Churchill China PLC and Churchill China (UK) Ltd and Furlong Mills Limited

Anti-slavery and human trafficking statement

1: Introduction

This statement sets out the actions of the Churchill China plc group of companies, ("Churchill"), to understand all potential modern slavery risks related to its business and to put in place steps that are aimed at ensuring that there is no slavery or human trafficking in its own business and supply chains. This statement relates to actions and activities during the financial year 1 January 2022 – 31 December 2022.

As part of the worldwide ceramic manufacturing and distribution industry, Churchill recognises that it has a responsibility to take a robust approach to slavery and human trafficking.

Churchill is absolutely committed to preventing slavery and human trafficking in its corporate activities, and to ensuring that its supply chains are free from slavery and human trafficking.

2: Structure of the organisation

Churchill is a UK based firm involved in the manufacture and sale of ceramic tableware and associated goods to the retail and hospitality sectors worldwide. Churchill China plc, an AIM-listed company, is the parent. Churchill China (UK) Limited is the principal trading subsidiary and employs 750 people predominantly in the UK but also in its business operations in Europe and the USA.

Churchill has a worldwide distributorship network, a smaller number of agents in Europe, South America and manufacturer's representatives primarily based in the USA

Churchill has a global annual turnover of around £60m. To find out more about the nature of our business, please visit our website at www.churchill1795.com.

The manufacture of around 20% of our products is carried out by 3rd party suppliers based in the UK, Romania, Vietnam, Thailand, Colombia, Bangladesh, China and Turkey. Some of these supplier relationships have existed for over 10 years but most have existed for between 3-5 years. In most cases, new suppliers are accepted only after we have visited their manufacturing premises and have satisfied ourselves, insofar as we are able to do so, that to deal with that supplier would not breach our standards regarding the prevention of slavery and human trafficking. Where this has not been possible, we have obtained an ethical audit report from an independent 3rd party before dealing.

3: Policies

As part of our commitment to combating modern slavery, we have implemented the following policies:

Churchill's Ethical Policy

Churchill's Anti-Slavery Policy

Churchill's Anti-Bribery Policy

Churchill's Dignity At Work Policy

Churchill's Whistle Blowing Policy

Copies of these policies are available on request to HR@churchill1795.com

All existing and new suppliers have been required to confirm acceptance of the ethical standards set out in our Ethical Policy.

These policies have been developed by senior management in accordance with the requirements of English law and best practice within our industry and companies of a similar size. Employees are made aware of these policies by internal company communication and training.

4: Due diligence

As part of our efforts to monitor and reduce the risk of slavery and human trafficking occurring within our supply chains, we have adopted the following due diligence procedures:

Review of operatives working through UK recruitment agencies and the procedures adopted by those agencies to meet Churchill's policy.

Checks on new employees prior to beginning work with Churchill.

Receipt of ethical audit reports on inception of a supplier relationship, and regularly throughout its existence

Ongoing monitoring of corrective action plans to establish that action has been taken as required

Ongoing monitoring of suppliers by visits to, and inspection of, their premises by our employees, when they are travelling to these or allowed to travel to these overseas suppliers.

Requiring suppliers to confirm acceptance of the ethical standards set out in our ethical policy

Encouraging adherence with our anti-slavery and human trafficking and anti-bribery policies, and promoting as "best practice" our dignity at work and whistle-blowing policies whilst respecting local laws and custom.

Quarterly reviews of suppliers to review current status of ethical auditing

Our procedures are designed to:

- establish and assess areas of potential risk in our business and supply chains
- monitor potential risk areas in our business and supply chains
- ensure corrective action is taken where recommended
- reduce the risk of slavery and human trafficking occurring in our business and supply chains
- provide adequate protection for whistleblowers

5: Risk and compliance

Churchill regularly evaluates the nature and extent of its exposure to the risk of modern slavery occurring in its supply chain by requiring regular 3rd party ethical auditing, adherence to our ethical and anti-slavery and human trafficking policies and by making regular visits to, when restrictions allow, and inspection of, suppliers' sites by our employees.

We recognise that some of the geographical areas in which our suppliers are located may be regarded as high risk locations but where this is so, we believe that we have sought to remediate and mitigate those risks by our due diligence procedures. We ensure that all our suppliers understand that we require them to adhere to our anti-slavery and human trafficking policy as a condition of dealing/continuing to deal with them. We enforce a strict code of compliance and do not tolerate slavery and human trafficking within our supply chains. For example, if we were to find evidence of a failure to comply with our anti-slavery and human trafficking policy we would immediately investigate the situation and the supplier would be put on notice that the relationship will be terminated if they are found to have practiced, permitted or actively condoned slavery or human trafficking. As at the date of this statement, no such event has occurred.

6: Effectiveness and KPIs

Churchill uses key performance indicators (KPIs) to measure how successful we are in ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains. These are as follows:

- Ensuring that all suppliers accept our ethical standards, and are aware of our anti-slavery and human trafficking and anti-bribery policies
- Encouraging adherence to "best practice" regarding dignity at work and whistle blowing policies in the context of local laws and customs
- Ensuring that we commission, or obtain from a reputable 3rd party, an ethical audit on all new suppliers
- Establishment of a quarterly review of ethical audits

- Ensuring that there is a programme of scheduled inspections at regular intervals of our suppliers' premises by our own employees who are adequately trained to identify practices contrary to our anti-slavery and human trafficking statement
- Ensuring that all employees feel empowered to report matters of concern and that, where appropriate, investigations are conducted in a timely and sensitive manner
- Ensuring that there is proper recording of all concerns and investigations, their outcomes and of any actions taken

7: Training

We invest in educating our staff to recognise the risks of modern slavery and human trafficking in our business and supply chains. Through our training programmes, employees are encouraged to identify and report any potential breaches of the organisations anti-slavery and human trafficking policy. Employees are taught the benefits of stringent measures to tackle slavery and human trafficking, as well as the consequences of failing to eradicate slavery and human trafficking from our business and supply chains.

8: Further actions and sign-off

Following our review of our actions this financial year to prevent slavery or human trafficking from occurring in our business or supply chains, we intend to take the following further steps to tackle slavery and human trafficking:

to continue to raise awareness of our employees of the need to be vigilant as to the existence of slavery and human trafficking within the workplace and to reinforce the "whistleblowing" policy in respect of any concerns in this respect;

to maintain our training commitment to those employees who are directly involved with the establishment and maintenance of supplier relationships so that they are adequately trained to assess and monitor the suitability of suppliers, and to undertake meaningful visits to, and inspections of, supplier's premises

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes Churchill's slavery and human trafficking statement for the financial year commencing 1 January 2022 and ending 31 December 2022.

Signature:



David O'Connor, CEO

Churchill China plc

Date 14/3/23.