

# Modern slavery statement 2022

**wilko**

The wilko 2022 statement sets out the steps taken during 2021 /22 by the wilko family of businesses (“wilko”) and is published in accordance with section 54(6) of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulations 2015.

### Introduction

wilko are a family business that started as a single hardware shop back in 1930. We’ve been helping families enjoy getting stuff done for over 90 years. 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.

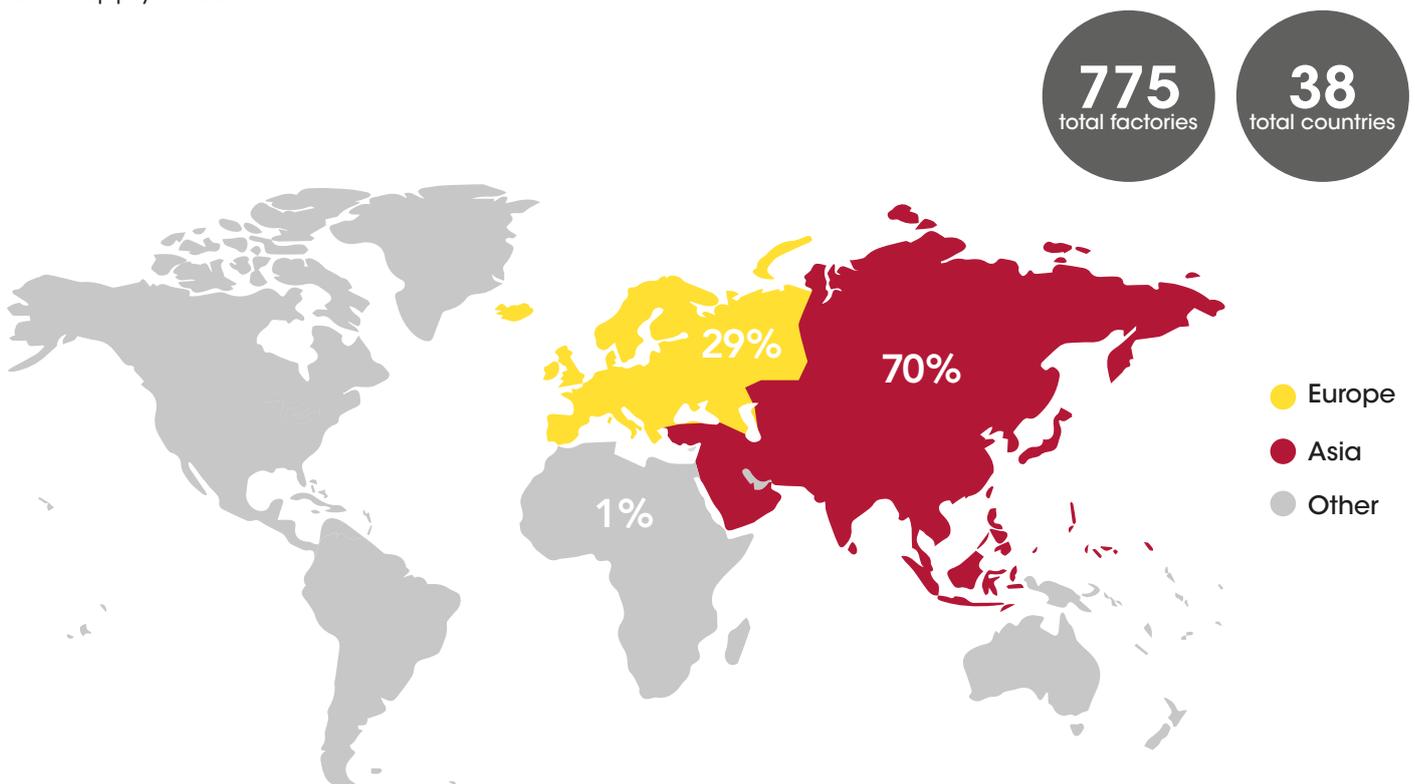
At wilko, we’re committed to acting ethically, with integrity and we’re committed to putting effective systems and controls in place to prevent any form of modern slavery taking place within our business and supply chains.

### How wilko does business

We’re a British multichannel retailer with an annual turnover of £1.317 billion, employing 14,684 team members, selling a wide variety of products through 413 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 775 factories located in 38 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.



## 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



nationwide stores



up to 6 million  
customer visits each week



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

At wilko we track all factories producing and packing wilko brand product 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 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.

We continue to make improvements to our processes, and in January 2022 we launched our Product Lifecycle Management (PLM) system. This system allowed us to create a workflow for the introduction of a new site into our supply chain, requiring senior management approval and ensuring we only introduce sites to the business that meet our strict requirements. The PLM system also provides a clear link between our products and their manufacturing sites, allowing us to report at pace on our current wilko brand products and where they're made.

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 several 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. This is strictly confidential and is available to all wilko team members.

At wilko we have modern slavery compliance clauses in all our Standard Terms & Conditions of Purchase, which are used with the majority of goods for resale suppliers. Where standard terms are not used, we'll work with suppliers to build appropriate provisions into bespoke contracts.

Our Goods and Services Not for Resale contract puts appropriate requests on our suppliers to comply with the Modern Slavery Act and take steps to investigate and identify issues relating to modern slavery, letting us know straight away if they become aware of any issues within their supply chains.

## 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. Our ongoing training content encourages team members to recognise any potential incidences of modern slavery and human trafficking. Team members are made aware of the benefits of strong measures to tackle slavery and human trafficking, as well as the consequences of failing to completely remove slavery and human trafficking from our business and supply chains.

We've invested in a new learning experience platform; Be your best (BYB), and monitor compliance closely. Line managers and the leadership teams are responsible for checking team members' learning compliance within their areas of responsibility.

## Update on progress: global supplier assessment programme

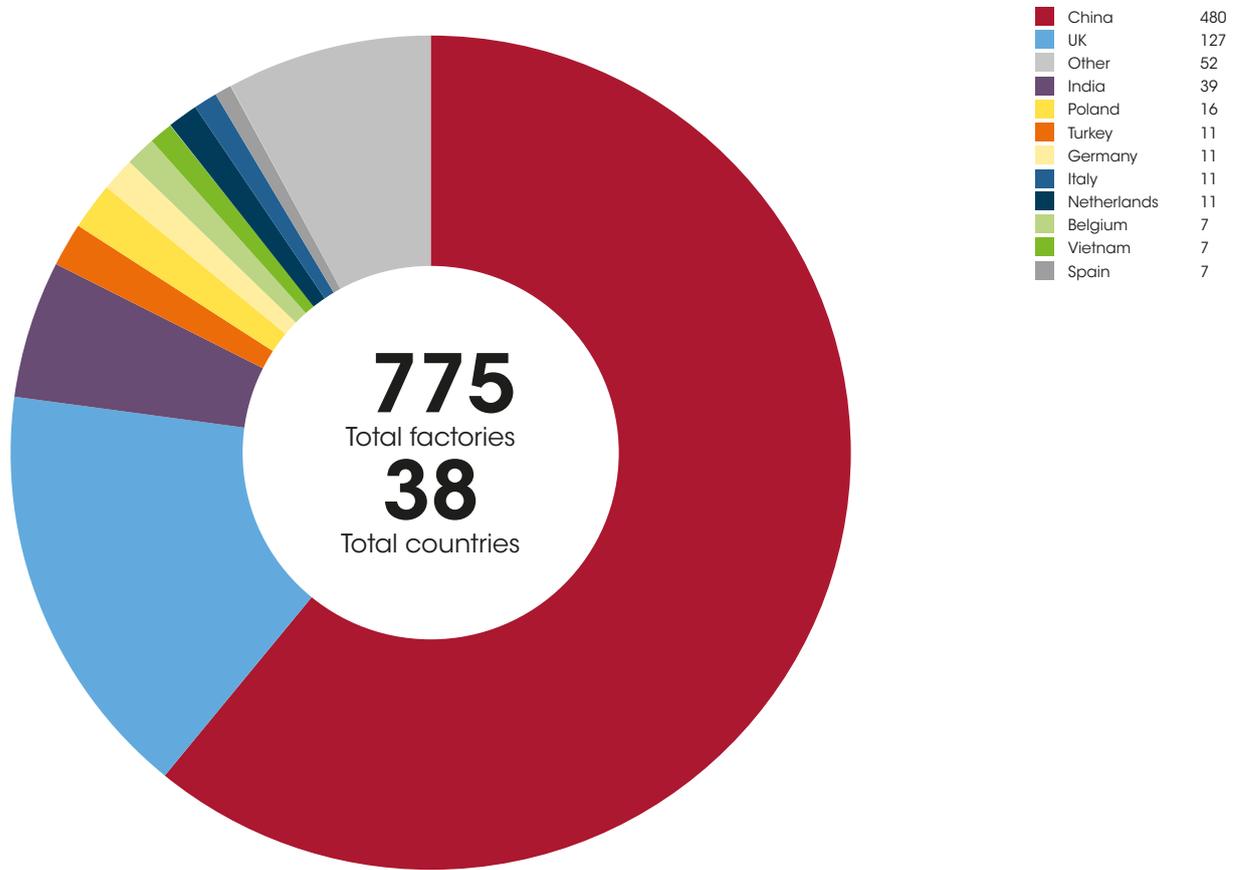
Since 2019/2020, we've continued to progress with improvements to our global supplier assessment programme with improved transparency within our supply chain, fully incorporated through our amnesty programme. We've conducted a full review of the ethical audits, making sure they are broadly equivalent, 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 our wilko goods for resale suppliers. We also look at non-compliance against the 9 ETI base code chapters, which we grade our suppliers against.

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 2021/2022, we introduced an ethical audit grading tool to provide parity of our non-certified audit schemes. The tool also allows for the import of clause level audit results into PATHTM SmartSuite system, where we're 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 performing analytics on the data. With PATHTM SmartSuite entering its second year of use, we have the additional ability to track the year-on-year progress of our site management programme and monitor changes in site performance over time.

Within 2020/2021, we've processed 1020 ethical audits and tracked the closure of non-conformances, improving our supply base to the benefit of their workers.

## Factories producing wilko brand products split by country



## Proposal for 2022/23

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, we aim to look at 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 amongst team members who are assigned our modern slavery e-learning.

### Risk Mitigation

We'll continue to develop the modern slavery incident management process and continue to provide communications and engagement to relevant stakeholders once process receives approval.

### Audit compliance

We'll continue to focus on improved audit management through the use of a new PATHM 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  
July 2022