

# Modern slavery statement 2021

The wilko 2021 statement sets out the steps taken during 2020/21 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

For over 90 years, wilko has been the go-to place for great value products that are both durable and on-trend, offering families affordable ideas for inside and outside the home to make their everyday just that little bit better. We care about making a positive impact on our hard-working families, our communities and our planet.

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.

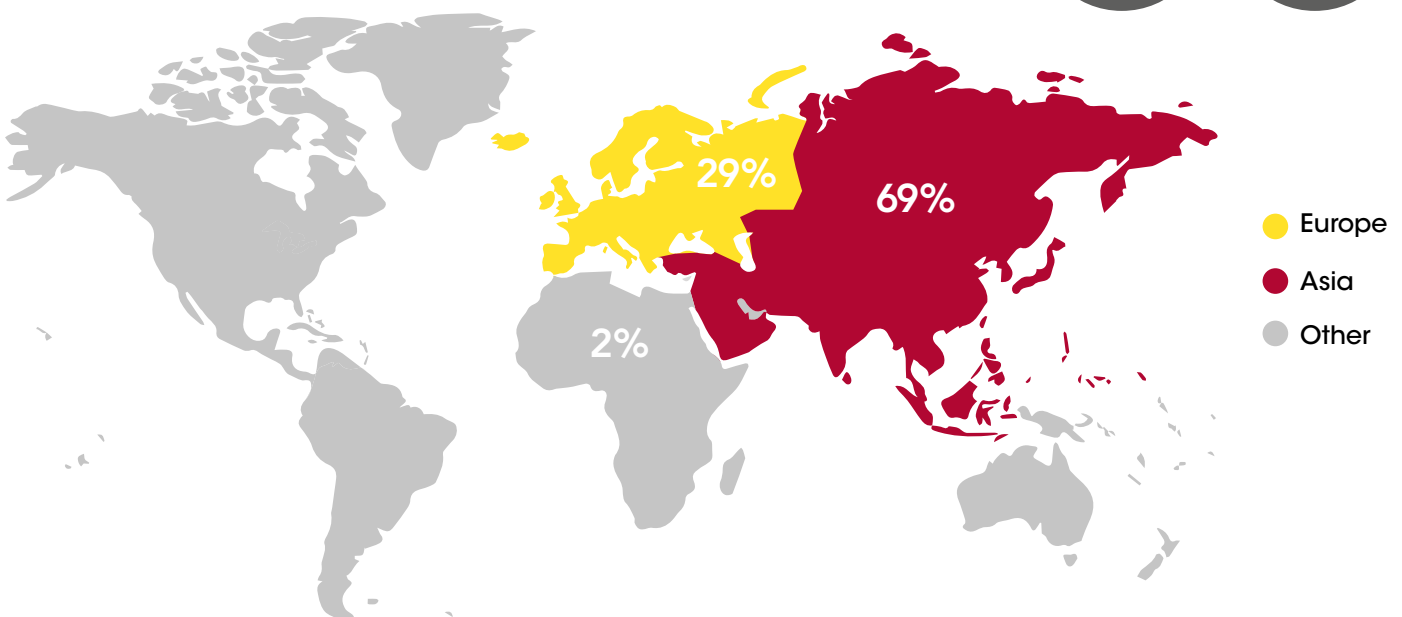
At wilko, we’re committed to acting ethically, with integrity and we’re committed to putting effective systems and controls in place to prevent any form of modern slavery taking place within our business and supply chains.

### How wilko does business

We’re a British multichannel retailer with an annual turnover of £1.36 billion, employing 15,421 team members, selling a wide variety of products through 414 stores, as well as online at wilko.com.

wilko operates globally, with offices in the UK, Hong Kong, India and Turkey and sells over 35,000 products, including over 17,000 wilko branded and over 170 Kin brand products, which are produced in 770 factories located in 39 countries. The majority of goods for resale are sourced from Asia, Europe and the UK.

At wilko, we’re committed to making sure all team members around the world who are involved in the sourcing and production of our products and services are safe and treated fairly at all times. It’s also our aim to source from factories and suppliers who share this commitment.



up to 7 million  
customer visits each week



nationwide stores  
and 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

At wilko we track all factories in terms of audit status and factory grading. Since 2018, action was taken to improve this level of transparency including full visibility of Tier 1 factory locations; updating wilko's Supplier Approval Management Manual; 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; emphasising a ban on unauthorised subcontracting and improving wilko's internal Site Management Tracker.

All of our goods for resale suppliers have since been issued with the updated manual and requested to provide a written declaration listing the primary manufacturing and packing sites within their supply chain. The modern slavery statement is made available on the goods for resale supplier portal, reminding them of wilko's commitment towards eradicating modern slavery and human trafficking.

We have 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

Our 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 we're 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.

At wilko we have modern slavery compliance clauses in all of our Standard Terms & Conditions of Purchase, which are used with the majority of goods for resale suppliers. Where standard terms are not used, we 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 & Risk mitigation

Leaders and executives from different areas of the business work within the modern slavery working group. They're responsible for building focus on modern slavery management, setting clear action plans and making recommendations for improvements to the Corporate and Social Responsibility (CSR) steering group and wilko boards as appropriate.

In 2020-2021, selected working group members representing risk management, audit management and CSR started developing a modern slavery risk and incident management process. Once completed, the group aims to facilitate training of the new agreed process to relevant stakeholders.

## 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 2020 - 2021, team members from wilko worldwide participated in training workshops focused on 'Tackling Modern Slavery in Global Supply Chains'. Working with a specialist trainer, the 2-day modern slavery workshops focused on understanding human rights and the risk of modern slavery in global supply chains, the types of exploitation and identifying potential victims of slavery.

We're continuing to track awareness training for team members through our 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.

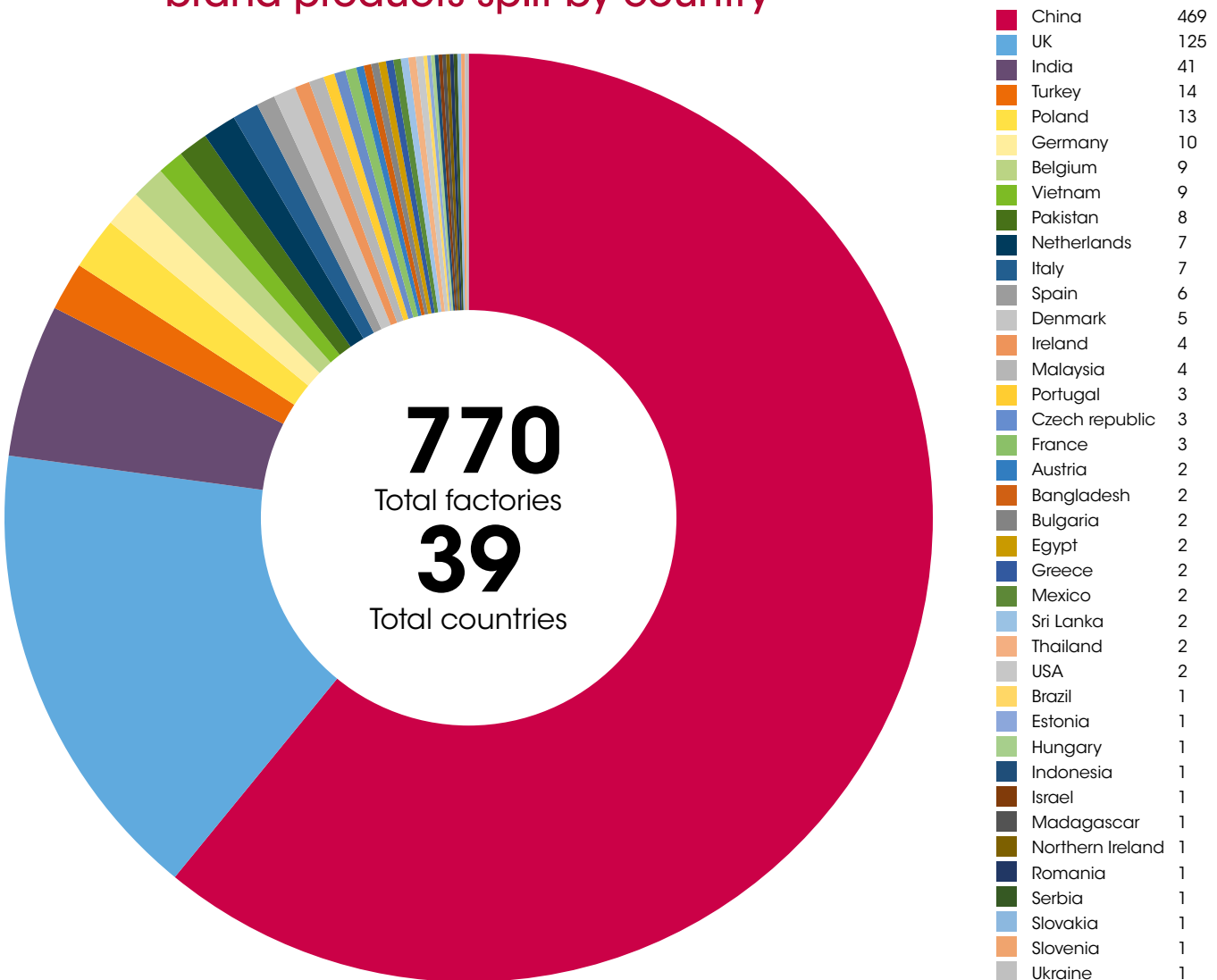
### Update on progress: global supplier assessment programme

Since 2019/2020, we've continued to progress with improvements to our global supplier assessment programme with improved transparency within our supply chain, fully incorporated through our amnesty programme. We've conducted a full review of the ethical audits, making sure they are broadly equivalent, reducing the number of schemes we accept from 6 down to 4, discontinuing our wilko Social, Ethical and Environmental (SEE) audit, focusing rather on industry recognised ethical audit schemes that facilitate data sharing and corrective action closure, and reducing the period of validity of audits - with only our very highest performing sites being granted 24 months. We've re-issued our Supplier Approval Management Manual to all of our wilko goods for resale suppliers.

Working in conjunction with a leading audit body, our site management programme is managed on an online portal providing instant access to reports, statistics and real time Corrective Action Plan (CAP) closures globally.

In 2020/2021, We've introduced a new PATH™ SmartSuite system where we are able to review a number of social audits and details under a simple visual dashboard, improving visibility, tracking and management of CAPs by reviewing the types and numbers of non-conformances and perform analytics on the data.

### Factories producing wilko brand products split by country



## Proposal for 2021 /22

At wilko, we understand that the approach to modern slavery will require ongoing assessment of our business and supply chain - minimising the risk of its occurrence. We'll work towards reducing the risk within our 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** - continued modern slavery incident management process development
- **Audit compliance** - continued improvements to our ethical audit programme compliance and monitoring

### Learning and development

We'll continue to focus on making sure 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.

Our site management programme is managed on an online portal providing instant access to reports, statistics and real time Corrective Action Plan (CAP) closures globally.

### Risk Mitigation

We'll continue to develop the 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

We'll continue to focus on improved audit management through the use of a new PATH™ SmartSuite system to monitor and manage Corrective Action Plans (CAPs) and manage non-conformances through simple dashboards and data analytics that help drive continuous improvement in our manufacturing sites.

## Approval

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

Signed



Jerome Saint-Marc  
CEO  
June 2021