



# Modern Slavery

## Transparency Statement 2019

This statement has been produced in accordance with the Modern Slavery Act 2015, section 54. 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 2019. Travis Perkins plc and its subsidiary companies are referred to as the Travis Perkins 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.

We base our approach to business on our five cornerstones; keeping people safe, upholding family values, working for our customers, being the best and making decent returns. We communicate these both to our colleagues and suppliers as we believe it is what makes us different from our competitors. The cornerstones come down to doing the “right thing” which is how we have approached the issue of modern slavery internally with colleagues and with our suppliers.

### Our businesses and our supply chains

Travis Perkins Group is the largest distributor of building materials to both consumers and the trade in the UK. We have over 20 business units operating within the UK, with complex supply chains sourcing products from around the world. Our businesses include well-known brands such as Travis Perkins, Benchmarx, BSS, Keyline, City Plumbing, PTS, Wickes, Toolstation and Tile Giant. For further detail on the business structure and the business model, please see p.4 and p.12 of the **Annual Report & Accounts 2019**.

We deliver products direct to customers via our own distribution channels and direct from our suppliers, and to customers via our network of approximately 1,800 stores and trade 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 being a responsible business. We continually strive to work with suppliers who share the same values. Since 2008 we have published and updated clear supplier expectations and worked with our suppliers to uphold them. Our ‘**Supplier Commitments**’ detail our requirements around environmental and social behaviours in our supply chain. Specific **guidance** is provided on modern slavery.

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 on the following page, includes an assessment against the requirements of the Supplier Commitments.

Regarding our own employees, we uphold high standards and comply fully with the relevant employment laws and Right to Work checks for the countries within which we operate. We have recruitment policies and clear standards of conduct which are included in our employee handbook. Our employees have access to a whistleblowing line and are encouraged to report any concerns. No reports were registered via the whistleblowing line in 2019 relating to modern slavery.

<sup>1</sup> For 2019, 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, Benchmarx Kitchens and Joinery Limited, Tile Giant Limited, BSS Group Limited, Primaflow Limited (divested January 2020), Direct Heating Spares Limited and PTS Group Limited.

## Due diligence and supplier performance

Our centrally-controlled suppliers go through a due diligence process, which includes two 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 the commitments through an Online Risk Assessment (ORA) questionnaire<sup>2</sup>. The ORA 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 a summary for their company, including Environmental Responsibility, Social Responsibility, and Quality & Product. Based on the results, our experienced QA team contacts them to request further documentary evidence or undertake additional tasks to demonstrate compliance or 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 site audits (which cover both technical and ethical components), 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 all of our businesses. Wickes moved all of its own and no brand site ethical audits to SMETA during 2019. We work with our manufacturers to ensure that any major non-compliances are addressed before any further activity is undertaken with them.

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.

Additionally, over 97% of timber purchased by the Group in 2019 was certified as responsibly sourced (71% FSC<sup>®</sup> and 26% PEFC<sup>™</sup>). Both the FSC<sup>®</sup> and PEFC<sup>™</sup> certification schemes require compliance with the ILO Declaration on Fundamental Principles and Rights at Work, 1998, prohibiting the use of forced or child labour.



## Risk areas and capacity building

Due to the complexity of our global operations, including the UK, we acknowledge that there is a risk of modern slavery in our supply chain. Our risk assessment is 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 concerns the level of manual or seasonal labour required to manufacture the product as the manual and temporary workforce is more exposed to risks of slavery. All suppliers will be assessed against the new risk-profiling tool during 2020.

We have provided training to key employees on modern slavery over a number of years, including the QA team and our direct sourcing team. The online modern slavery training module is on our in-house training system which is accessible to all.

## Identified incidents in 2019

A supervisor from a labour agency used by a product supplier to Travis Perkins and Wickes was found to be involved in the trafficking and exploitation of migrant workers in 2015. Travis Perkins Group was informed in June 2019 once the authorities had completed their investigation and convicted several members of a criminal trafficking network. The supplier undertook a full review and has implemented a number of additional measures to protect the safety of its employees, including temporary seasonal workers from recruitment agencies. Travis Perkins also completed an internal review and consulted with the supplier and Hope for Justice to understand their learnings and recommendations. New procedures are being implemented to strengthen controls relating to agency workers, both within the Group and the supply chain.

## Progress in 2019

Besides the continued evolution of our existing due diligence programmes (see the “Due diligence” section on p.2), in our 2018 statement we set out our aim to improve in five key areas. Progress made within the five key areas is summarised below. Progress was also made in a sixth area; labour agency due diligence.

### Training & Capacity Building

We appointed a new Head of Sustainability in June 2019 who, as part of their role, leads on our efforts in tackling modern slavery and bringing consistency to our approach across the businesses. New training modules will be launched in 2020 to all employees.

### Risk Assessment

We revisited our risk assessment process to ensure that our mitigation efforts are applied most effectively. Product category risk is now also taken into account, recognising that some product categories have supply chains which are more exposed to slavery risk.

### Performance measurement

We set a KPI during 2019 on the completion of modern slavery training by our employees. To date, employees in higher-risk roles such as Quality Assurance, Human Resources and Sourcing have completed training and the training modules are available to all employees. Completion of the new training module will be mandatory for all employees. Progress will be reported at the end of 2020.

### Partnerships & Communications

We became members of SEDEX through Wickes and this gives us access to extensive responsible sourcing data and knowledge. We continued to support the Sustainable Supply Chain School and attended events by expert industry bodies to remain informed on best practice in tackling modern slavery.

<sup>2</sup> In 2019, five different ORAs were in use across the Group, four in-house and one managed by the independent and expert third party, Verisio. Whilst all address the risk of modern slavery, work is underway to bring a more consistent approach to the way in which we assess suppliers.

**Policies & Systems**

We began the transition to enhanced ethical auditing of own brand manufacturing sites. The business now accepts SMETA reports from its sites where they are available and conducts an in-house audit (including ethical assessment) where they are not. The transition to enhanced ethical auditing for all own and no brand (commodity) manufacturing sites will continue during 2020.

**Labour agency due diligence**

A greater level of control is being established with labour agencies providing manual labour into the Group's distribution centres. Labour agency contracts are being strengthened, with clear expectations around modern slavery due diligence. Checklists including the photograph and name of each worker are provided by the labour agencies to allow the business to undertake one-off Right to Work checks. This gives confidence to the business that the right workers are coming to our sites and that these workers are in possession of their own identification documents.

**Focus for 2020**

**Improved supplier risk assessment**

Suppliers will be profiled using the risk-profiling tool in order to best focus efforts for due diligence. Higher risk suppliers identified in the profiling exercise will then be required to complete the Online Risk Assessment, which will be relaunched with improved content taking into account all relevant modern slavery risk types.

**Continue transition to enhanced ethical site auditing**

The move to enhanced ethical site auditing which started in 2019, whether through SMETA or an in-house enhanced ethical audit format, will continue in 2020.

**Launch of new training modules**

Two new training modules will launch during 2020; one for all employees to raise general awareness and one for higher-risk roles to ensure greater understanding and preparedness in the event of any concerns.

**Collaboration with the supply chain**

We will work with selected customers and suppliers and attend relevant events in order to share best practice, learn from others and support industry-wide improvements.

We will continue to develop our approach, review our progress and publish an updated statement annually.

This statement is approved by the Board of Travis Perkins plc and its relevant subsidiaries in relation to the financial period ending 31st December 2019.



**Nick Roberts**  
Chief Executive  
Travis Perkins plc

April 2020

