



Modern Slavery and Human Rights Statement

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This statement is made pursuant to Section 54 of the Modern Slavery Act 2015 and constitutes our slavery and human rights statement for the financial year ending 31st March 2022.

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Revised by: SN

1. Introduction

Established in 1952 and still family owned and managed, Mathias provide corporate uniform, workwear and PPE to multiple sectors including utilities, construction, facilities management and logistics. Our current turnover is £7m and we employ approximately 50 staff at our Bristol headquarters.

We are part of the buying group **Eurosafe**, a select group of independent organisations that are recognised as leaders in both health and safety and customer service, with a major market presence in their local regions. We have access to a variety of well known global brands and as a collective alliance of independent distributors we share and work towards the same set of ethical trading standards.

We are a fully accredited, BSIF Registered Safe Supplier and members of the **Supply Chain Sustainability School** (Gold Status). The school is an award-winning, industry-wide collaboration, directed by partners and members. They cover a wealth of topics from waste and carbon, fairness, inclusion and respect, the Modern Slavery Act as well as many more sustainability issues.

As members of this group we have access to all of their modern slavery resources, online workshops and networking opportunities.

Highlights of 2021 / 2022

We were also winners of the Emtor Supplier of the Year award for 2021.

We gained a Gold Medal in the Ecovadis sustainability assessment.

2. Policies and Governance

We have continually gone above and beyond the minimum standards set out by law, in making our practices ethical and sustainable and we take any breach of our Modern Slavery Policy incredibly seriously. This document outlines our due diligence activities for the previous year, and any advancements or improvements we see need to be made for the following year.

This statement is supported by our:

- Modern Slavery and Human Rights Policy
- Mathias Ethical Trading Policy
- Mathias Supplier Code of Conduct
- Mathias Corporate Social Responsibility Policy
- Whistle Blowing Policy

This Statement is available to all employees and is accessible on our website using the below web address. You can also access all of the referenced policies here;

www.mathiasandsons.com/about-us/policies

3. Organisational Structure

Mathias have three types of supplier in it's supply chain:

- UK-based suppliers of off-the-shelf clothing and items
- UK-based suppliers that manage the production of bespoke product on our behalf abroad, operating under the umbrella of a UK supplier:

- Off shore manufacturers that we have a direct relationship with

Our bespoke clothing projects involve sources in China & Pakistan. Because of this structure, our risk management procedure is built around the varying degrees of visibility we have and to what level of due diligence we see fit.

4. Risk Assessment

Modern Slavery Risk In Our Business

Recruitment

We are very aware that modern slavery exists in the UK, and as a business that hires temporary and agency staff we understand our responsibility in ensuring all legal channels and due diligence is carried out when hiring new staff and also whilst anyone is employed by us.

Every member of staff that works for us has proved their Right to Work in the UK by providing us with their passport, identity card, birth certificate or other documentation that is deemed acceptable by the UK government in relation to the Immigration, Asylum and Nationality Act 2006. Such evidence is kept in line with GDPR guidelines.

In 2021 we made improvements to our recruitment procedure for agency staff. We previously carried out the passport checks and verification once the agency had sent a member of staff to us, which would generally be on the first day of employment. To ensure the checks can be carried out in sufficient time to avoid any time pressures which would contribute to human error, we now request passport details before the first day of employment. This suggestion came from our Financial Controller who wanted to help improve the process as he had heavy involvement in overseeing the process as it would happen.

Supply Chain

Before Mathias engage with any new manufacturer, they are sent a copy of our Supplier Code of Conduct. We have created a database of all suppliers we work with and categorised them into high, medium and low risk in regards to modern slavery. We act according to the level of risk. Key identifiers being the location, the type of garments being produced there, and also how long we have been working with that factory.

Any products / garments we commission to be manufactured in a factory outside of the EU in which we have a direct relationship with, the factory is categorised as high risk. Bespoke products / garments that we commission distributors in the UK to manufacture offshore are medium risk and products that we source through distributors in the UK and EU are low risk.

High Risk

Factories we work directly with based in China have been identified as having a higher risk of unethical practices. Because of this we carry out the following;

- SMETA or BSCI audit - reviewed annually
- Corrective Action Plans - reviewed 3 monthly with suppliers or sooner depending on urgency
- Our 3rd party inspection company visits the factory for every order for quality inspection and while they are there, they can do ad-hoc CAP checks

We use a 3rd party inspection company based in the U.S but with an office in China, allowing us to have real time information at short notice as to the progress of corrective actions, who hold the qualifications to audit to BSCI standard. There are no language barriers because of this, and we can use their extensive cultural knowledge and experience to give us valuable information about the factories. This company has also provided consultative support which has provided our management team with an excellent training resource and enabled our in-house knowledge to grow.

Medium Risk

UK-based suppliers that manage the production of bespoke product on our behalf abroad, operating under the umbrella of a UK supplier, or located in an area of the world identified as medium risk, we request a copy of an ethical trading audit that has been carried out within the last 3 years. If we do not receive a copy of an audit that has been carried out within the last 3 years, we will carry out our own audit. We also request a signed Mathias Code of Conduct form to be completed every 3 years by senior management.

Low Risk

UK-based companies that we buy off the shelf products from are classified as low risk. Any supplier that is low risk, we ask for the supplier to sign up to the Mathias Supplier Code of Conduct and submit the relevant documents requested.

In 2021, we updated our policy for UK-based factories where we import logoed garments for customers via their factories. We now hold audits of these factories with the address and contact information redacted to protect our suppliers' confidentiality.

5. Due Diligence

The company's due diligence process includes making our expectations clear to business partners, evaluating the modern slavery and human rights risks of each new supplier and invoking sanctions against suppliers that fail to improve their performance, if required. These risks could be based on the location or the raw materials used for the garment, i.e. we are aware that garments containing cotton carry a higher risk due to the illegal use of Uighur Muslims in forced work camps.

We have 3 members of staff who predominantly oversee the due diligence process for the business:

- Our Bespoke Purchasing Manager focuses on long term strategies with suppliers, working with suppliers to identify solutions to any non-compliances raised in audits and also maintaining good communication with the factory managers to ensure we are doing our part to support the long term goals. They are also responsible for overseeing the corrective actions plans, and an escalation point.
- A Purchasing Executive who supports with the chasing of suppliers for updates on their corrective actions plans, evidence and new audits. They also maintain the spreadsheets which log any non-compliance in an easy to reference format for senior staff or customers.
- Our Managing Director also has heavy involvement in all sustainability matters including modern slavery risk management.

Training

The company's training programme is committed to raising awareness of modern slavery and ensuring people know how to respond to concerns and potential issues/suspicious. In the past year we have had an unusually high number of new starters at all levels including management, which has resulted in some gaps in training.

We carried out an anonymous questionnaire for our employees to gain a better understanding of their training level and this was very insightful. As a business who has many staff members working for 5-10 years plus, we identified that modern slavery training as part of the induction only was not adequate to equip our staff long term. 42% of surveyed staff said they understand how they would spot an occurrence of modern slavery in the workplace.

For 2022, we aim for this to be 100% for all staff who have been at the business for longer than 3 months.

All employees undertake awareness training which encourages them to raise concerns including potential violations of the code of conduct, company policies, and the laws of the country in which we operate.

Our commitment over the next 12 months is to ensure that all staff working directly with suppliers undertake further training and as a member of the Supply Chain Sustainability School we have access to the necessary information and workshops.

6. Whistleblowing

Mathias encourage anyone (including employees, sub-contractors, suppliers and customers to report in good faith any issues or concerns about potential ethical, human rights, legal or regulatory violations, including improper or unethical business practices such as fraud or bribery.

All new employees are made aware of our whistleblowing policy and the importance of reporting concerns. Concerns can be raised with line managers or directors. Details of an external helpline are included on the whistleblowing policy to use for help and guidance. We want all colleagues to feel confident they can expose wrong doing or potential wrong doing without fear of retaliation. We were pleased to find that 82% of surveyed staff felt there was a culture of transparency at Mathias that would make them feel comfortable to make a report, and in 2021 we felt adding a 3rd party helpline would provide our staff even better resources.

The modern slavery and exploitation helpline (08000 121 700) is part of leading anti-slavery charity “Unseen”. They provide information, advice and guidance about any modern slavery issues to:

- Potential Victims
- Businesses
- The Public
- Statutory agencies such as the police and the NHS

You can:

- Speak to an advisor about abuse, exploitation or modern slavery
- Get more information about training and raising awareness
- Reporting something you are concerned about
- Help you or someone else get access to support services

In 2021, we updated our whistle blowing resources by adding it to our internal online portal so that it is easily accessible for all staff and not just new starters. We also added a signature required acceptance to our induction pack, which we felt highlights to our new starters the importance we place on reading the handbook and acknowledging the information included.

7. Challenges Faced

Supply chain

Our supply chain suffered immense pressure in 2020 due to COVID-19 and we saw a demand for supply reach unprecedented levels. We were very aware of the strain our factories were under to produce orders quickly and witnessed continuing price increases to freight, raw materials, labour costs.

We worked hard to negotiate with our customers to pass on these price increases because as a business we absorb fluctuations in the market where possible. However, it is important that increases due to be made to higher priced raw

materials was not at the expense of wages going below the legal limit. We understand we have a responsibility to ensure we were paying fair prices to our suppliers and involving our customers to support us on this.

Many factories were closed at some point due to COVID-19 and when re-opened had many restrictions on staffing levels. This resulted in major delays to order production. However, again we committed to providing alternatives for our customers or alternatively paying to air freight the goods in, rather than applying additional pressure or applying fines to our suppliers which could lead to them committing overtime hour offences.

As a business although our customer's supply needs are a priority, we also understand that to do the right thing by our indirect colleagues who are more vulnerable to modern slavery exploitation is fundamental.

Auditing

In 2020 we suffered further challenges due to COVID-19 with the closure of factories. This reduced our visibility into factories and caused disruption to our audit schedules. However 2021 saw audit schedules re-start and we were keen to understand what impact the pandemic had on our factories, the audits are key for this as we are still unable to physically visit ourselves.

Internal Workforce Challenges

As a business we faced massive staffing challenges and the normal level of investigations were not possible. We have learnt a lot from COVID-19 challenges and found new ways of working, such as being able to use video-calling to view the factories. We also took the opportunity to train more staff in other areas, to ensure there is back up support in these types of events.

8. Advancements Made

In 2021 we introduced a quarterly ethical trading review for the 3 key staff within our purchasing department. The purpose of the review meeting is so that progress and challenges could be discussed. We hope in our next statement we can update on how this has improved our strategising process.

9. Due Diligence Activities

As part of our risk management, we request any high-risk factory includes the production factory address for each order on the invoice, which is subsequently checked against the records we hold for the approved factory. By following this process, due to production schedules, we found a supplier had changed the factory an order was going to be produced in. We were able to raise this with the factory and request that the order be moved back to the approved factory. They had done this due to production scheduling, and we trust that this was not to be intentionally deceptive.

10. Goals Identified for 2021/2022

We have found no instances of modern slavery or reports of modern slavery in the past year. We continue to implement our process for mandatory due diligence checks on new suppliers and we will continue to refine our assessment of modern day slavery risks during the course of the new financial year.

Goals identified for managing risks of modern slavery in our organisation:

Training

- Create a training matrix which specifies the level of modern slavery training required for all employees
- Identify refresher training courses that will be used for existing employees

- Investigate how we can better support our suppliers to increase their training
- 100% of staff who have been in the business longer than 3 months understand how to spot instances of modern slavery or human rights violations specific to their department.

Supply Chain Visibility

- Create a supply chain map
- Increase resources to allow additional monitoring of the corrective action plans and further support the factories with more communication
- We are committed to supply chain transparency and will continue to share information for high risk factories

The responsibility for the progress towards us meeting these goals will lie on the purchasing manager who will be supported through the year by the company director.

11. Summary

With the new format of an annual modern slavery statement, we commit ourselves to the goals we have set and will report on our progress and completion of these goals in our next statement.

12. Statement of Approval

This statement has had the appropriate support and approval from the Board of Directors.

This Modern Slavery Statement will be regularly reviewed and updated at least annually. The Board of Directors endorse this policy statement and is fully committed to its implementation.



Jason Mathias
Managing Director