

# MODERN SLAVERY ACT & ETHICAL TRADING STATEMENT

**Hardscape Group Ltd**, incorporating Hardscape Products Ltd & IP Surfaces Ltd (Hardscape) offer a specialist service for the selection, specification and supply of innovative, diverse, and high-quality hard landscaping products utilising high performance, cost effective and ethically sourced materials. The type of materials offered include paving, setts, cladding, and street furniture using natural stone such as Granite, Sandstone, Limestone, Porphyry, and Slate or manufactured concrete and clay products with metal or wooden accessories and artwork.

Operating from offices throughout the UK, Hardscape has an extensive portfolio of prestigious hard landscaping schemes encompassing urban, civic, commercial, and private projects. IP Surfaces is a manufacturing facility, capable of the cutting, shaping, finishing, and enhancement of multi-material hard surfaces utilising the latest hi-tec laser technology, mechanical processes and artisan, handcrafted techniques.

Hardscape have been an Employee-Owned Organisation since June 2022, and our staff are key stakeholders ensure the effective ethical control of the business, and the representatives hold the Directors to account in all areas of Corporate Social Responsibility. We are committed to cross departmental collaboration to achieve ethical compliance, using a team of heads of Operations, Compliance, Marketing, and Commercial departments to guide our ethical, social, and environmentally sustainable goals and actions.

The Modern Slavery Act 2015 came into effect on 29th October 2015. The Act requires companies supplying goods or services to the UK, and who have an annual turnover exceeding £36 million, to disclose information regarding their policies to eradicate all forms of slavery (including child, bonded & forced prison labour) and human trafficking. Section 54 of the Act specifically requires a Corporate Company to demonstrate ethical transparency within their business and supply chain. Although Hardscape have yet to achieve the threshold for mandatory publishing of our Modern Slavery Statement, we have published this voluntarily since 2017 in line with our commitments to improve Human Rights.

Hardscape ensures Modern Slavery Act and Ethical Trading compliance through embedding Human Rights, Ethical Trade and Anti-Slavery Frameworks and Principles into the sourcing and procurement practices, engagement with our clients and colleagues, creating a positive ethical culture for our staff through effective recruitment, training, and development, and through innovation of our systems and processes.

We supply regular training, coaching, toolbox talks, and information to our employees in close conjunction with our HR Team, using resources from areas such as the Supply Chain Sustainability School, the Independent Anti-Slavery Commissioner, and the UK Home Office Modern slavery training: resource page. The Employee Code of Conduct and Supplier Code of Conduct both refer to ethical practices and modern slavery awareness and prevention. These must be agreed to and signed prior to commencing employment or onboarding of new suppliers.

Hardscape's Corporate Social Responsibility Policy, Anti-Child Labour Policy, Anti-Bribery Policy, Ethical Trade Policy, and Modern Slavery Act Policy, and this Modern Slavery Act Statement, reinforce our commitment and responsibility to respect internationally recognised human rights, in line with the UNGP's, the Ethical Trading Initiative Base Code and the Anti-Slavery International Charter. These policies have been created through collaboration with varied stakeholders including Employees, Suppliers, Industry Advisory Groups, NGO's (Non-governmental Organisations), and ethical compliance professionals from other businesses. These policies are reviewed annually, or when potential changes may be required due to UK or international legislative changes, significant risk developments identified, or when new technologies and processes allow for improved control or management of risks.

## **Ethical Trade Initiative (ETI):**

The UK Government recognises certain umbrella organisations as models for good practice, such as the ETI, as modus-operandi for a UK business to demonstrate that they trade or are working to trade ethically. In addition, the UN also recognises the processes of these oversight bodies and NGOs for the purpose of field work to help deliver Business and Human Rights solutions in supply chains. The Hardscape Group Ltd are full members within ETI where upon we require our supply chain partners to adopt the 9 Base Code Principles which are:

1. No forced labour.
2. Freedom of association and the right to collective bargaining are respected.
3. Safe and hygienic working conditions.
4. Child labour shall not be used.
5. Living wages are paid.
6. Working hours are not excessive.
7. No discrimination is practiced.
8. Regular employment is provided.
9. No harsh or inhumane treatment.

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## Supply Chain:

We have long-standing relationships with our supply chain, mostly consisting of Tier 1 suppliers, who directly control the source quarries. We have created and regularly review our supply chain mapping and risk analysis. The source country of all our materials is available to view on our website for within the description of every material offered. There is also a filter to allow selection and review of each source country's materials that can be used by customers. The supplier's name and exact locations are omitted due to commercial sensitivity and protection.

Hardscape Supply Chain Map



We carry out comprehensive ethical risk analysis of each supplier location and specific analysis of each of the ETI's 9 Base Codes to give a complete picture of the risks and areas to focus attention, and record the information on a Ethical Risk Matrix. Data used to create and maintain the accuracy of the matrix is taken from World Health Organisation (WHO) Reports, the Global Slavery Index, Responsible Sourcing Tool industry risk mapping, the International Labour Organisation (ILO) reports, and the International Transportworkers Federation (ITF) status reports and alerts. The Ethical Risk Matrix is reviewed monthly and salient and urgent risks are communicated to the Directors through a monthly report created by the Operations Manager. This is discussed at the Directors Monthly meeting, ensuring top-level agreement or support of actions to reduce risks or mitigate harm.

## Salient Risks:

Our current salient risks identified are:

- Ensuring that working conditions are safe and hygienic. Recent major incidents in the UK have elevated this concern, leading to swift immediate investigation and support to avoid recurrence.
- India – High risk of slavery (8 per 100 people: Global Slavery Index 2023) inc. debt bondage, child labour, and a lack of sufficient Health & Safety controls (42.9 deaths per 100,000 WHO Mortality report 2016).
- Freight shipping from Asia to the UK. Higher likelihood of Flags of Convenience or lack of ITF agreements (43% covered against average of 64%) in vessels travelling from Asia, leading to unmonitored and unverified activity.
- Ensuring that no harsh or inhuman treatment is allowed. Due to the location of quarries being predominantly rural and difficult to access, direct or regular contact with workers to ascertain if abuses occur in remote locations is more unlikely.
- Ensuring Freedom of association and the right to collective bargaining by our work force is respected. Again, a lack of direct access to the workers and limited collective bargaining or Unions in place needs further collaboration and intervention to improve.

Each risk is given a score based on likelihood x severity to give the risk rating. The likelihood refers to the possibility of harm against a benchmark throughout the industry and severity is the size or strength of impact on the workers, businesses, or on Hardscape, where each receives 1 - least risk to 5 - greatest risk. Any risk over 8 is of medium risk and requires investigation, mitigation, or corrective action. A risk rating of over 15 is regarded as high and needs immediate action with supply halted until remedial action can be taken to significantly reduce the risk of potential harm to workers.

One of our Key Performance Indicators is the number of medium and high-risk scores currently recorded. Our target is Zero High risk ratings and 5 medium risk ratings, but this will be progressively reduced as we further develop our supply chain management controls.

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We carry out thorough monitoring, auditing, and remediation measures with our supply chain, but this is all done with a spirit of support, guidance, and teamwork. During audits and external verification, we review documentation, verify certifications, and interview employees, whilst looking out for key indicators such as abuse of vulnerability, restriction of movement, signs/reports of physical or sexual violence, intimidation, threats, or deception from the employer or employment agent. This approach has allowed for greater transparency, reduced fear of financial loss, and better outcomes for workers.

## Examples of some of the positive interventions made are:

- Audits carried out in India, highlighting the lack of understanding of the ETI base codes, and lack of the message going beyond the supplier management. As a result of this intervention, the 9 base codes have been translated to Hindi and painted on a clearly visible wall where the workers can see it daily.
- Engagement with a supplier following a death on site, to offer support, flexibility, and help to reduce the pressure on the supplier and help put in place effective measures to prevent recurrence. This involved supporting the updating of their risk assessments using our own competent advisors to create effective templates and details to improve their systems.
- Creation of an ITF agreement matrix in collaboration with our freight forwarders, who gained an approved appreciation for the need for the agreements. This has led to several agreed actions being determined, which are currently being implemented to reduce the risk of slavery, exploitation, and unfair treatment to seafarers.

We are happy to report that no incidents of modern slavery have every been identified within our business or supply chain. This does not mean that there have been no incidents, so we will continually strive to improve transparency, reduce risks, and ensure workers throughout the supply chain are protected.

The simplicity of our supply chain allows us to have greater control over the management and understanding of the suppliers and their processes. We are fortunate that the nature of the work in the quarrying and stone manufacturing industry historically and presently seems to create long-term careers through a skilled trade in limited supply, with reduced staff turnover and agency use in comparison to other industries. There are some risks that are greater than other industries in comparison, such as:

- Increased Health & Safety risks, with heavy plant, dangerous machinery, and excessive manual handling.
- Remote location of some of the quarries and factories, reducing the likelihood of inspections from regulatory authorities, increasing the potential for overworking when workers are far from home, and difficulty and cost of access for audits.
- Minimal NGO or regulatory consideration due to low numbers of reports, but this leads to reduced transparency.
- Lack of established Workers Unions within the industry, reducing the on-site support availability or worker feedback opportunities.

If any worker is found to be a victim of Modern slavery or Ethical mistreatment, we will take action to support the victim in gaining financial compensation or remediation, referral to government agency, local authority, or NGO, whilst reviewing our own procedures, policies, audits, or employee and supplier training.

The more we integrate with the ETI and our peer members, the more we will be able to improve our monitoring and investigative processes, by gathering essential knowledge and insights from meetings, webinars, reports, training courses, networking events, e-learning, and shared experiences. This helps develop our own internal training tools, information, and presentations, which are reviewed at least annually.

We have our own in-house CPD trainers to help deliver ethical awareness training, but we also use external training personnel where required for specific developments and projects. Most training is given on induction then annually refreshed thereafter, unless specific projects or schemes are to be introduced, where ad-hoc training is then implemented. We have a comprehensive training matrix, monitored by the HR Department, who ensure that all training is kept relevant and up to date for all employees. We also offer CPD training for suppliers, customers, or other stakeholders, to effect positive change throughout our supply chain and industry. We are members of the Supply Chain Sustainability School, which is a comprehensive and high-quality source of training tools and information that we use to improve our ethical knowledge and understanding.

Hardscape will continue to review, update, and publish its Modern Slavery Policy, Modern Slavery Statement, and procedures annually or as required, to ensure it maintains appropriate safeguards against any mistreatment of persons involved in its supply chain or business.

*Alex Warren*

Alex Warren - Managing Director