FAIR STONE Monitoring & Evaluation: Annual Report 2025

As described in the WiN=WiN Fair Stone Standard V9, the impact of the WiN=WiN Fair Stone Scheme will be evaluated on an annual basis.

1) Purpose of the evaluation and the guiding questions

The most significant intended effects of the WiN=WiN Fair Stone Scheme is to increase occupational health and safety in the participating supply chains, raise awareness about workers' rights, exclude child and bonded labor and increase the usage of certified materials in construction projects.

The purpose of the evaluation is to monitor and track the impact of the WiN=WiN Fair Stone Scheme. Therefore, guiding questions are:

a) What has changed in the Fair Stone Supply Chain Network in the last year?
b) What could be the reason for these changes/non-changes?
c) What could be improved to enhance the impact and thus the most significant intended effects?
d) What is the income/expense situation of Fair Stone Association?

2) Methodology

The data used in this evaluation has been gathered through interviews with employees, external consultants, stakeholders and the traceability platform TFS2, which tracks all certified imports and replaces the previous version. Furthermore, feedback from announced and unannounced visits, on-site trips and other submitted documents has also been considered.

3) Information about authors and other stakeholder involvement

Information from China, Vietnam and India was collected by Headquarters in alignment with local consultants/third party auditors. Due to a very small number (1 or 2) of supply chains in Cambodia, Turkey and Brazil, these countries are not evaluated yet.

4) Evaluation of Fair Stone implementation in China, Vietnam and India

a) China

Topic	Description
New Registrations	In 2025 we welcomed Fair Stone three (3) new Exporters: FS071, FS043, FS073 There have been eleven (11) factories, which have been newly registered in Fair stone in 2025: FS0731, FS0455, FS0711, FS0712, FS0174/FS0434, FS0383, FS0461, FS0469, FS0314, FS0182, FS0131 Of these factories only seven (7) are entirely new to the Fair Stone network.
Cancelled Registrations	In 2025 five (5) supply chains were dropped from the Fair Stone Network: FS0121, FS0181, FS0312, FS0464, FS0382 Main reason for cancellation was a change of lease/cooperation agreements between exporter & factory, substitution of material with Vietnamese material and in one case the closure of a factory due to replanning of area (too close to settlements)
Authorized FS Label usage and frequency of usage	Logo Use and Material Trends: According to TFS2, the following exporters and their respective factories made the most frequent use of the FS label in 2025: FSCN0245, FSCN0461, FSCN0246, FSCN0455, FSCN0173 In 2025, the most popular materials among FS Partners and Exporters were G603DN (Dalian), G375 (ShanDong), G603-23 (FuJian), G603-40 (Fujian), G602-2 (Hubei/Macheng)
Third-Party-Auditing/Control-Visits	A total of 29x Third Party Audits were commissioned by FS Partners or FS

	Management in factories (12x FuJian, 10x ShanDong, 3x Dalian/LiaoNing and 4x HuBei-Macheng/GuangDong) and another 22x Audits or control visits were conducted in quarries or factories. Across all the audited factories, the average workforce size is approximately 30–40 permanent workers, with a few larger operations exceeding 100 employees, indicating a mix of small and medium-sized production units. Seasonal employment plays a limited but relevant role, with most factories employing few or no seasonal workers, while a small number rely more heavily on flexible labor during peak periods. The share of female workers remains comparatively low, typically below 20% of the workforce, highlighting continued gender imbalance in the sector. Reported wages cluster around 500–600 EUR, while maximum wages frequently reach 800–1,000 EUR, suggesting a moderate wage spread depending on role and experience.

b) Vietnam

Topic	Description
New Registrations	-
Cancelled Registrations	-
Authorized FS Label usage and frequency of usage	Logo Use and Material Trends: Third-party audits were conducted at: FS0841, FS0461, FS0851 In 2025 all audits in Vietnam were conducted through an accredited 3rd party auditor from HCM-City. In 2025, the most popular material and only relevant material was Vietnamese Basalt
Third-Party-Auditing/Control-Visits	A total of 3x Audits were commissioned by FS Partners or FS Management. A total of

	3x Audits or control visits were conducted in quarries.

c) India

Topic	Description
New Registrations	FSIN071, FSIN091
Cancelled Registrations	FSIN021, FSIN022, FSIN023
Authorized FS Label usage and frequency of usage	All audits were handled by regular auditors of Paradigm Shift Ltd. (PS) and as such conducted as 3rd Party Audits. One was also a witness audit observed by the FSIN Representative. One further 2nd party pre-audit check was conducted by the representative to prepare a new potential supplier for the 3rd party audit. Dataset is too limited for further assessment.
Third-Party-Auditing/Control-Visits	A total of 7x Audits were commissioned by FS Partners or FS Management. ▪ Rajasthan/Madhya Pradesh: 4 Audits conducted ▪ Tamil Nadu/ Karnataka/ Andhra Pradesh: 3 Audits conducted A total of 8x Audits or control visits were conducted in quarries. These numbers exclude all FS Monument Audits/Control-Visits in Factories and Quarries. Across all the audited factories, the average workforce size is around 115 permanent workers per factory, with strong variation: most sites are small to mid-sized, while two larger operation (~250/390 workers) significantly increases the average. Seasonal labor plays a major role in India, with an average of 40 to 50% of the workforce as seasonal workers per factory. In some cases even exceeding permanent

	staff, indicating high production flexibility and demand fluctuations. The share of female workers remains very low, averaging below 10 employees per factory and often close to zero, pointing to a pronounced gender imbalance in the workforce. Reported minimum wages average around 130EUR, with maximum wages around 400EUR, showing a relatively wide wage band depending on skills and roles. Management roles excluded.

5) Conclusion and recommendation

a) China:

The October 2025 (6 days total) inspection trip to China focused on deepening partnerships with long-standing suppliers and evaluating compliance with Fair Stone standards. The trip included visits to five factories, one active quarry, and two closed quarries in Fujian province, as well as strategic meetings in Hongkong. In addition to compliance monitoring, the visit emphasized re-naturation projects and environmental transition strategies in former quarry sites. Despite softened export volumes due to global tariffs and other factors, China's domestic demand and infrastructural developments sustain the local stone industry.

Status Natural Stone Industry in China

China remains a central hub in the global natural stone economy. Regarding China's natural stone export situation in 2024, according to data released by the China Stone Association, the total export value showed a significant decline, while the total export volume remained basically stable.

US-China trade tensions continued to impact the market: punitive tariffs imposed on Chinese stone products, have led to a noticeable decrease in US orders. Particularly memorial stones and artificial stones. This has spurred diversification strategies, with exporters shifting focus to less regulated markets like Latin America and considering production shifts to Southeast Asia.

Key Findings & Organizational Learning

1) Working Hours and Seasonality:

Extended working hours remain the norm, although many workers leave during the June–October off-season to pursue agricultural work

2) **Geopolitical Trade Pressures:**
U.S. tariffs have reshaped order patterns. While Europe is still relevant, growth markets appear to be shifting towards Latin America. Some clients consider shifting production to countries with fewer trade restrictions, such as Vietnam, Cambodia or potentially Ghana.

3) **Environmental Product Declarations/EPDs**
Scandinavian clients increasingly request CO2 footprint data. Fair Stone has discussed ISO 14064 at factory level to support exporters. A few exporters/producers focused on Nordics-Market already offer a complete product-level EPD.

4) **Grievance System Implementation**
Improved signage and digital access were introduced. It remains to be seen whether uptake increases. Continued sensitization is needed.

5) **Changing Travel Landscape:**
Visa exemptions for EU countries have simplified travel and reduced costs. Tourism is now explicitly part of China's growth strategy. The country is opening up to visitors from over 70 countries, emphasizing international tourism, cultural exchange and increased foreign consumption. In 2024 the National Immigration Administration (NIA) reported that 20.1 million foreign travelers entered China without a visa, representing a 112 % year-on-year increase

In line with these efforts, a part-time Fair Stone Representative has been employed in Xiamen since April 2025 to improve responsiveness, facilitate grievance handling, and support market insights. She also accompanied the FS Management during the trip in FuJian.

The table below lists the amount of registered supply chains in China by end of 2025:

FuJian	12x
ShanDong	12x
Dalian/LiaoNing	3x
Others (HuBei, GuangDong)	5x

b) Vietnam
Re-Audits this year were conducted by the same third-party auditor from HCM/SaiGon as the last 2 years.
Three (3) supply chains in Quy Nhon and Dak Nong stayed relevant. All supply chains in Vietnam have been covered through 3rd party audits.

c) India
Apart from China, the importance of India for Fair Stone has increased since 2020. This is mainly due to the FS MONUMENT Certification, which is based on regular control visits/audits in monument processing factories and granite quarries. The FS eV applied successfully for re-accreditation in the province of Germany (NRW) and

received official approval in December 2024 for another period of 5 years. This evaluation however is limited to the far more comprehensive standard of WiN=WiN Fair Stone.

In 2025, no trip to India of FS Management was conducted, as the FSIN Representative handled local activities and coordination. Some of the highlighted activities included:

Witness Audits & Pre-Audit Checks
Since witnessing adds an independent layer of oversight to the audit process and helps ensure that the findings remain objective, FS planned a witness audit at one of the factories in South India in June 2025. The FS representative observed the audit process and also assisted with worker interviews.
In June 2025, a second-party pre-audit check was conducted by the FS representative to prepare a potential new supplier for a third-party audit. As the factory was new to the audit process, the visit aimed to provide guidance and support in understanding the FS audit requirements.

New labour code
The Government of India has announced the implementation of the four Labour Codes - the Code on Wages, 2019, the Industrial Relations Code, 2020, the Code on Social Security, 2020 and the Occupational Safety, Health and Working Conditions Code, 2020 with effect from 21st November 2025, rationalising 29 existing labour laws. However, it is debatable on whether this would benefit the workers in the stone industry, which are often employed informally.

Supplier dialogue
Since supplier dialogue is crucial for ensuring alignment on decent working conditions in quarries, continuous efforts are made to obtain details of the quarries from which suppliers source their materials and to conduct second-party control visits at those sites. During these engagements, the importance of ensuring that workers are covered under appropriate accident insurance schemes is consistently emphasized.

Stakeholder consultation
A stakeholder meeting was conducted in May 2025 to understand the extent to which child labour has been eradicated in quarries, a sector considered vulnerable to the practice in South Indian region. During the meeting, the FS representative interacted with staff from the Mamidipudi Venkatarangaiya Foundation (MVF) and gained insights into their approaches and initiatives to combat child labour.

The table below lists the amount of registered supply chains in India by end of 2025:

Karnataka/Tamil Nadu/ Andhra Pradesh	3x
Rajasthan/MP	4x

d) Overall 2025

The year 2025 was stable for the Fair Stone network with, with no changes in the FS Partners/Importers structure. The postponement or softening of regulatory laws (EU-Due-Diligence: lower requirements, longer implementation timelines/transition phases) played a role in this.

The core business of our FS Partners with natural stone imports from Asia was better than in 2024, with more predictable freight rates. There was also competitive pressure on Asian exporters, due to the US-Tariffs and loss of orders. In some cases, EU Importers benefitted from re-routed shipments.

The main issues which led to a failed audit in 2025 were: lack of accident insurance for workers, insufficient employment registers (exclusion of subcontracted workers), insufficient public displays of hazards (safety signs) or general employment conditions, lack of a first aid box or no qualified OSH manager was appointed.

e) Goals for 2025: Review Status: Please find below the status of major goals outlined in the 2024 evaluation:

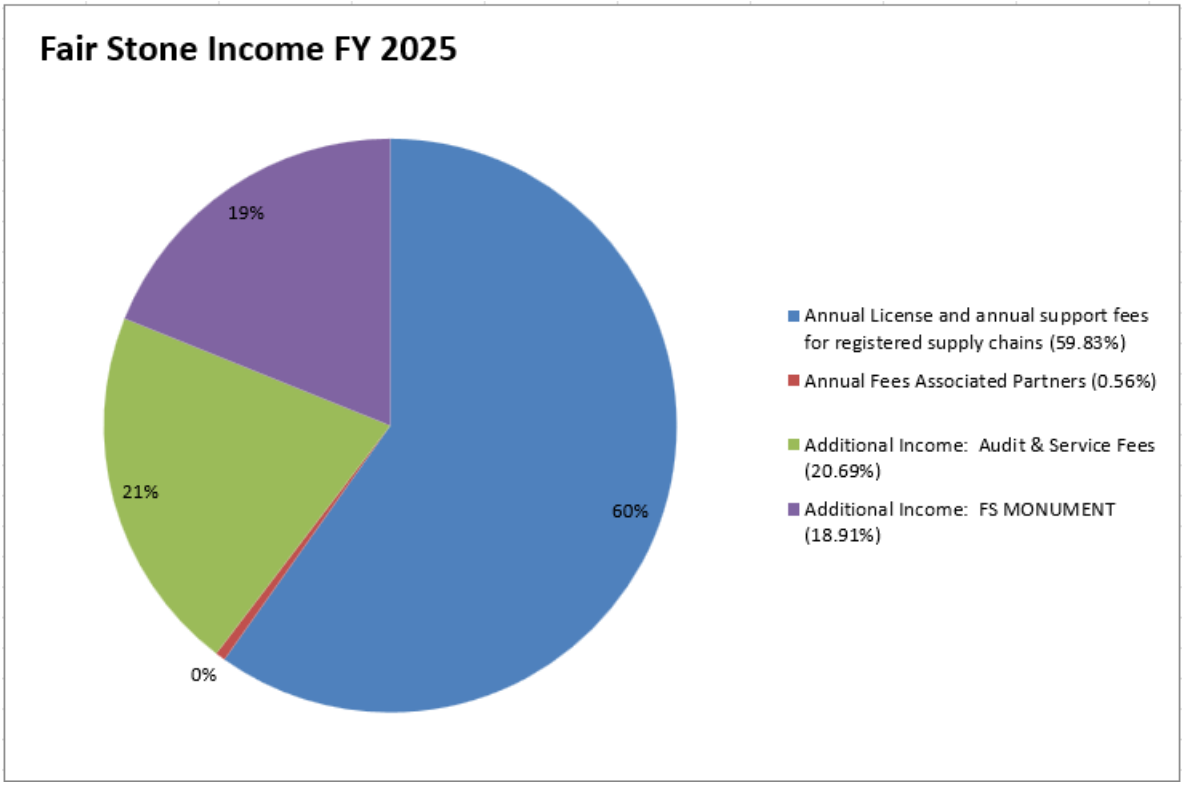
✓	**1) Strengthen our foundation and prepare for growth** *a.* **Strengthen Evaluation and Risk Monitoring** ▪ Finalize and disseminate the *2024 Evaluation Report* and updated *Risk Monitoring* for Asian and Brazilian supply chains. ▪ Continue collecting data throughout 2025 to track developments in working conditions and supplier performance. *Status: Bi-Annual Risk Monitoring established and distributed to FS Partners (covering China, India, Vietnam, Cambodia, Ghana, Brazil, Türkiye)*
✓	b. **Enhance utilisation of Representatives and Local Engagement in China** ▪ Define further responsibilities for the newly appointed FS Representative in China. ▪ Build structures to support market insights, facilitate grievance handling, and conduct regular local audits. ▪ Assess potential for offering new services to Asian suppliers (e.g., compliance advisory ESG Topics, training). *Status: Quarterly Market Insight CN Report established; Structure and Templates for Representative Control Visits improved; EPD Topic evaluated but no marketable/billable service possible without high upfront investment of manpower/employee trainings/Accreditation*
→	**2) Improve collaboration and visibility** a. **Relaunch Website and Optimize TFS2 Platform** ▪ Implement technical and content updates to improve usability, multilingual access, and transparency for all users. ▪ Evaluate feasibility of mobile app functionality and CMS integration for partners. ▪ Introduce structured data collection on SDG impact via TFS2. *Status: Website redesign and content translations finalized, but Website Relaunch pending; Data Collection in TFS2 improved to better quantify SDG2030 impact*

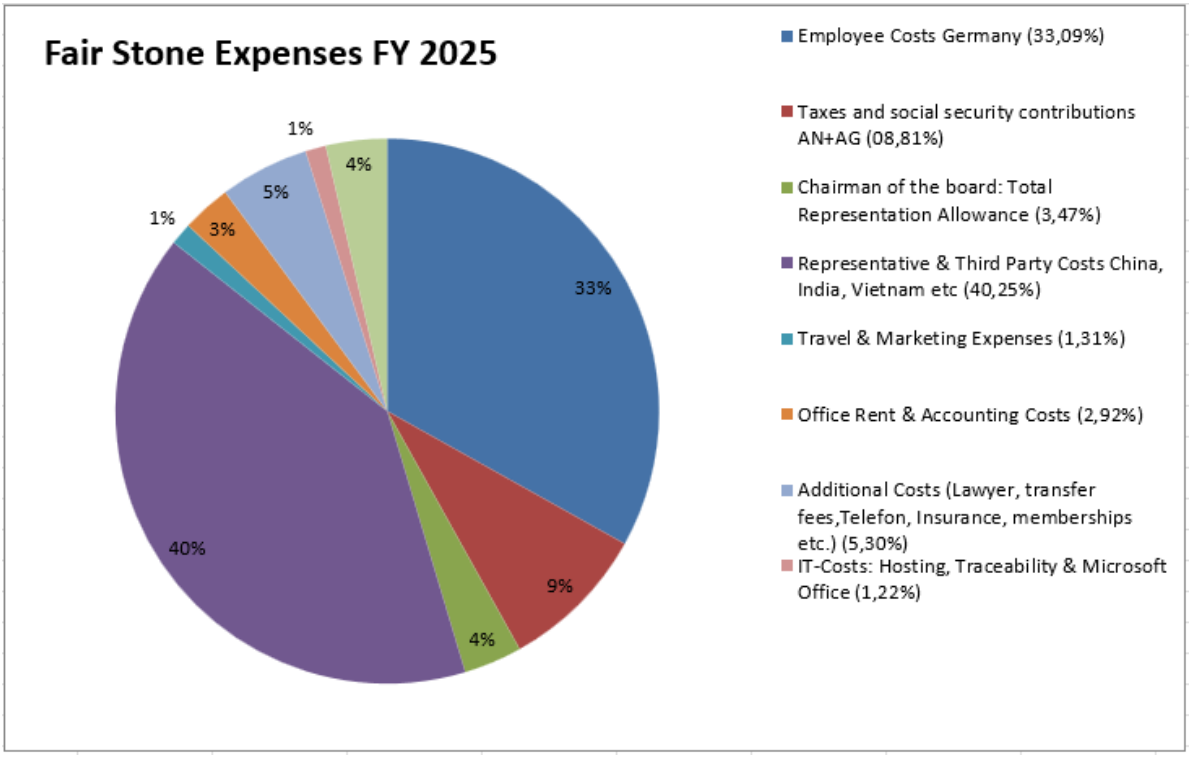
✗	b. **Enhance Support for Large Importers** ▪ Continue structured discussions with large FS Partners data reporting and due diligence. ▪ Develop tailored support tools and reporting formats to meet upcoming EU transparency requirements. *Status: Many EU-Due-Diligence requirements postponed or softened; No API connection established due to cost considerations (small dataset vs. manual input)*
✓	**3) Operational Continuity** a. **Maintain FS Monument Accreditation in Germany** ▪ Following successful re-accreditation in NRW, further expand verified quarry and factory base for monument stone. ▪ Ensure compliance through regular on-site audits and control visits *Status: Verified quarry base and frequency of visits has increased; A local processor has become the first FSM Partner in India*
➔	b. **Keep monitoring Regulatory Developments (LKSG, EU-CSDDD, CSRD) – ongoing** ▪ Align audit templates, certificates, and internal procedures with emerging EU and German due diligence laws. ▪ Stay in close contact with informed stakeholders to anticipate changes. *Status: Many EU-Due-Diligence requirements postponed or softened*
✓	c. **Preparation for Office Relocation in 2026** ▪ Identify suitable new office space as the current lease ends in mid-2026. ▪ Plan relocation timeline and assess digital work infrastructure needs to reduce physical footprint potentially. *Status: A suitable office space in the city center of Kirchheim Teck was identified and relocation can take place until 01.05.2026*

SDG Impact of Fair Stone Association Activities			
#	**SDG**	**Overarching objective**	**Description and ACTUAL**
3, 8		Creating and securing good **employment** for employees	Number of employees whose employment situation has improved through improved quality of work (e.g. workplace conditions, formalised employment relationship, working hours (full-time, part-time, seasonal)) At least ~860 workers reached directly in China (vs. 600 in 2024) At least ~400 workers reached directly in India (vs. 150 in 2024) At least ~60 workers reached directly in Vietnam (vs. 40 in 2024) At least ~20 workers reached directly in Cambodia (vs. 20 in 2024) At least ~30 workers reached directly in Türkiye (vs. 30 in 2024) At least ~20 workers reached directly in Brazil (vs. 30 in 2024) **TOTAL: 1390 Workers (vs 870 Workers in 2024)**
3, 8		Increase in employability and qualification **Basic and further training**	Number of qualified people in training courses lasting less than three months: Around ~70 workers trained on PPE and OSH in China (Vs. 135 in 2024) Around ~20 workers trained on PPE and OSH in India (vs- 30 in 2024) Around ~20 workers trained on PPE and OSH in Vietnam (vs. 20 in 2024) **TOTAL: 110 workers (vs 185 Workers in 2024)**
10		Improved **access to resources, services and products relevant to development** (e.g. energy, water, medical services, waste removal, food etc)	Number of beneficiaries/consumers reached whose access was improved: At least ~860+200 workers reached directly in China At least ~400+70 workers reached directly in India At least ~40+10 workers reached directly in Vietnam At least ~20+5 workers reached directly in Cambodia At least ~30+0 workers reached directly in Türkiye At least ~20+5 workers reached directly in Brazil **TOTAL: 1660 Workers (vs 1255 Workers in 2024)**

12		Increase in **environmental and social standards** in production or the supply chain	Number of companies where environmental or social standards were improved. In Countries China, India, Vietnam, Cambodia, Türkiye, Brazil: **Exporters/Trading Companies:** **38 (vs. ~20 in 2024)** **Processors/Factories:** **29+3+7+2+1+1= 43 (vs. 48 in 2024)** **Quarries:** **22+3+8+1+1+2=37 (vs. 46 in 2024)** **TOTAL 118 (vs 114 in 2024)**
		See above	Number of employees and management personnel qualified on the issue of standards: 1x Manager per factory/processor =1*43=At least ~43 Civil Society Actors in EU/Asia: At least 5 **TOTAL 48 (vs. 53 in 2024)**
		See above	Number of audits and control visits performed: **43+5+1+37=86x Total Audit & control visit reports (vs. 95 in 2024)**

Annex 1: Annual Budget: Income sources and expenses in relative values





**Fair Stone is a non-profit organization. As an association, decisions affecting income or expenses need to be aligned during an annual association meeting. In case of the closure of the association, the remaining funds go to the community foundation of the city Kirchheim unter Teck. From 03.2024 onwards: Remuneration of General Manager according to TvÖD – Entgeltgruppe E10 Stufe/Rank 4 (6+ Years Seniority – Function/Role: Office, accounting, other office staff and field service)