

Modern Slavery Act

Transparency Statement 2023





MODERN SLAVERY

Transparency Statement 2023

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 2023

Introduction

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 2023 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.

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 potential risk 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 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, 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 over 150 manufacturing sites across the world with about 20% 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.

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 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 such as the identification of 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 factory audits.

Our Online Risk assessment reviews suppliers policies and standards across Environmental, Social and Governance (ESG). It categorises suppliers as Gold, Silver, Bronze or High Risk.

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 these assessments should be 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 the Highbourne Group Code of Conduct with resulting corrective actions communicated to the supplier. These assessments are on a semi-announced basis and scheduled to take place every 2 years.

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.

Commitment

At Highbourne Group we continue to strive to eradicate any unethical business practice and inhumane treatment both within our own business and across the supply chain. We are committed to provide sufficient resources and systems to proactively protect everyone and operate responsible sourcing activities for purchase of both goods and services.

Performance

There have been no incidents of Modern Slavery reported in our business or supply chain during 2023.

We have collated all of the supplier Online Risk Assessments and created a Dashboard to continually monitor performance. 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.

2023 progress and training initiatives

The key initiatives undertaken and delivered during 2023 are:

- Continue to arrange ethical assessments across manufacturing sites that are either direct imports (including Free on Board and Delivered At Place agreements) or produce Highbourne own brands with checks carried out against the Highbourne Group's Code of Conduct
- Successful launch of the new (ESG based) Online Risk Assessment across all Centrally controlled Suppliers (currently excluding Plumbworld)
- Develop an Online Risk Assessment for Service Providers and suppliers of Goods Not For Resale (GNFR)
- Created an ESG working Group (chaired by the CFO) for the development of a Highbourne Group Environmental, Social and Governance roadmap
- We have enhanced our Right to Work process to reinforce the message on ensuring required checks are carried out as part of our colleague recruitment process and have provided additional training and guidance
- We have continued to ensure that all labour agency suppliers are a member of an industry body such as the REC (Recruitment and Employment Confederation), and align with our commitments to eradicate Modern Slavery

Our Modern Slavery Act training e-learning course has been refreshed and re-launched to all colleagues. It continues to be a mandatory training requirement as part of the colleague induction programme with annual training for colleagues involved in the purchasing of goods and services thereafter.

Further face to face training on the Modern Slavery Act takes place for new starters within the commercial team, 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 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.

Focus for 2024

This year we will launch the ESG Roadmap to further enhance our credentials, including all activities, policies and procedures for the prevention of Modern Slavery & Human Trafficking.

Contracts for Goods Not for Resale (GNFR) suppliers, IT equipment and Service providers, will include a requirement to complete the Online Risk Assessment with inclusion of ethical sourcing and Modern Slavery requirements.

We will continue to evolve our e-learning training module courses for Modern Slavery with the emphasis on colleagues who are involved with the purchasing of goods and services plus appropriate training of all other colleagues.

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

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 2023 and was approved by the Board of Highbourne Group Limited in May 2024 on behalf of itself and its relevant subsidiaries and signed on its behalf by:

Dave Evans
CEO Highbourne Group
23rd May 2024