

# Modern Slavery

## Transparency Statement 2021





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This statement is the Highbourne Group Modern Slavery Transparency statement published in accordance with the Modern Slavery Act 2015 in relation to the financial year ending 31st December 2021

### Introduction

We believe in making homes, businesses and lives better and it's essential we do this in the right way. We have a responsibility to ensure that we act with integrity and behave ethically in everything we do at Highbourne Group and we are aware of the risk and presence of modern day slavery in the manufacturing and construction industries. We aim to promote fair and ethical practices, behaviours and positive working conditions in our business and supply chain to ensure the welfare of workers and protect their rights.

We are opposed to the damaging impact that modern slavery brings and this statement details the steps we are currently taking to mitigate modern slavery and human trafficking in our businesses and our supply chain, as well as a future plan to implement preventative measures. We aim to show continuous improvement and progress in addressing the risks to enable transparency throughout our businesses and supply chain.

### Our businesses and supply chain

Highbourne Group (formerly City Plumbing Supplies Holdings) was part of the Travis Perkins plc Group until October 2021. The Highbourne Group is one of the UK's largest plumbing & heating merchants and comprises City Plumbing Supplies, PTS, DHS, NSS, The Underfloor Heating Store, PlumbNation and Plumbworld. We sell and distribute plumbing, heating and bathroom products to trade, DIY and contract customers and we are a major supplier to consumers across the new build, social housing and repair and maintenance markets, both in residential and commercial sectors.

Our team of over 3,500 colleagues operates from more than 350 branches and sites around the UK.

### Policies and controls on Modern Slavery

We have recently launched our new corporate behaviours which are: Make It Safe For Everyone, Be The Customer's Choice, Create The Future and Grow Stronger Together. We trust and support each other as a team and, to enable our customers to trust us, we're committed to always do the right thing and take appropriate steps to combat slavery throughout our businesses and in our supply chain.

We currently refer to the Travis Perkins policies on Modern Slavery & Human Trafficking and Responsible Sourcing, as part of the Trading Level agreement and are committed to developing our own policies during 2022.

Our Supplier Commitments document communicates our operational expectations and requirements to suppliers in the areas of Environmental Responsibility, Social Responsibility & Product Quality. We commit to carrying out business operations in line with these standards and principles. Similarly we expect compliance from our suppliers and the adoption of fair and responsible behaviour. The Supplier Commitments as well as guidance notes on specific areas of social responsibility are published on our website.

We have also set up 'Call it Out', an independent whistleblowing reporting service in partnership with our provider, Safecall. This service enables employees and external partners to anonymously report any concerns of wrongdoing. In our business we take wrongdoing very seriously and we are committed to independently investigate any allegations raised. If our colleagues or suppliers see or suspect any wrongdoing, concerning modern slavery, health & safety, security, data protection or privacy, harrasment, bullying or discrimination of others, bribery or corruption, dishonesty or fraud, or disregard of people's wellbeing we want them to tell us about it and call it out. This policy and service has been communicated to all employees and is included in our Supplier Manual for access by our external providers.



## Risk assessment

We are continuing to focus our risk-based approach across all centrally controlled suppliers of products for resale using the Online Risk Assessment jointly created with the Travis Perkins Group. These risk assessments include specific detail and questions on anti-slavery with validation required. Responses and evidence are assessed and further action taken where necessary. In excess of 92% of suppliers when measured on spend have submitted an Online Risk Assessment to us. Following the response we take action to produce a bespoke continuous improvement plan for each supplier with associated timings for responding and completing corrective actions.

We are using various sources for information such as the Global Slavery Index to provide us with intelligence on countries of risk as well as evaluating product, material and sourcing risk.

Products will not be sourced from any suppliers with critical failures including non-compliance with our ethical trading requirements as detailed in our Supplier Commitments document.

## Due diligence and monitoring

Within our supply chain we have due diligence activities in place to monitor all centrally-controlled suppliers. These include contractual agreement to our Supplier Commitments documented standards, completion of our Online Risk Assessment and Ethical & Technical factory audits.

Our Online Risk assessment reviews suppliers policies and standards across ethics, labour & human rights, health & safety, quality and environmental areas. It categorises suppliers as low, medium or high risk. Where there is evidence of critical risks, these need to be addressed immediately to mitigate the risk and we will not continue trading with the supplier until they can demonstrate compliance. In some cases there have been suppliers which we cannot trade with as they do not meet our standard requirements.

We require all of our Direct Sourced factories (defined as suppliers based outside of the UK) and factories manufacturing our own brands to have a third party ethical assessment in place, preferably a SMETA (Sedex Members Ethical Trade Audit) Report. The results of this are assessed against criteria in our Code of Conduct and corrective actions communicated to the supplier. These assessments are on a semi-announced basis and scheduled every 2 years, however we are currently catching up on outstanding assessments due to the restrictions in place during the Covid-19 Pandemic. We are committed to ensure all outstanding assessments take place during 2022. There are a total of approximately 2,000 own brand products sourced from 80 manufacturing sites across the world with over 40% classified as Direct Sourced. In addition we require sites manufacturing our own brand product to undertake our technical audit and expect them to commit to addressing corrective actions and ensure continuous improvement of quality standards.

With reference to due diligence within our own business we operate a recruitment policy where we verify the identity of each worker and their right to work. In addition to direct recruitment, we utilise contractors and recruitment agencies that supply us with staff. To identify and mitigate risk, due diligence is undertaken when considering taking on new suppliers, and we regularly review existing suppliers.

Our major focus on internal labour agency due diligence is on our Central Distribution warehouse based in Warrington. There are at least 300 employees at this site and we regularly use temporary labour. The business has recently announced that the site will be managed and operated by GXO from June 2022. We are satisfied that GXO has their own MSA statement and processes in place and will continue to operate due diligence.

## Training

Modern Slavery Act training has been developed in the form of an e-learning course, which is issued as mandatory training to the Senior Leadership Team, HR, Commercial and all colleagues involved in the purchasing of goods and services and may have exposure to modern slavery risk. The course is a mandatory requirement and must be successfully completed on an annual basis. This updated e-learning course will be made mandatory for all employees during 2022.

Further face to face training on the Modern Slavery Act takes place for new starters within the commercial team as part of their induction programme, to educate and raise awareness of modern slavery indicators in the supply chain.

We are undertaking online courses, workshops and access resources on Environmental Social Governance (ESG) topics via the Supply Chain Sustainability School platform. This enables us to keep abreast of current compliance requirements and undertake targeted learning to expand our knowledge on environmental, sustainability and ethical policy in the building industry. We use this to benchmark our business against industry expectations and best practice and develop and evolve our own practices and standards to ensure continuous improvement.

## Performance

There have been no incidents of Modern Slavery reported in our business or supply chain during 2021.

We have collated all of the supplier Online Risk Assessments and have created a Dashboard to continually monitor performance. Factors such as quantity of non conformances, severity of non conformance (minor, major, critical), category of non conformance (e.g. environmental, ethical, technical, health & safety) and overdue responses to corrective action plans are monitored. Progress on business improvements made by suppliers and mitigation of risk is reviewed on an ongoing basis.

Training has been delivered to all colleagues involved in the provision of goods and recruitment by methods such as online training modules and bespoke presentations.

We are committed to continue to be a GOLD member of Constructionline which is a prerequisite for assurance across all areas of ESG for some contract customers. We have also completed many supplier surveys for our contract customers on request to show our own levels of due diligence and mitigation with reference to modern slavery.

## Progress in 2021

The majority of initiatives undertaken during 2021 were aligned with the requirements of Travis Perkins Group to risk suppliers and improve our ethical audit programme using the SMETA audit format. We have since been working on a Highbourne Group specific responsible sourcing programme with actions on:

- Extending access of our Whistleblowing reporting service to suppliers in partnership with third party provider, Safecall
- Enhancing supplier engagement on Modern Slavery and collaborating with them on the roll out of the SMETA ethical audit approach assessed using the newly developed Highbourne Group Ethical Code of Conduct
- Introducing unannounced audits for ethical assessment during 2021, if Covid restrictions permitted
- Progressing the ORA completion and supplier risking via a dedicated Highbourne Group Online Risk Assessment management system in partnership with our third party social compliance experts.

The impact of Covid-19 has restricted our ability to carry out some site visits we were planning however we are now working with our third party audit partner and suppliers to accelerate our audit programme and ensure assessments required are in place.

## Focus for 2022

This year will be one of transition as we develop and issue new Highbourne Group policies and procedures on Modern Slavery & Human Trafficking and Responsible Sourcing. We will also develop a new supplier code of conduct to replace the existing Supplier Commitments document to communicate our expectations to suppliers on Business Ethics, Environmental and Quality practices.

Contracts for Goods Not for Resale (GNFR) suppliers, including IT equipment and Service providers, will be strengthened to include specific requirements on anti-slavery and human trafficking. To improve consistency and engagement with Goods Not for Resale (GNFR) and Information Technology Service providers a bespoke online risk assessment will be developed. We are implementing the Vendor Risk Management (VRM) Assessment within the OneTrust Platform, to enable due diligence on modern slavery as part of a template of questions for suppliers to complete. This will be rolled out in Q2 led by the Highbourne Group Privacy Office with the support of Commercial, Procurement and the Data Privacy Champions.

We will continue to work on the transition of the Omega warehouse operation to GXO during the second half of 2022 together with associated service providers. This will focus particularly on expanding our labour agency due diligence and prioritising a review of labour agencies supplying a high level of manual workers to our warehouse and distribution network, with Modern Slavery mitigation being at the forefront of the ethical trading agenda.

We plan further enhancement on supplier engagement on Modern Slavery and business ethics topics. Completion of all outstanding manufacturing site assessments via the SMETA platform and influencing suppliers to buy into the benefits of this scheme will ensure we continue to reinforce our ethical trading standards.

Work will commence on the next generation of the Online Risk Assessment which will be bespoke to our supply base and the Highbourne Group business needs. This will be launched to all centrally controlled suppliers in Q4 of 2022 and a new risk rating will be awarded to each supplier.

At Highbourne Group we continue to strive to eradicate any unethical business practice and inhumane treatment in our supply chain and we are committed to producing responsibly sourced goods and services for our customers and our business operations. We are dedicated to tackling this serious issue and taking steps to combat modern slavery and human trafficking both within our own businesses and throughout our supply chain.

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**This statement relates to the financial period ending 31st December 2021 and was approved by the Board of Highbourne Group Limited in April 2022 on behalf of itself and its relevant subsidiaries and signed on its behalf by:**

**Dave Evans**

CEO Highbourne Group

18th April 2022