

Modern Slavery

Transparency Statement 2022





MODERN SLAVERY

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This Highbourne Group Modern Slavery Transparency Statement has been published in accordance with the Modern Slavery Act 2015, in relation to the financial year ending 31st December 2022 and details the steps we are taking to seek to prevent Modern Slavery and Human Trafficking in our business and supply chain, as well as future planning to implement preventative measures. We aim to show continuous improvement and progress in addressing risks to enable transparency throughout our business and supply chain.

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 the Highbourne Group and we are aware of the risk and presence of modern slavery in the manufacturing of our products. 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.

At the Highbourne Group we respect human rights and do not tolerate any form of modern slavery in our business or supply chain

Our businesses and supply chain

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. We are a major supplier for new build, social housing and repairs 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.

We work with suppliers across the world to bring our customers great products at great prices, without compromising on our ethical standards. There are approximately 4,000 own brand products sourced from about 120 manufacturing sites across the world with over 40% classified as Direct Sourced.

Policies and controls on Modern Slavery

We have clear policies and standards on human rights and modern slavery, which are reviewed and updated regularly and approved by the Senior Leadership Team.

Our business is focussed on supporting our customers and exceeding their expectations, from providing first class service to sourcing products and materials from our suppliers in a responsible and sustainable way. Everything we do is underpinned by the four Behaviours of our business: Make it safe for everyone, Create the future, Be the Customer choice 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 modern slavery throughout our businesses and in our supply chain.

Human Rights and Modern Slavery Policy

Our Human Rights and Modern Slavery Policy sets our commitment to respect human rights in line with international agreements.

Supplier commitments

Our Supplier Commitments document communicates our operational expectations and requirements to suppliers in the areas of Quality & Product, Environmental Responsibility, Social Responsibility & Governance . 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.





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Whistleblowing Policy

Our Call It Out! Whistleblower Policy encourages genuine reporting of any misconduct or wrongdoing in the company and to protect those who disclose the misconduct or wrongdoings. Additionally, this policy outlines how colleagues can safely express their concerns, the protections available to them as Whistleblowers, and how the company will support them.

As we acknowledge that it may be uncomfortable to raise an incident in some situations, the company has provided an impartial third-party provider, Safecall, to manage concerns raised under this policy.

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, harassment, 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 have a large supply chain, so we take a risk-based approach to human rights and modern slavery.

We identify and mitigate sources of risk of all centrally controlled suppliers of products for resale through Online Risk Assessment. 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 (including slavery and human trafficking) as detailed in our Supplier Commitments document.

There is a low risk of modern slavery occurring in our business operations and among our direct employees as we have strong employment policies and practices in place.

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 the environment. It categorises suppliers as Gold, Silver, Bronze or High Risk.

We have further enhanced our Online Risk Assessment by using the OneTrust platform and adopting a continuous review and updating of information rather than the previous 2 year cycle.

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. It is our policy that SMETA assessments are carried out by accredited auditors certified by APSCA (Association of Professional Social Compliance Auditors). The results of this are assessed by our ethical auditing partner Verisio using our Code of Ethics with resulting corrective actions communicated to the supplier. These assessments are on a semi-announced basis and scheduled to take place at least every 3 years based on 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. Depending on the nature of the issue, a member of our team or agent may visit the factory to help with the remediation plan. We engage with the factory throughout the process and work to ensure the wellbeing of workers is prioritised.

We start from a principle that we should work with our suppliers to help them address issues and improve performance. Factories agree to the implementation of a remediation action plan and we agree enough time for them to develop their knowledge and implement changes.

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. Our Whistleblowing Policy and Safecall enable staff and suppliers to report any concerns, including about modern slavery and any other human rights violations, securely and without fear of recrimination

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.

Training

Modern Slavery Act training has been developed in the form of an e-learning course, with all colleagues involved in the purchasing of goods and services requested to complete this on an annual basis.

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.



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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 in 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 2022.

We have collated all of the supplier Online Risk Assessments and created a Dashboard to continually monitor performance. Factors such as quantity of non conformances, severity of non conformance (minor, major, critical) 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.

We are committed to continue to be a GOLD member of Constructionline which is a prerequisite for assurance across all areas of ESG. 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 2022

The key initiatives undertaken and delivered during 2022 are:

- Reviewing and arranging ethical assessments across manufacturing sites that produce Highbourne own brands with an emphasis on SMETA assessments using our enhanced Code of Ethics
- Completion of the two year Online Risk Assessment Cycle
- Commence development of a new platform for the Online Risk Assessment using One Trust
- Review Plumbworld manufacturing sites for alignment with the Highbourne responsible sourcing policy

Focus for 2023

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 revised Supplier Commitments document to communicate our expectations to suppliers on Business Ethics.

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. Specifically, the Vendor Risk Management

(VRM) Assessment on the OneTrust Platform, to enable due diligence on modern slavery as part of a template of questions for suppliers of IT equipment.

Completion of all outstanding manufacturing site assessments via the SMETA platform and influencing suppliers to understand the benefits of this scheme will ensure we continue to reinforce our ethical trading standards.

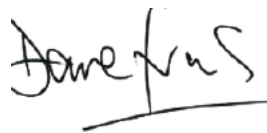
We will launch our enhanced Online Risk Assessment which will be bespoke to our supply base and the Highbourne Group business needs. This new version will enable us to have continual dialogue with Centrally Controlled suppliers rather than the previous two year cycle. It will also expand on requesting suppliers to provide further information on their manufacturing sites and monitoring of indate policies and certificates.

We will develop and launch a new e-learn training platform including a bespoke modern slavery training course.

We will continue to work with Plumbworld (acquired by the Highbourne Group during 2022) to align to the Highbourne responsible sourcing policies and procedures.

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.

This statement relates to the financial period ending 31st December 2022 and was approved by the Board of Highbourne Group Limited in April 2023 on behalf of itself and its relevant subsidiaries and signed on its behalf by:



Dave Evans
CEO Highbourne Group
18th April 2023