**Human Rights and our Supply Chain**

P F Cusack (Tool Supplies) Ltd initially carried out an assessment of their current suppliers and where they were globally. The results of this initial assessment were that we had 474 approved suppliers currently providing us with various products. Of the 474 approved suppliers we found the following:-

* 457 suppliers UK based
* 1 supplier in Northern Ireland
* 2 suppliers in Southern Ireland
* 1 supplier in Holland
* 3 suppliers in Germany
* 1 supplier in Slovenia
* 1 supplier in Italy
* 1 supplier in Taiwan
* 3 suppliers in India
* 3 suppliers in China
* 1 supplier in Sri Lanka

Once we had this information we then carried out a generic risk assessment of the countries and suppliers in our supply chain deciding that SMETA audits needed to be carried out of our suppliers in India and China.

From the information contained within these SMETA audits, Brexit, discussions with our Sri Lankan and Taiwanese suppliers and the Northern Ireland Protocol we were then able to undertake a formal risk assessment of our supply chain taking into account the ETI 9 point base code and human rights due diligence including vulnerable workers such as women, children and migrant workers, health, safety & environmental and freedom of association, local legislation etc.

Once we had assessed the risks we were then able to look at our existing control measures and what we could do to further mitigate the risks and take appropriate action. Once we had assessed the risks and our control measures we then ranked them by severity, responsibility and leverage. This was done using our existing risk assessment scoring mechanism to ensure continuity with our existing documentation and risk assessments.

On completion of our supply chain mapping and risk assessment we were able to identify our areas of highest risk and to set priorities for the next two years for our human rights strategy which we review every three months and revise if required. Our strategy identifies four main priorities for our business and they are: -

* Health, Safety and Welfare (China in line with previous audits)
* Discrimination through gender (India)
* Decent working hours (China, working with our suppliers in China in line with previous audits)
* Modern slavery (Supply chain questionnaires China and India)
* As a company we recognise that in a number of cases we cannot address labour rights abuses without addressing the root causes which underly them. The four themes that we have recognised in our ethical trading strategy will help us as a company address some of the underlying issues. We also recognise that our custom provides opportunities and employment but that there is still a number of human rights issues associated with the different products that we purchase through our supply chain such as a countries minimum wage may not be enough to meet a workers basic needs and recognise that workers need to receive a fair share of the value they contribute to a company’s products so as to be able to afford basic needs for themselves and their families. With this in mind we are committed to working with trade unions, NGO’s and staff councils in our supply chain to identify and benchmark labour rights.

he main short term salient risks that we need to address are: -

* To continue to monitor and test our products to ensure compliance with all Health and safety standards . China being of concern with additional product testing required.
* The risk of recession, price rises and companies going into receivership or liquidation.
* Monitor Brexit, the Windsor framework and the dual regulation for business and consumers in Northern Ireland and the potential closure of the only land border with the EU.
* Monitor External conflict, any escalation and how it will affect our supply chain. At present shipping is having to travel via the cape of good hope going the long way round, with possible delays on delivery causing excessive working hours once product arrives at destinations either for finishing or delivery.
* New overseas suppliers and the veracity of any audits carried out. Checks are carried out by staff visiting new suppliers but still only tends to be a grab sample particularly in China and India
* Continued monitoring of our supply chain. Our new centralised procurement team at our Bilston depot now under the direction of the ETI team are now being trained in all aspects of modern slavery and are now highlighting issues in our supply chain and working with individual companies to help them improve their ETI issues where necessary

The medium and long term salient risks and ethical trading moving forward: -

* Continue working with our suppliers to reduce non-conforming/counterfeit products and ensure that all our products conform to specified legislative requirements across all of our supply chain
* Ensure that all of our overseas suppliers continue to have SMETA audits (including new suppliers), and ensure that any remedial actions resulting from audits are corrected.
* Promote staff training and set dates for repeating this training.
* Sustain improved interaction between area sales managers and procurement team with suppliers with area sales managers, continuing to gain a more rounded approach to compliance checking from audits by improved training and understanding of modern slavery risks
* Continue to monitor our supply chain and ensure continued supply of products.
* Maintain support for a number of charities and local clubs including BMX club in Highbridge and further work with schools and social enterprises such as the glasshouse, which offers a second chance through horticultural training to women based in UK prisons.

**MOVING FORWARD IN 2024/2025 AND THE FUTURE**

* We will be looking at the possibility of extending the use of outside auditors to undertake audits of our supply chain and using our own staff to undertake site visits and audits.
* Continue training of our staff in ethical trading issues including anti-bribery and corruption. This is now being roled out to our new procurement team
* Review and audit our supply chain mapping assessment and close off any non-conformances
* Monitor the ongoing conflicts around the world and the risks to our supply chain.
* ETI training for key staff to maintain our systems and membership
* Collaborate with ETI initiatives

P F Cusack (Tool Supplies) Ltd is committed to upholding human rights, safety, sustainability and business ethics in our supply chain and we will be reviewing our progress and effectiveness in combatting slavery and human trafficking on a regular basis.

P F Cusack (Tool Supplies) Ltd will continue to take specialist legal advice to ensure we are informed of any updates or changes to its obligations under the Act.

P F Cusack (Tool Supplies) Ltd have produced a Professional Conduct and Ethics Statement, which reflects our commitment to acting ethically and with integrity in all business relationships based on the principles of the ETI 9 point Based Code.

Modern slavery statement page 5