

# Modern Slavery

Highbourne Group (formally Travis Perkins P&H Holdings Limited) was part of the Travis Perkins plc Group in 2020.

The statement below was approved by the Board of Travis Perkins plc and its relevant subsidiaries in relation to the financial period ending 31st December 2020.





# MODERN SLAVERY

## Transparency Statement 2020

This statement has been produced in accordance with the Modern Slavery Act 2015. It constitutes our Modern Slavery Transparency Statement for Travis Perkins plc and its relevant group subsidiaries<sup>1</sup> for the financial year ending 31st December 2020. Travis Perkins plc and its subsidiary companies are referred to as the Travis Perkins Group or “The Group” throughout this statement.

### Introduction

The Travis Perkins Group is opposed to all forms of unethical business behaviour. We recognise the harmful impact that Modern Slavery has on individuals and society and we are committed to help prevent these illegal practices. Modern Slavery is one of the material focus areas that makes up our sustainable business framework (p.52, 2020 Annual Report) - our customers, suppliers, investors, colleagues and communities expect us to manage this risk and protect the rights and welfare of workers within our own business and our supply chains.

### Our businesses and our supply chains

Travis Perkins Group is the largest distributor of building materials and products in the UK, serving a broad range of end markets from generalist to specialist propositions in the building, construction and home improvement markets. The Group does not own or operate any manufacturing facilities. In 2020, there were 28,710 colleagues in the Group and 1,976 branches and we generated £6.2 billion revenue. The Group’s key brands include Travis Perkins, Toolstation, Benchmarx, BSS, Keyline, CCF, City Plumbing and Wickes. All group subsidiaries with a turnover of £36 million or more in 2020 are listed within the UK apart from Toolstation Europe which represents 1% of Group turnover. Toolstation Europe operates in France, Belgium and the Netherlands. The Group’s businesses have complex supply chains, sourcing products predominantly in the UK but with extended supply chains that stretch around the world. For further detail on the business structure and the business model, please see p.4 and p.16-17 of the [Annual Report and Accounts 2020](#).

60% of products sold in 2020 were delivered to customers either via our own distribution channels or direct from our suppliers. 40% of products sold in 2020 were collected by customers from our branches. Our product categories range from construction products for building, repair, maintenance or improvement to industrial civil engineering products, plumbing and heating systems, kitchens, bathrooms and DIY products.

### Policies and control on Modern Slavery

The Travis Perkins Group is committed to doing the right thing. We manage a governance framework for all material focus areas within our sustainable business framework, including Modern Slavery. A Modern Slavery and Human Trafficking policy (“Policy”) is in place, approved by the Group Leadership Team, detailing the commitments that all businesses in the Travis Perkins Group align to in order to prevent these risks from occurring either in our own business or our supply chains. This policy and all other policies and tools referred to in this statement apply to the Group’s businesses outside the UK to the extent practicable and providing they do not conflict with local legislation.

<sup>1</sup> For 2020, this included all relevant, active subsidiary companies according to the requirements of the Modern Slavery Act 2015: Travis Perkins plc, Travis Perkins Trading Company Limited, Wickes Building Supplies Limited, City Plumbing Supplies Holdings Limited, Keyline Civils Specialist Limited, CCF Limited, Toolstation Limited, Toolstation Europe Limited, Benchmarx Kitchens and Joinery Limited, Tile Giant Limited (divested 30 September 2020), BSS Group Limited and Direct Heating Spares Limited.



### The Group's policy commitments on Modern Slavery and Human Trafficking are as follows:

- We will assess Modern Slavery and Human Trafficking risks in our business and supply chain.
- We will comply with all relevant employment and human rights laws for the countries in which we operate.
- We will conduct due diligence on labour agencies to reduce the risk of slavery.
- We will conduct due diligence on contractors to reduce the risk of slavery.
- We will define clear supplier expectations and assess supplier compliance according to identified risk.
- We will make guidance available to suppliers and customers to support their due diligence programmes.
- We will provide training to employees including on the 'red flags' of Modern Slavery and Human Trafficking.
- We will provide a 'Speak Up' line for employees and those external to our business to anonymously report any concerns.
- We will monitor performance against Key Performance Indicators to continually improve.

Compliance with the Policy is monitored and managed through a 'minimum standard' tool, allowing each business to assess its status against the Policy requirements. All colleagues are accountable for compliance with the Policy. Compliance is managed and supported through training. Accountability for delivering against the Group's commitments has been clearly mapped. There is a Group Lead for Anti-slavery and Human Trafficking who works with nominated leads in each of the Group's businesses, both within commercial (for the supply chain) and within HR (for our own business). A Group Leadership Team sponsor monitors performance and supports continued improvement. The Modern Slavery and Human Trafficking policy is supported by other policies including a Responsible Sourcing policy, Recruitment policy and a Speak Up policy.

We are clear to our suppliers about our expectations of them. Since 2008 we have published and updated a **'Supplier Commitments'** document setting out our expectations of and the minimum requirements we expect our suppliers to meet, including, amongst other matters, details of our requirements concerning environmental and social behaviours in our supply chain. Specific **guidance** is also provided on modern slavery. We work with our suppliers to help them meet our expectations and requirements. The Supplier Commitments have been communicated to our suppliers and incorporated into our supplier manual and responsible sourcing procedures. The supplier due diligence process, described in the following section, includes an assessment against the requirements of the Supplier Commitments.

Regarding our own employees, we uphold high standards, operate in line with our recruitment policies and comply fully with the relevant employment laws and right to work checks for the countries within which we operate. We have clear standards of conduct which are included in our Code of Conduct ("Code"). The Code of Conduct includes a specific section on modern slavery, including the red flags for colleagues to be aware of. Our employees have access to our 'Speak Up' whistleblowing line and are encouraged to report any concerns. No modern slavery related reports were registered via the 'Speak Up' line in 2020. The employee due diligence process, described in the following section, includes checks both across our direct employee population and any temporary employees recruited via agencies.

## Risk assessment

We acknowledge that any globally complex operations, such as ours, carry with them the risk of modern slavery in their supply chains. We operate modern slavery risk assessments informed by the Global Slavery Index, the Corruption Perceptions Index and the Worldwide Governance Indicators (WGI) - World Bank, taking into account both country-level and product-level risk. Product-level risk is determined based on the level of manual or seasonal labour required to manufacture products as there is greater risk of exposure of manual and temporary workforces to risks of slavery. All suppliers from our UK-based businesses were assessed against the new risk-profiling tool during 2020. Toolstation Europe suppliers will be assessed using this tool during 2021.

## Due diligence

### Due diligence within our supply chains:

Our centrally-controlled suppliers of products for resale go through a due diligence process which comprises three stages. Firstly, a contractual commitment to our ethical requirements through reference to our Supplier Commitments in the standard trading agreement. Secondly, an assessment of compliance with our Supplier Commitments through an 'Online Risk Assessment' ("ORA") questionnaire. The ORA, which was relaunched during 2020, includes but is not limited to 'business ethics', 'labour and human rights', 'environment, health & safety' and 'product quality'. On completion of the ORA, the supplier receives notification of any identified nonconformances. Based on the results, either our third party expert auditing partner, Verisio, or our experienced QA team contacts the supplier to request further documentary evidence or requires the supplier to undertake additional tasks to demonstrate compliance or to mitigate risk. There are cases where a supplier account has been closed based on their ORA results although this has not been for reasons relating to modern slavery.

A third stage of assessment is in place for manufacturers of our own-brand (or no-brand, i.e. commodity) products; a site audit programme. For a factory to be approved to manufacture on our behalf they need to pass two site audits, one technical and one ethical. The ethical audits are conducted by an approved independent 3rd party or, by exception, our own QA Managers. Where sites already hold the internationally-recognised SMETA report for ethical assessment, these are accepted and reviewed by our businesses. Wickes moved all of its own and no brand site ethical audits to SMETA during 2019. Ethical audits are semi-announced as far as possible. We work with our manufacturers to ensure that any critical nonconformances are addressed before any further activity is undertaken with them. Suppliers of own-brand products are not always required to complete an ORA as the site audits already cover this content.

These three stages of assessment form our minimum expectation around supplier due diligence and work is ongoing to bring all Group businesses and all centrally-controlled suppliers under this framework. The new ORA was issued to more than 1,000 suppliers during 2020. Audits continued across manufacturing sites, albeit some were delayed due to Covid-19. These were rescheduled as soon as possible and in some cases virtual audits were conducted.

Additionally, over 98% of Group timber spend in 2020 was certified as responsibly sourced (75% FSC and 23% PEFC). This data has been published and externally verified (**p.65, 2020 Annual Report**). Both the FSC and PEFC certification schemes require compliance with the ILO Declaration on Fundamental Principles and Rights at Work, 1998, prohibiting the use of forced or child labour.

Our suppliers of 'goods not for resale' ("GNFR") or services are also in scope for due diligence, based on their risk level, and work is ongoing to assess these suppliers. A number of our contractors are assessed by the Facilities Management team as part of the onboarding process, including 'modern slavery' questions. Our primary freight forwarder has been consulted regarding their 'modern slavery' controls. High-risk labour agencies are also assessed and this process is described further below.

### **Due diligence within our own business<sup>2</sup>**

Direct recruitment into the Group's businesses follows the Recruitment policy which adheres to regulatory requirements relating to right to work checks. Group Internal Audit periodically reviews the processes and controls that ensure compliance with employment law, including an assessment of right to work checks. This was last completed in 2019 and is scheduled for further review during 2021. Additional due diligence is conducted to identify red flags of modern slavery across our directly-employed workforce. This entails annual analysis of employee data to spot highoccupancy levels at the same addresses, shared banks and shared internal cost centres.

Recruitment of agency workers into the Group's businesses is also under assessment and due diligence is undertaken according to the identified risk-level. All agencies used by the Group's distribution centres, which employ a high level of manual labour, undergo comprehensive checks. Firstly, a contract must be in place which details our expectations around their own due diligence to prevent modern slavery. Secondly, the agency must provide a 'sign off sheet' for each agency worker coming to our sites, including their name and photograph. The agency workers must bring their identification documents on their first day so that our business can check them against the sign off sheets. This ensures that the worker we are expecting has arrived at site but also, crucially, that the worker has access to their own documents - confiscation of victims' identification documents in order to exert control over them is a common tactic used by gangs involved in modern slavery.

### **Issue response**

We have an issue response plan which details how the business will deal with any incidences of modern slavery identified within our own business or our supply chains. This details how we will support victims as well as how we will manage investigations and in the case of suppliers, how we will suspend trading with them while supporting them to mitigate the identified issues and risks.

## **Training**

**All colleagues:** We launched a new Code of Conduct in 2020, which includes a section on modern slavery and details the modern slavery red flags which colleagues should remain alert to. The Code of Conduct is issued to all UK employees. Roll-out was completed across most businesses in 2020 and will be completed during 2021. A Modern Slavery training module complimenting and supporting the Code of Conduct is due for launch in 2021 to all UK colleagues; with the intention of subsequently implementing equivalent training for colleagues outside the UK.

**Higher-risk roles:** We provide face-to-face detailed training for colleagues whose roles may be more likely to involve exposure to Modern Slavery risk. This includes Commercial teams, our Asiabased Sourcing teams, HR teams and other key operational roles (such as Distribution Centre Managers). In-depth training using the Travis Perkins Group in-house training system has been in place for a number of years. A new in-depth training module was launched in 2020 and has since been delivered to most of the higher-risk colleagues (see next section). Roll-out of the new module will continue into 2021 and will be repeated or refreshed annually.

## **Performance**

Our leading KPI for Anti-slavery performance is training completion. We also track whether there have been any reported incidents of Modern Slavery during the year.

### **High-level training on Modern Slavery for all colleagues**

This was implemented via the new Code of Conduct launch in 2020. A specific page on modern slavery is included in the Code, highlighting the red flags to look out for, detailing the key 'do's' and 'dont's' and a reminder for colleagues of the 'Speak Up' line for reporting any concerns. The new Code was shared with 82% of colleagues (>23,300 employees) and the remainder of UK colleagues will receive the Code during 2021. Code of Conduct training was also launched in 2020 to support engagement with the new Code.

### **Detailed training on Modern Slavery for higher-risk roles**

The new training module for modern slavery which launched in 2020 has now been delivered to 370 colleagues, representing 80% of the total population of higher-risk colleagues. Other training sessions are planned within the first half of 2021 to complete training for the remainder of colleagues in higher-risk roles.

### **Industry-specific training for the Group Lead on Modern Slavery**

The Group Lead for Modern Slavery attended a two day virtual training session hosted by **"Stronger Together"** on "Tackling Modern Slavery in Construction". This was a valuable course as it provided insight on how to further develop our controls and also the opportunity to share best practices with other companies within our industry.

### **Identified incidents**

No incidents of modern slavery were identified in our own business or our supply chains during 2020.

<sup>2</sup> Toolstation Europe businesses follow their own recruitment policies to comply with local laws in France, Belgium and The Netherlands.

## Progress in 2020

Besides the continued evolution of our existing due diligence programmes (see the "Due diligence" section), we set out to improve in four key areas during 2020. Progress made is summarised below.

### Improved supplier risk assessment

Assessment of suppliers from the full Accounts Payable lists across all UK businesses was completed during 2020. The same exercise will be completed for Toolstation Europe during 2021. This allowed us to risk rate suppliers based by spend, by country and by suppliertype (such as freighting companies, cleaning companies, waste management companies, labour agencies or suppliers of higher-risk product categories). This information informs the phased roll-out of our due diligence work. A new Online Risk Assessment (ORA) was launched in 2020 to more than 1,000 suppliers, with improved content to address modern slavery risks.

### Continue transition to enhanced ethical site auditing

We continued the move to enhanced ethical site auditing, whether through SMETA, BSCI or an in-house enhanced ethical audit format, during 2020. All sites are now moving to this new approach at the anniversary of their previous audit.

### Launch of new training modules

We launched the Code of Conduct and supporting training during 2020 to raise general awareness for all colleagues. We also launched a new training module for higher-risk roles to ensure greater understanding and preparedness in the event of any concerns. This was largely delivered virtually via video conference due to Covid restrictions.

### Collaboration with the supply chain

The Group Lead for Modern Slavery attended a training course alongside other companies within the construction industry where best practices were shared. One of the Group's key suppliers, Marshalls plc, allowed us to reproduce their list of the 'Red Flags of Modern Slavery' in support of a joint effort to end modern slavery. A number of modern slavery questionnaires have been completed for customers to describe the controls we have in place.

## Focus for 2021

### Continued roll-out of the new Online Risk Assessment (ORA) and ethical audits

The new ORA (shared by all businesses in the Group except for Wickes who manage their own similar online risk assessment) will continue to be rolled out during 2021 to new suppliers and to the next phase of suppliers, based on risk. Wickes will continue their ORA during 2021 as their two-year assessment period is now due again.

Any own-brand or no-brand manufacturing sites will continue to be moved onto the new ethical audit format in line with their next audit due dates. Non-conformances will be analysed and managed to completion. We will aim to introduce unannounced audits for selected sites during 2021, if Covid restrictions allow.

### Expanding labour agency due diligence

Initial work on labour agency due diligence focused on agencies supplying a high number of manual labour colleagues to our businesses (in our Distribution Centres). The tail of labour agencies will be brought into scope during 2021 with a proportionate level of due diligence.

### Improved consistency and engagement with GNFR suppliers and service providers

A bespoke online risk assessment will be developed for use with higher-risk GNFR suppliers and service providers to bring greater consistency to the way we assess and manage modern slavery risk across these supplier types.

### Extending access to our Speak Up line to suppliers

Our Speak Up line will be made available to our suppliers so that workers in our supply chains can anonymously call out concerns to us directly.

### Enhanced supplier engagement on Modern Slavery

We will improve our supplier engagement on environment, social and governance ("ESG") topics, including modern slavery, through supplier forums and other means.

  
SIGNATURE REQUIRED

**Nick Roberts**  
Chief Executive  
Travis Perkins plc

00th October 2021

  
SIGNATURE REQUIRED

**Dave Evans**  
CEO Highbourne Group

00th October 2021

We will continue to develop our approach, review our progress and publish an updated statement annually. We are taking into account the Maturity Framework and the Agenda for Action developed by the Independent Anti-Slavery Commissioner, Dame Sara Thornton, as we develop our plans. These were shared in June 2020 in the **IASC Operation Fort Report p.29-30**.

This statement was approved by the Board of Travis Perkins plc on 26 April 2021 on behalf of itself and its relevant subsidiaries in relation to the financial period ending 31st December 2020.

**This statement was approved by the Board of Highbourne Group Limited on [TBC]**