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Ethical Trading Policy

Introduction

Our Ethical Trading Policy applies to ourselves and all suppliers that produce goods or services.

Although suppliers to Mathias are from many different countries, nationalities and cultures, the Ethical Trading Policy represents Mathias' commitment to source goods and services from persons and firms that achieve internationally recognized standards and practices in dealing with their workers and their working environment.

Mathias is committed to sourcing products from companies who respect the standards laid down by the World Trade Organisation and UN Human Rights Initiative.

1. Summary Statement

Our Ethical Trading Policy seeks to ensure working people around the world have a minimum set of standards that form their working conditions, by developing, and encouraging the use of a set of standards in trade. These are: the free choice of employment, freedom of association and the right to collective bargaining, safe and hygienic working conditions, child labour, a living wage, working hours, non-discrimination, the provision of regular employment and the absence of harsh or inhumane treatment.

Mathias recognises that our commercial activities have potential to impact on our Suppliers and our locality. As a socially responsible business our suppliers, local community and customers have a right to expect:

- Products manufactured and sourced by Mathias are produced under working conditions that are hygienic and safe.
- All workers involved in the delivery of services provided by Mathias are treated with full consideration to their basic human rights.
- Mathias acts in an ethical manner above and beyond basic legal requirements.
- This policy sets out Mathias' commitment to its suppliers and customers; setting out the measures we are taking to ensure that we are acting in an ethical manner.

2. Full Ethical Policy Statement

We have developed a full policy statement outlining how we expect our practice to develop in order to be able to offer strong guarantees to our customers that the services they receive from us have been ethically designed, managed and implemented. The supplier has to provide a copy of their Ethical Trading policy, which should include the following:

- Equal and fair treatment for all workers
- All employment is freely chosen
- Working conditions are safe and hygienic
- Child labour is not used

- Wages are fair and comparable to industry standard and will always exceed the minimum wage
- Deductions from wages as a disciplinary measure are not to be permitted
- Working hours meet legal regulations
- No discrimination is practiced
- Regular employment is provided for those who are employed on contract
- No harsh, cruel or degrading treatment or practices are allowed
- No bribery, corruption, blackmailing or bullying is permitted
- Third party suppliers and buyers are both free to sell and buy from any number of other businesses. No restrictions, as a way of guaranteeing business, are allowed.

3. Mathias' Commitment to its employees, customers and suppliers:

Mathias recognises that our ethical and social performance and reputation is a key part of our overall commercial success.

3.1. Employees

Mathias is committed to ensuring that employment practices and the enforcement of corporate regulations ensure the protection of the rights of all those under our employ. In many areas we aim to operate above the minimum standards required by law to ensure employees are safe, rewarded and valued. As we expand we will be able to offer more opportunities for staff.

3.2. Customers

Mathias is committed to demonstrating its ethical and social responsibility credentials to enable customers to make informed choices about whose services they purchase.

3.3. Suppliers

Mathias is committed to monitoring social standards in our supply chain, and we encourage our suppliers to operate to the same ethical standards that we employ ourselves.

4. Ethical Trading Code of Practice

This Code of Practice applies to:

- Staff directly employed by Mathias on temporary or permanent contracts.
- Staff employed or provided by contractors or employment agencies to work on Mathias' premises or to undertake work for or on behalf of Mathias.
 - 4.1. Employment is freely chosen
 - 4.1.1. There is no forced, bonded or involuntary prison labour.
 - 4.1.2. Workers are not required to lodge "deposits" or their identity papers with their employer and are free to leave their employer after reasonable notice.

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4.2. Freedom of association and the right to collective bargaining are respected

- 4.2.1. Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 4.2.2. The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 4.2.3. Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 4.2.4. Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

4.3. Working conditions are safe and hygienic

- 4.3.1. A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 4.3.2. Workers shall receive regular and recorded health and safety training, and such training shall be repeated for new or reassigned workers.
- 4.3.3. Access to clean toilet facilities and water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 4.3.4. Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 4.3.5. The company observing the code shall assign responsibility for health and safety to a senior management representative.
- 4.3.6. Mathias has a published Health & Safety Policy.

4.4. Child labour shall not be used

- 4.4.1. There shall be no new recruitment of child labour.
- 4.4.2. Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; "child" and "child labour" being defined in the appendices.
- 4.4.3. Children and young persons under 18 shall not be employed at night or in hazardous conditions.

4.5. Living wages are paid

- 4.5.1. Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 4.5.2. Staff are given written terms and conditions of employment that details the employment relationship between and the respective obligations of the employee and employer, rates of pay, working hours, grievance and disciplinary procedures, holiday entitlement, absence and sick pay rules and notice periods for termination of employment.
- 4.5.3. Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

4.6. Working hours are not excessive

- 4.6.1. Working hours comply with national laws and benchmark industry standards, whichever affords greater protection.
- 4.6.2. In any event, workers shall not on a regular basis be required to work in excess of 48 hours per week and shall be provided with at least one day off for every 7 day period on average. Overtime shall be voluntary, shall not exceed 12 hours per week, shall not be demanded on a regular basis and shall always be compensated at a premium rate.

4.7. No discrimination is practiced

- 4.7.1. There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.
- 4.7.2. Opportunities for personal and career development are equally available to all employees.
- 4.7.3. It is important not to tolerate discrimination against workers who is (or thought to be) HIV positive or living with AIDS. Employees should not be asked to disclose their HIV/AIDS status or be made to take HIV/AIDS tests.
- 4.7.4. Suppliers should make sure that, if HIV/AIDS is a significant issue where they are operating, workers are educated about the risk and that access to treatment and medication is provided as necessary.

4.8. Regular employment is provided

- 4.8.1. To every extent possible work performed must be on the basis of recognised employment relationship established

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through national law and practice, and be particularly clear about wages.

4.8.2. Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or home-working arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

4.8.3. Employees who are unable to read should be introduced to a suitable person who can read out and explain the contract to them.

4.9. **No harsh or inhumane treatment is allowed.**

4.9.1. Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.

4.10. **Inspection Right**

4.10.1. Mathias and their suppliers shall maintain reasonable records and documentation of its compliance with this Code of Conduct. It shall permit representatives of Mathias to inspect all such records and documentation and the facilities of the supplier to independently confirm compliance with this Code of Conduct.

5. **Employment Agencies**

Employment agencies contracted to supply temporary staff to Mathias shall demonstrate commitment to and application of the requirements of this code.

Employment agencies contracted to supply temporary staff shall ensure that all staff supplied to Mathias are eligible to work in the UK by:

- 5.1. Following Immigration and Nationality Directorate Guidelines on Amendments to Section 8 of the Asylum and Immigration Act 1996.
- 5.2. Ensuring that the requirements of the Immigration and Asylum Act 1999 Section 22 Code of Practice are met.
- 5.3. Retaining copies of identity papers, work permits or passport stamps as detailed in the Home Office List of Specified Documents and UK Passport Stamps.

Employment agencies contracted to supply temporary staff shall ensure that all staff supplied to Mathias have sufficient command of English to understand:

- 5.4. The agency's responsibilities under this code of practice.
- 5.5. Mathias' Health & Safety requirements.
- 5.6. Written statements of employment particulars.

- 5.7. Or have other measures in place to ensure that all these requirements are communicated in the employee's native language.

6. **Organisation**

Mathias' Directors have overall responsibility for all aspects of ethical trading at work within the business.

We are taking the first steps towards building a credible ethical trade strategy for our Company, and our policy will be to implement the Seven "C"s of ethical trading:

6.1. **Commitment**

We are paying more than lip service to ethical trade. The money that we spend on ethical trade and their individual Ethical Trade Policies are key signs of real commitment.

6.2. **Checks in place**

Knowing what's happening on the ground is fundamentally important for our company. We recognise the need for a credible system for assessing workers' conditions. For this reason we visit all suppliers in the UK and abroad on a regular basis.

6.3. **Corrective action**

Simply identifying problems is not sufficient. We will agree and formulate an action plan with our suppliers to make improvements to workers' conditions where necessary. The action plan will be measurable and will be carried out within an agreed time-frame. We will monitor all suppliers who will be regularly surveyed and audited.

6.4. **Capacity building**

Staff and suppliers need adequate training and support. This policy will now be built into our training and induction programmes.

6.5. **Core business**

Integrating ethical trade policies into core business decisions - like the prices paid to suppliers, and the lead times given to them to complete orders is key to achieving widespread change for workers. This is one of the biggest challenges of ethical trade.

6.6. **Communication**

We are committed to educating both employees and suppliers about the importance of ethical trade. We will regularly revisit and amend our Ethical Trading Policy, which is available to customers for review.

6.7. **Collaboration**

Mathias, and the other members of Eurosafe, are in a unique position to make a difference across a wide range of businesses by working together and sharing a common, ethical code of

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conduct. Members of the Eurosafe group constantly strive to put this into practice.

7. Monitoring and improvement

Through continuing to build a credible monitoring system we will develop the ability to look at how we can support our suppliers to make workplace improvements and to start integrating ethical trade into their core business practices.

By knowing our suppliers and cutting out the middle man where possible, we can develop long-term, direct relationships with them. This will help us to build trust and gain the leverage we need to help make sustained improvements to workers' conditions.

We can incentivise our suppliers to ensure compliance with labour standards and reward their efforts by giving them repeat orders.

We can always think about the impact of our decisions on workers and make sure that we include ethical criteria alongside cost and quality when selecting suppliers.

We can improve production planning, giving suppliers clear and predictable lead times, making it easier for them to ensure that their employees work reasonable hours.

We can ensure that the price we pay our suppliers allows them to pay their workers a wage that they can afford to live on.

We acknowledge that this is an ongoing policy with continuous improvements needing to be recognised and implemented.