

Modern Slavery and Human Trafficking Statement

The information included in the statement refers to the
Financial Year Ending 31 March 2023

This statement is made by Gradus Ltd (a Gerflor owned company) including Gerflor Flooring UK Ltd, (referred to in this statement as 'the Organisation'), 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.

Definitions

The Organisation considers that modern slavery encompasses:

- human trafficking
- forced work, through mental or physical threat
- being owned or controlled by an employer through mental or physical abuse of the threat of abuse
- being dehumanised, treated as a commodity, or being bought or sold as property.
- being physically constrained or to have restriction placed on freedom of movement.

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, Resilient flooring and floor trim profiles. Employing approximately 250 people, our head office is based in Macclesfield with four production and warehouse sites across the UK. In addition we also have Sales offices in Macclesfield, Singapore and Dubai. All staff are employed on Gradus or Gerflor contracts, with the exception of occasional holiday or sickness cover provided through licenced temporary staffing agencies.

Commitment

The Organisation acknowledges its responsibilities in relation to tackling modern slavery and commits to complying with the provisions in the Modern Slavery Act 2015. The Organisation understands that this requires an ongoing review of both its internal practices in relation to its labour force and, additionally, its supply chains.

The Organisation does not enter into business with any other organisation, in the United Kingdom or abroad, which knowingly supports or is found to involve itself in slavery, servitude and forced or compulsory labour.

No labour provided to the Organisation in the pursuance of the provision of its own services is obtained by means of slavery or human trafficking. The Organisation strictly adheres to the minimum standards required in relation to its responsibilities under relevant employment legislation in the UK and Ireland.

Organisational structure

Gradus is part of the French owned Gerflor Group and 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.

Gerflor Flooring UK Ltd. are a UK supplier, distribution, and warehousing of innovative, decorative, and eco-responsible complete solutions for resilient floors, wall covering, and accessibility, from installation to finishing for professional and consumers.

The organisation is controlled by a board of 5 directors:

- Steve Watt – Managing Director - Gradus
- Bertrand Chaumet – Managing Director of Sales
- Ian Sykes – Director of Operations
- Debbie Smith – Director of Finance
- Neil Thompson – Director of Marketing

Employing approximately 270 people across UK and Ireland, our Gradus head office is based in Macclesfield with four production and warehouse sites across the UK. They are as follows:

- Gradus - Macclesfield - Accessories Production and distribution
- Gradus - Poynton - Carpet production
- Gradus - Hounslow – Lighting – production and distribution
- Gerflor - Winsford – Flooring Warehousing and distribution

In addition, we also have Sales and administration offices in Park Green, Macclesfield, along with Singapore and Dubai.

All staff are employed on Gradus or Gerflor contracts, with the exception of occasional holiday or sickness cover provided through licenced temporary staffing agencies.

The Company is organised into three operational business units: Accessories, Carpets and Gerflor for the provision and warehousing of flooring.

Demand for our product is consistently high throughout the year and is therefore not a demand for seasonal resource.

Supply chains

In order to fulfil its activities, the main supply chains of the Organisation 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 countries outside the EU, namely China, Dubai, USA and Indonesia.

We understand that the Organisation's first-tier suppliers are intermediary traders and therefore have further contractual relationships with lower-tier suppliers.

Potential exposure

The Organisation considers its main exposure to the risk of slavery and human trafficking to exist in China and Indonesia in its supply chains because they involve the provision of labour in a country where protection against breaches of human rights may be limited.

In general, the Organisation considers its exposure to slavery/human trafficking to be limited. Nonetheless, it has taken steps to ensure that such practices do not take place in its business nor the business of any organisation that supplies goods and/or services to it.

Key performance indicators

Where possible, Gradus and Gerflor 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.

The Organisation has set the following key performance indicators to measure its effectiveness in ensuring modern slavery is not taking place in the Organisation or its supply chains.

- 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 operate a Company "Charter of Ethics" and communicate this to all staff within the business upon commencement of their employment with us. 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.
- In early 2023 the business launched its official CSR report which includes our commitment to respecting and promoting Human Rights, specifically those rights laid out in the Human Rights Act 1998, and the Ethical Trading Initiative Code.

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 are accessible on shared drive and through our HR Hub Share Point system and include:

1. Corporate Social Responsibility Report 2022
2. Recruitment Policy
3. Whistleblowing Policy
4. Grievance Procedure
5. Charter of Ethics

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.

Next Steps

The Organisation carries out due diligence processes in relation to ensuring slavery and/or human trafficking does not take place in its organisation or supply chains, including conducting a review of the controls of its suppliers.

The Organisation has not, to its knowledge, conducted any business with another organisation which has been found to have involved itself with modern slavery.

In accordance with section 54(4) of the Modern Slavery Act 2015, the Organisation has taken or is putting plans into place the following steps to ensure that modern slavery is not taking place:

- The use of pre-qualification questionnaire
- the process of mapping our supply chain and conducting a risk analysis to identify any areas of high/medium risk.
- reviewing supplier contracts to include termination powers in the event that the supplier is, or is suspected, to be involved in modern slavery.
- any training provided to staff on modern slavery for example training hiring managers.

Our next steps in 2023 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 in our supply chains
- 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 include elements of this training in our induction process for new employees.
- Undertaking impact assessments of its services upon potential instances of slavery

Responsibility

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

This statement is made in pursuance of Section 54(1) of the Modern Slavery Act 2015 and will be reviewed for each financial year.

This statement has been approved by the Board of Directors and signed on its behalf by:

A handwritten signature in blue ink that reads "Steve Watt". The signature is stylized with a large initial 'S' and a flourish at the end.

Steve Watt
Managing Director

Date of approval: 19th April 2023