

Ethical Trading Statement

THE ETHICAL STONE REGISTER (ESR) IS A LEADING ALLIANCE OF COMPANIES WITHIN THE STONE FEDERATION THAT PROMOTES RESPECT FOR WORKERS' RIGHTS AROUND THE GLOBE. ITS VISION IS A WORLD WHERE ALL WORKERS ARE FREE FROM EXPLOITATION AND DISCRIMINATION, AND ENJOY CONDITIONS OF FREEDOM, SECURITY AND EQUITY.

The work BBS have done towards compliance has enabled us to gain membership to the Ethical Stone Register. We are fully committed to ethical trade, and adopt a code of labour practice and expect all our suppliers to work towards this too. The codes address issues like wages, hours of work, health and safety and the right to join free trade unions.

Our supply chain aligns itself to the UN Guiding principles for human rights and the structured due diligence framework set out by BBS, which has been created using Trade Union and NGO procedures.

Our commitment to responsible sourcing practices is total, and our plans and objectives are continually monitored to ensure our due diligence practices are maintained. We work closely with our supply chains and with the employees as well as the employers.

BBS is committed to improve its knowledge of worker's rights and actively engages with NGOs in the UK and directly with workers unions in the Far East. This new and often changing knowledge enables BBS to engage fully with its supply chain workforces and their representatives to ensure all parties are fully aware of their rights.

Our goals and needs for the ESR are communicated to our supply chains, and the need for our suppliers to buy in to the work we are undertaking is fixed.

When sourcing from around the globe, BBS Natural Stone never shy away from looking under the veneer of procurement. At BBS we are extremely proud of how we buy our products and how our long term and trusted relationships with our suppliers which in many cases stretch back over 20 years, gives us the confidence that what we are buying and how it is being produced is ethical and lawful.

Our fully mapped supply chains are regularly checked and audited, but not to the extent it causes 'audit fatigue' During the global pandemic, our checks were less regular in Europe

but continued in the Far East being carried out by our independently ethically trained partners. This training, which was part of our capacity building, has enabled BBS to continue our ethical checks and maintain our focus on workers' rights. Our trained teams monitor the factories and ensure that the factories we use and who have signed up to the BBS due diligence code of conduct, continue to use this as a minimum standard at their facilities.

Although BBS are extremely confident in our supply chains and our ethically sourced products, the highest risk to workers and human right abuses, remain in the Far East, and our focus will stay on China in particular.

The shipping price rises in recent years has meant that the natural stone industry has generally moved away from China and placed the bulk of its orders with Portugal and Spain in particular. In turn, this has meant that workers in China may not have kept their jobs or been put on shorter hours due to the lack of work available to them and the factory owners.

Identifying salient risks in a supply chain can be problematic, and often they do not become apparent at first, but come to light on closer inspection or during discussions with the workers.

There are many sources to assist in identifying risk in a supply chain, and BBS use the internet, existing industry knowledge, information gathered by our own audits and information collected by our teams based in China. The ETI, ILO and NGO also offer detailed reports and publications to help identify possible issues.

Two areas of salient risk identified by BBS are Migrant workers and overtime in China.

The ILO's mandate in the world of work as well as its competencies and unique tripartite structure entrust it with special responsibilities regarding migrant workers. Decent work is at the heart of this. The ILO promotes decent work for migrant workers, which means that they should be entitled to: fundamental human rights at work, including the right to be protected against discrimination; productive work as the basis of a livelihood; protection against accidents, injuries and diseases at work, and social security, social inclusion and participation in social dialogue.

All migrant workers based in a Chinese BBS supply chain factory are given their human and workers' rights in Mandarin, to explain fully what they are entitled to. BBS have observed non-BBS facilities/factories treating migrant workers differently from contracted workers, meaning they are not salaried and working excessive overtime at an unknown rate of pay. The migrant workers can be away from home for months, and requesting overtime is not unusual and is a means to earn more money, but should be kept strictly within the maximum of 60 working hours/week. Our teams on the ground in China continue to offer advice and guidance to the workers in the factories, whether they are salaried or migrant. Our teams also represent the workers and act as advisors at management meetings, giving confidence to the workers that their voice will be heard. BBS have also installed suggestion boxes at our factories to enable <u>all workers</u> to table any issues that may occur when our teams are not in attendance.

Since 2008, BBS has had a programme of supplying its factories with PPE which is an aid to reducing production costs and bettering the chances of keeping the labour force in place. BBS has also implemented a quicker supplier payment programme to allow the factories more flexibility in paying the workers on time. BBS also makes every effort to place orders

promptly to reduce the risk of overtime being required at the factory, lessening the pressure on the factories and in turn the need for overtime.

BBS and its overseas teams will continue to monitor the migrant workers and the hours worked as this area is still highlighted as a salient risk.

Our employees

BBS Natural Stone holds regular in-house training for all employees, enabling everyone to be up to speed with the latest initiatives and guidelines. Our commitment at BBS Natural Stone in expanding and encouraging knowledge on human rights, ethical trading and modern slavery is continuous

Kevin Hives - Director

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Ethical Stone Register

