processes. A risk assessment was conducted on our key suppliers which did not identify any who were classified as "high risk".

We have introduced a Company "Charter of Ethics" and communicated this to all staff within the business. This document lays out the Company's commitment to maintaining the highest ethical standards in our business practices and contains information and guidance to our employees on identifying and reporting potential human rights issues.

## Next Steps

Our next steps in 2019 will be:

- To continue with the process of mapping our supply chain and conducting a risk analysis to identify any areas of high/medium risk.
- To review our New Supplier audit process to include appropriate questions relating to modern slavery
- To include specific questions relating to modern slavery in future audits of our existing suppliers
- To send out a written communication to our existing suppliers; raising awareness of modern slavery issues; stating our expectations; and asking for confirmation of their commitment to identifying and eliminating modern slavery within their own supply chains.
- To design and develop a targeted training programme for the areas of the business most likely to encounter issues in relation to slavery and human trafficking
- To include elements of this training in our induction process for new employees.

## Responsibility

The Company Directors and Senior Management shall take responsibility for overseeing the implementation of this policy statement and its objectives.

## Approval for this statement

This statement has been approved by:



**Steve Watt**  
Managing Director

Date:

27/6/19.