

# Modern slavery statement **2020**

The wilko 2020 statement sets out the steps taken during 2019/20 by the wilko family of businesses (“wilko”) and is published in accordance with section 54(1) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.

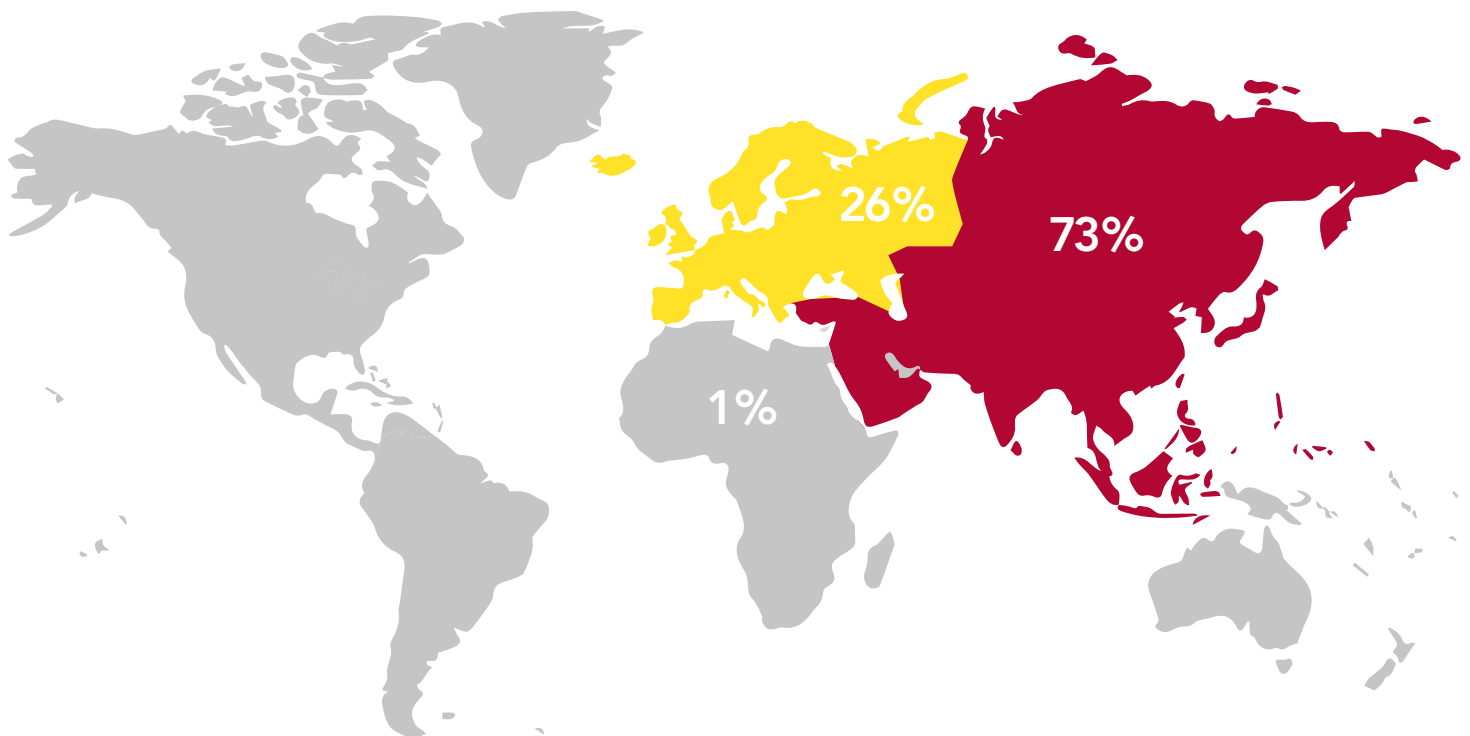
### Introduction

As a family owned business, we’ve existed for 90 years 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.

## Factories producing wilko brand products



● Europe ● Asia ● Other

## How wilko does business

wilko is a British Multichannel retailer with an annual turnover of £1.47 billion, employing 16,910 team members, selling a wide variety of products through 416 stores, as well as online at wilko.com.

wilko operates globally, with offices in UK, Hong Kong, India and Turkey and sells over 41,000 products, including over 21,000 wilko branded items, which are produced in over 1350 factories located in 42 countries. The majority of Goods for Resale are sourced from Asia, Europe and the UK.

wilko are committed to making sure all team members 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.

over 7 million  
customer visits each week



nationwide stores & counting



## High-level risk areas

As part of our efforts to monitor and reduce the risk of slavery and human trafficking occurring within our supply chains, we have adopted the following due diligence procedures.

Our procedures are designed to:

- establish and assess areas of potential risk in our business and supply chains
- monitor potential risk areas in our business and supply chains
- reduce the risk of slavery and human trafficking occurring in our business and supply chains
- provide adequate protection for whistle-blowers

## Due diligence, assessment of suppliers and supply chain engagement

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 have up-to-date 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 Board was obtained for strategies to enhance wilko's Site Management program, which has continued to be implemented during 2019/20.

wilko has now made its modern slavery statement available on its Goods for Resale supplier portal. On 18 October 2019 wilko participated in the UK and European anti-slavery day. We contacted all our Goods for Resale suppliers and distribution centre labour providers and shared our modern slavery pledge, reminding them of wilko's commitment and asking them to join us to help eradicate modern slavery and human trafficking.

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 number of preferred recruitment agencies who are Stronger Together business partners and hold Gangmasters and Labour Abuse Authority (GLA) licences alongside robust modern slavery policies. They offer training and ongoing support to team members and managers.

## 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 comply with the Modern Slavery Act and 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.

## Update on progress: Governance

wilko has completed an initial assessment of business areas responsible for managing the risk of modern slavery. Business leaders and executives from these areas have been brought together to create the modern slavery working group.

The group will be responsible for building focus on modern slavery management, making recommendations for improvements and setting clear action plans.

The group will report into and provide regular updates to the new Corporate and Social Responsibility (CSR) steering group and wilko boards as appropriate.

### Update on progress: global supplier assessment programme

In 2019/2020, we've continued to progress with improvements to our global supplier assessment programme. Manufacturing sites which were declared to us under our Site Amnesty Initiative to improve transparency within our supply chain are now fully incorporated. We've also conducted a full review of the ethical audits we accept to ensure they are broadly equivalent.

We've reduced the number of schemes we accept from 6 down to 4 and we've re-issued our Supplier Approval Management Manual to all of our wilko Goods for Resale suppliers.


As part of this review, we've also discontinued our wilko Social, Ethical and Environmental (SEE) audit so that we can focus on industry recognised ethical audit schemes that facilitate data sharing and corrective action closure, and reduced the period of validity of audits, with only our very highest performing sites being granted 24 months.

Working in conjunction with a leading audit body, we've also moved the tracking of our Site Management Programme from being excel spreadsheet based, to being held on an online portal. The portal provides instant access to reports, statistics and real time Corrective Action Plan (CAP) closures globally, representing a step change in the tools provided to the wilko Quality Team for driving improvements in our supply base.

### Update on progress: Learning and Development

Since 2017, we've invested in educating our team members to recognise the risks of modern slavery and human trafficking in our business and supply chains. Through our ongoing training programmes, team members are encouraged to recognise any potential incidences of modern slavery and human trafficking. Team members are taught the benefits of stringent measures to tackle slavery and human trafficking, as well as the consequences of failing to eradicate slavery and human trafficking from our business and supply chains.

In 2019 business leaders with Corporate and Social responsibilities attended Stronger Together courses on 'Tackling Modern Slavery in Global Supply Chains' and 'Good Practice in Handling Suspected

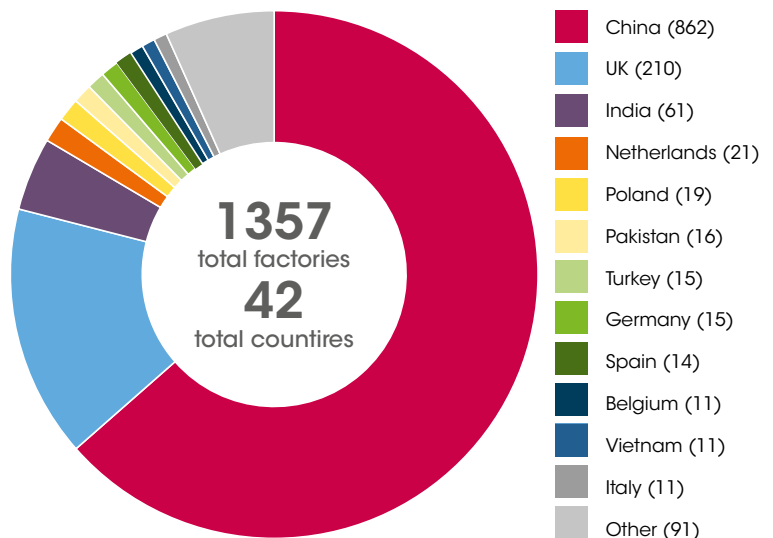


### Audit Case Study example

In Malaysia we found a specific issue with a factory that had a non-conformance on the audit report. Some of the workers in the factory were found to have paid a recruitment fee, a common practice in parts of Asia that puts workers in jeopardy by effectively creating the risk of debt bondage for the workers to the factory. The accommodation for the workers was also found inside the compound of the factory.

Following our intervention, the factory have now reimbursed the workers including any fees they paid. The factory have also found more suitable accommodation for the factory workers with unrestricted access and freedom to leave.

### Factories producing wilko brand products split by country



and Reported Cases of Forced Labour'. Working with Safe Space Collaboration LLP we've delivered modern slavery training and awareness workshops for business leaders within the modern slavery governance group.

wilko continue to track awareness training for team members through its Learning Management System (LMS). We've developed a compliance learning dashboard for line managers and the leadership teams to check team members' learning compliance. We have high levels of compliance on Modern Slavery learning to date in our Support Centre and distribution centres.

## Proposal for 2020/21

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 work towards reducing 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:

- **Learning and development** - maintaining compliance while reviewing and making improvements to our learning materials
- **Risk mitigation** - creating a new incident management process for modern slavery
- **Audit compliance** - improving our ethical audit programme compliance and monitoring

## Learning and development

We'll continue to focus on ensuring we have compliance by relevant team members who are assigned our Modern Slavery e-learning. Compliance is recorded using our Learning Management System (LMS) and includes a test to measure understanding. Learners are required to renew this learning annually.

We'll review all of our learning materials, so we have the right balance between foundation and expert knowledge learning, and ensure we update our content, so it's relevant and current to ensure all relevant team members have the appropriate learning for their role.

## Risk mitigation

We're developing a modern slavery incident management process. We'll provide communications and engagement to relevant stakeholders once process receives approval from the governance group and add appropriate references into the LMS learning.

## Audit compliance

The audit management team are working on recommendations to help wilko with better visibility and management of our ethical audits and improve compliance monitoring, management and reporting.

The team are also working towards finalising the re-grading for severity of issues found within an ethical audit. The output will be a clear set of Business-Critical issues, placing greater responsibility on suppliers to improve standards.

In addition, we'll be increasing the focus on Corrective Action Plan (CAP) closures to drive continuous improvement in our manufacturing sites.

## Approval

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

## Signed



Jerome Saint-Marc  
CEO  
June 2020

