

Ercol responsible Sourcing Policy

Overview

The fundamental principles of this policy are focused on ensuring material sourcing for Ercol Furniture Ltd happens legally and ethically. We work with suppliers who share a commitment to these principles within their own businesses and across their extended supply chain, in order to reach our responsible business ambitions. This policy along with our Environmental and Health and Safety policies will form a cornerstone of this commitment to sourcing from well managed forests and adhering to all applicable laws.

We recognise and endorse the International Bill of Human Rights and the 4 core conventions of the International Labour Organisations Declaration on Fundamental Principles and Rights at Work (ILO). These conventions are as follows:

- Freedom of association and the effective recognition of the right to collective bargaining - *Collective bargaining is a key means through which employers and their organizations and trade unions can establish fair wages and working conditions and ensure equal opportunities.*
- The elimination of all forms of forced labour - *Any form of forced labour, including bonded labour, forced prison labour, slavery, servitude, or human trafficking.*
- The effective abolition of child labour - *The use of child labour. The minimum age for employment shall not be less than the age of completion of compulsory schooling and, in any case, shall not be less than 15 years.*
- The elimination of discrimination in respect of employment and occupation - *Discrimination on the basis of race, colour, sex, language, religion, political or other opinion, caste, national or social origin, property, birth, union affiliation, sexual orientation, health status, family responsibilities, age, and disability or other distinguishing characteristics.*

To help instil these principles, we have a dedicated HSEQ team, as well as third party auditors who periodically review higher risk supply routes, to ensure consistency in safe and ethical operations.

Key Principles

Building on the above, the following 12 commitments will underpin our adherence to social, ethical and legal operations across the supply chain:

- Business is conducted lawfully, in adherence to all applicable local laws without exception – *Businesses along the supply chain should have all required regulatory licences and safety procedures in place, as well as adequate welfare provisions in place. They should conduct operations with employees and the environment in mind and be open to audits and requests for information where reasonable.*
- Work is conducted on the basis of freely agreed and documented terms of employment - *All workers, both permanent and casual, are provided with employment documents that are freely agreed and which respect their legal and contractual rights.*
- All workers are treated with dignity, respect and equality - *All workers are treated with respect and dignity. No worker is subject to any physical, sexual, psychological or verbal*

harassment, abuse or other form of intimidation. There is no discrimination in employment, including hiring, compensation, advancement, discipline, termination or retirement.

Discrimination based on race, ethnicity, age, role, gender, gender identity, colour, religion, country of origin, sexual orientation, marital status, pregnancy, dependants, disability, social class, union membership or political views is prevented.

- *Work is on a voluntary basis - Under no circumstances will a supplier use forced labour, whether in the form of compulsory or trafficked labour, indentured labour, bonded labour, or other forms. Mental and physical coercion, slavery and human trafficking are prohibited.*
- *All workers are of suitable age with regional law, with a minimum of 15 - Under no circumstances will a supplier employ individuals under the age of 15 or under the local legal minimum age for work or mandatory schooling, whichever is higher. When young workers are employed, they must not do work that is mentally, physically, socially or morally dangerous or harmful or interferes with their schooling by depriving them of the opportunity to attend school.*
- *All workers are paid fair wages - All workers are provided with a total compensation package that includes wages, overtime pay, benefits and paid leave which meets or exceeds the legal minimum standards or appropriate prevailing industry standards, whichever is higher, and compensation terms established by legally binding collective bargaining agreements are implemented and adhered to.*
- *Working hours for all workers are reasonable - Workers are not required to work more than the regular and overtime hours allowed by the law of the country where the workers are employed. All overtime work by workers is on a voluntary basis.*
- *All workers are free to exercise their right to form and/or join trade unions or to refrain from doing so and to bargain collectively - The rights of workers to freedom of association and collective bargaining are recognised and respected. Workers are not intimidated or harassed in the exercise of their right to join or refrain from joining any organisation.*
- *All workers health and safety are protected at work to a reasonable level and adherence with local safety laws is met - A healthy and safe workplace is provided to prevent accidents and injury arising out of, linked with, or occurring in the course of work or because of the employer's operations.*
- *All workers have access to fair procedures and remedies - All workers are provided with transparent, fair and confidential procedures that result in swift, unbiased and fair resolution of difficulties which may arise as part of their working relationship. There will be access to multiple channels of escalation to avoid suppression of an issue.*
- *Land rights of communities, including indigenous peoples, will be protected - The rights and title to property and land of the individual, indigenous people and local communities are respected. All negotiations regarding their property or land, including the use of and transfers of it, adhere to the principles of free, prior and informed consent, contract transparency and disclosure.*
- *Business is conducted in a manner which embraces sustainability and minimises environmental impacts - Operations, sourcing, manufacture, distribution of products and the supply of services are conducted with the aim of protecting and preserving the environment. Local materials sourcing and well managed forests with external accreditation will be prioritised where possible.*

Timber

In addition to the above, we are committed to only sourcing wood materials that have been produced, processed, and traded in compliance with applicable legislation in the country where the trees were originally harvested, as well as along the entire supply chain. We carry out annual risk assessments in line with UKTR and conduct extensive timber testing to verify the veracity of suppliers claims. We are taking steps to reduce our supply chain lengths and obtaining Grown in Britain (GIB) certification was a significant step in this regard. British timber is now available on select ranges, and we hope to expand this going forward.

Monitoring, approach and review

We are committed to avoid engaging in or benefitting from controversial business practices, and as necessary and applicable, access will be made for external audits, to allow verification that the relevant systems are in place and implemented as required. Periodic supplier visits and SEDEX audits on a 2-year frequency also provide Ercol with a comprehensive view of the immediate supply chains social and ethical performance.

If we become aware that any of these issues are relevant in our organisation or any of our suppliers, we are committed to taking relevant steps to mitigate any such situation. We are committed to acting in accordance with the Modern Slavery Act 2015 and take an ongoing series of steps to mitigate the risk of modern slavery within our supply chain. As part of our initiative to identify and mitigate risk we work with customers to audit suppliers and have dedicated compliance personnel within our organisation.

We will ensure that this policy, and related documents, are periodically reviewed and appropriately revised and available publicly.



Ian Peers, Operations Director

Date: 20/10/2023