



Modern slavery
statement 2019



The wilko 2019 statement sets out the steps taken during 2018/19 by the wilko family of businesses (“wilko”) and is published in accordance with section 54(2) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.

Introduction

As a family owned business, we exist to free up hard-working families to be the best they can be, and we understand the things that really matter. Something that’s really important to us is respect. It’s one of our values, and we believe in always treating people with fairness and respect. That’s why it’s so important to us that neither we, nor any of our suppliers, manufacturers or contractors ever knowingly take part in any form of modern slavery.

Modern slavery includes slavery, servitude, human trafficking and forced labour. It’s recognised that this is a global and growing issue which can exist in all economies and business sectors. Wilko is committed to acting ethically, with integrity and is working on putting effective systems and controls in place to prevent any form of modern slavery taking place within its business and supply chains.

How wilko does business

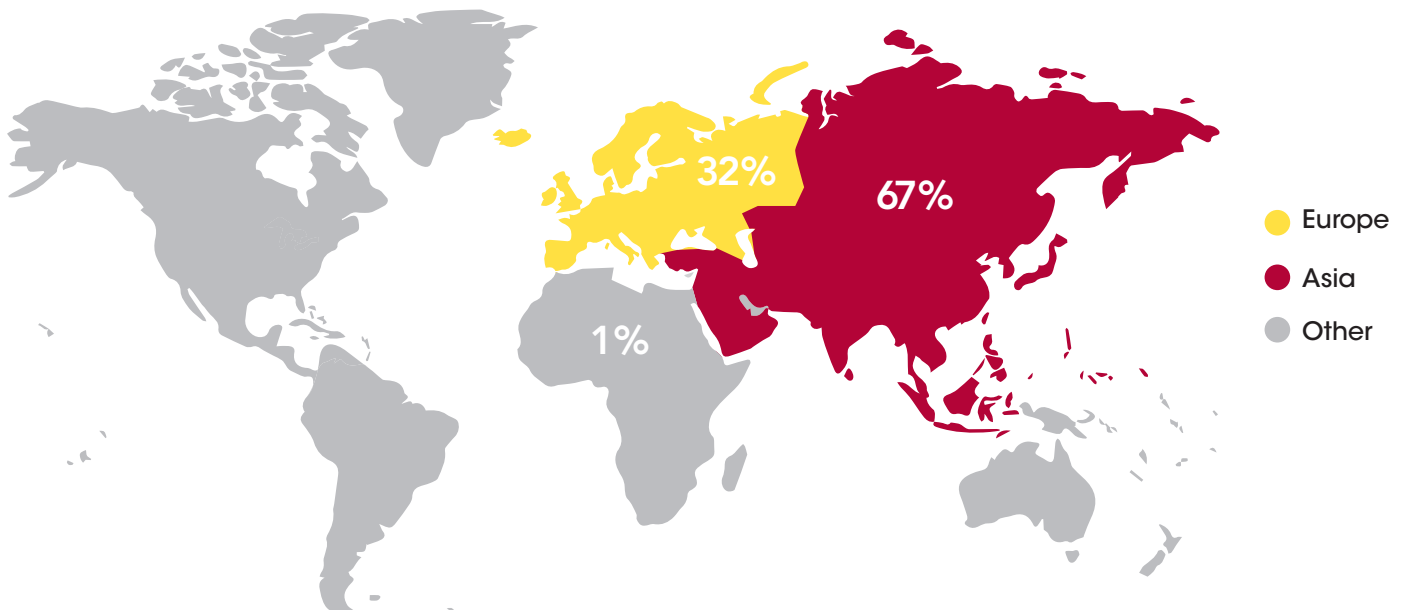
As a general retailer, wilko has an annual turnover of £1.55 billion, selling a wide variety of products through more than 400 UK stores, as well as online at www.wilko.com.

Wilko sell over 43,000 products, including over 21,500 wilko branded items, which are produced in over 900 factories located in 40 countries. The majority of goods for resale are sourced from Asia, Europe and the UK.

Wilko are committed to making sure all employees around the world who are involved in the sourcing and production of its products and services are safe and treated fairly at all times. It’s also wilko’s aim to source from factories and suppliers who share this commitment.

Factories producing wilko brand products

Total factories: 930 | Total Countries: 40



wilko is a national retailer
with a global supply base that has
over 7 million
customers each week



416 nationwide
stores & counting



High-level risk areas

Wilko is aware that there are countries, regions and industries that are more susceptible to modern slavery than others. As such, there is a plan to carry out a risk-based assessment of supply chains. In August 2017, Verisk Maplecroft produced the Modern Slavery Index 2017 which showed the UK had moved from the 'low risk' category into 'medium risk'. There is also awareness of labour abuse issues, predominantly in the Leicester area but also in London, Manchester, West Yorkshire and the Midlands.

Although unannounced wilko audits on factories in these areas didn't find any evidence of slavery or other labour abuses, other issues were uncovered. These were predominantly around Health & Safety, and wilko worked with the factories to resolve these issues.

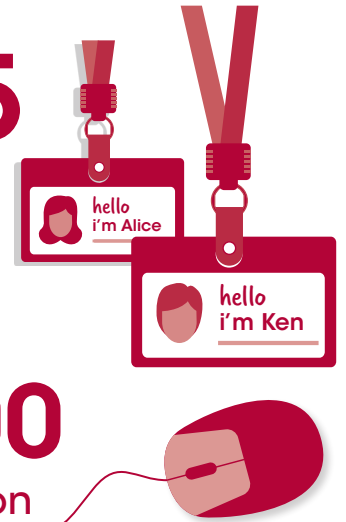
Wilko will continue to monitor the situation through industry bodies, non-government organisations, the media, and any other relevant sources, and will take steps as required.

18955

staff
members

over
244,000

people clicked on
wilko.com every day last year



Update on progress: policies and contracts

Wilko's Code of Conduct has the wilko values at its heart and draws on the International Labour Organization (ILO) Convention, the Ethical Trade Initiative (ETI) Base Code and the United Nations Global Compact, to make sure it's in line with internationally accepted principles and guidelines. It includes Critical Failure Points that will NOT be tolerated. These include the use of slavery in any form, the use or threat of intimidation, harassment or abuse, and the use of child labour. At wilko, we are committed to the highest standards of openness, honesty and accountability. As such, the Whistleblowing policy has been updated and includes specific mention of 'slavery, servitude, forced labour or human trafficking', there is also an external 'Speak Up' confidential helpline that is run by a third party. This is strictly confidential and can be accessed by wilko team members.

Wilko has modern slavery compliance clauses in all its Standard Terms & Conditions of Purchase, which are used with the majority of Goods for Resale suppliers. Where Standard Terms are not used, wilko endeavour to build appropriate provisions into bespoke contracts.

Our Goods and Services Not For Resale contract precedents contain appropriate obligations on our suppliers to warrant that when it comes to modern slavery, they take steps to investigate and identify issues relating to the Modern Slavery Act and will notify us immediately if they become aware of any issues within their supply chains.

We have the capability to identify and track all contracts that include these obligations.

Update on progress: global supplier assessment programme

Wilko track all factories in terms of audit status and factory grading. In 2018, concerned that some suppliers were not providing wilko with full transparency of their Goods For Resale manufacturing sites, action was taken to improve this level of transparency. Wilko requested full visibility of Tier 1 factory locations. Wilko’s Supplier Approval Management Manual was updated; simplifying the definitions for actors in the supply chain, clarifying wilko requirements for all manufacturing sites to require quality and ethical audits and emphasising a ban on unauthorised subcontracting.

All wilko Goods For Resale suppliers were issued with the updated manual, and were requested to provide a written declaration listing the primary manufacturing and packing sites within their supply chain. Responses were tracked and received from all active suppliers.

In addition, to improving the transparency of sites involved in the production of wilko Goods For Resale, improvements were made to wilko’s internal Site Management Tracker, reviewing the process for monitoring site compliance and identifying those sites due repeat audits and their approval status. Approval from Wilko Brands Board was obtained for strategies to enhance wilko’s Site Management program, which will continue to be implemented during 2019/20.

Wilko continue to track awareness training for internal teams through its Learning Management System (LMS) and continue to engage with our suppliers.

Gap analysis

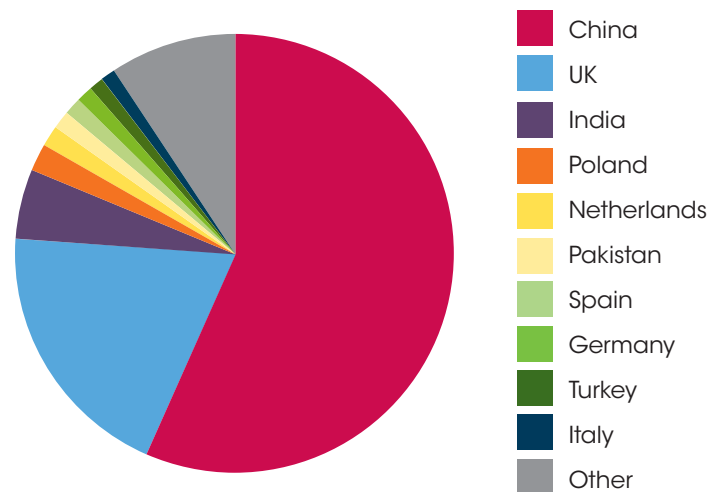
Wilko has identified distribution centres as higher risk for potential labour abuses and modern slavery due to the use of temporary workers. We source these workers through a recruitment agency who are a Stronger Together business partner and hold a Gangmasters and Labour Abuse Authority (GLA) licence alongside a robust modern slavery policy. They offer training and ongoing support to team members and managers.

Training

Executives who are shaping and managing the new Supplier Assessment Programme and Corporate and Social Responsibility programmes have attended the Stronger Together course on ‘Tackling Modern Slavery in UK businesses’.

Executives in the business are continuing to complete an awareness course through our LMS. Leaders can log onto LMS and look at an internal compliance dashboard to see how many people in their teams have completed the learning.

Factories producing wilko brand products split by country



Total factories: 930
Total countries: 40



Proposal for 2019/20

Wilko understand that the approach to modern slavery will require ongoing assessment of its business and supply chain to minimise the risk of its occurrence. Wilko will do what it can to reduce the risk within its business in the coming year. To do this, the aim is to address the following key areas and report progress in the next statement:

- **Supplier assessment:**
Wilko will continue to enhance its Site Management Programme to ensure it's robust and relevant in an ever-changing landscape with a particular focus on continual improvement. Wilko will work towards reviewing, simplifying and strengthening its ethical audits and developing a clear factory onboarding system.
- **Training:**
Wilko will continue modern slavery awareness training for specific groups and individuals who have been identified as needing a working knowledge of the issues around modern slavery, forced labour and where this will most likely be encountered.
- **Governance:**
Wilko will review and refresh the list of stakeholders on its modern slavery working group to build focus on clear action planning for the future. Terms of reference will be created and a governance structure implemented to keep plans on track.



Approval

This statement was approved by the wilko family of businesses by its holding board of Wilkinson Hardware Stores Limited.

