

# Modern Slavery Act Statement for 2022/23

## Overview

Wolseley UK Limited is a leading specialist distributor of plumbing, heating, cooling & infrastructure products to trade customers, predominantly supplying professional contractors. Wolseley operates several businesses within the United Kingdom (UK) construction market covering both repairs, maintenance and improvement (RMI) and new construction. The businesses hold leading market positions and are supported by a single national distribution network. The market sectors covered are the residential, commercial building and infrastructure markets.

This statement has been published in accordance with Section 54 of the UK Modern Slavery Act 2015 and describes the steps Wolseley UK Limited and its group of companies have taken during the financial year ending July 31<sup>st</sup> 2021 to prevent slavery and human trafficking in our businesses and supply chain. The Group has increased since the last report due to organic growth and the acquisition of new businesses.

This statement has been prepared in accordance with legislation, taking account of Home Office guidance and best practice.

## Structure and Supply Chain

Wolseley operates in the UK through 638 branches. We employ 5,631 full time staff and 70 contractors. Wolseley has approximately 3,000 suppliers and 400,000 stock keeping units. Our suppliers are predominantly based in the UK. Suppliers in the UK account for 98% of our spend. The Group serves a diverse trade customer base, with approximately 77,000 active trade customers.

## Company Policies

Wolseley has a policy framework in place to address human rights and modern slavery:

**Code of Conduct.** Our Code of Conduct includes a section on modern slavery and our commitment to the principles of the UN Global Compact and the Universal Declaration of Human Rights. We expect our suppliers to adhere to this Code and adopt similar ethical standards. This applies to suppliers of products, manufacturer-partners and goods not for resale.

**Supplier and Product Integrity.** All suppliers must meet the requirements of our Supplier Integrity Programme and maintain an approved status on our system called Alliance. All suppliers are required to read and agree to Wolseley's Modern Slavery and human rights policy. Suppliers identified as high risk are audited by our Quality team. Modern slavery forms part of this audit and we include the suppliers own supply chain. Suppliers are required contractually to comply with the Modern Slavery Act by our terms and conditions and the Code of Conduct.

**Whistleblowing policy.** Our Whistleblower Policy and Speak Up! hotline provide a confidential mechanism for employees to report, anonymously if preferred, any incidents of unfair treatment or failure to follow our Code of Conduct. All reports to the hotline are reviewed and, where necessary, with the outcome reported to Audit Committee of the Board of Directors.

The policy framework is supported by a training programme for employees.

## Risk Assessment

Wolseley uses a risk-based approach to prioritise our audit activities. The approach we use for goods for resale considers: i) The prevalence of forced and child labour in the country of origin based on the Global Slavery Index, ii) Levels of corruption in the country of origin as reported by the Transparency International Corruption Index, and iii) The risk of modern slavery in the industry sector. The highest risk we have identified for goods for resale relates to partner arrangements we have with manufacturers in China for own brand products.

We also use the risk-based approach for goods not for resale. Here the main risks relate to the limited use of agency workers at Distribution Centres, the manufacture of uniforms and vehicle cleaning. These risks are monitored and managed to ensure they comply with our contractual requirements.

Our managed services business has certification to sustainable timber schemes run by the Forest Stewardship Council and the Programme for the Endorsement of Forest Certification. These certifications ensure wood is from well-managed forests and are both being revised to enhance the protection of labour involved in the timber process.

## Due Diligence

Wolseley has recently strengthened its risk management framework. Modern slavery forms part of the 'compliance and governance risk'. Responsibility for goods for resale resides with the Quality and Supplier Integrity Team, while the Procurement Team are responsible for goods not for resale. The Quality team are supported by a dedicated sourcing team in Shanghai who undertake ethical audits on suppliers. A review of the risk is undertaken quarterly, and independent oversight is provided by the Assurance Team. Training in the form of e-learning is available for employees.

## Effectiveness of Measures

During the period there were no reports relating to modern slavery at any Wolseley location. If evidence of modern slavery or human rights abuses were found within any of our contracted suppliers, we would take immediate action to notify the appropriate authorities and work with the supplier to understand the situation. We would work with the supplier to implement corrective measures to help the affected employees and prevent further harm. In the event the supplier did not cooperate or implement the improvement we would terminate the contract and seek an alternative source.

## Future Plan

Wolseley is committed to improving our management of modern slavery and broader ethical requirements in the supply chain. This year, as planned, we joined the Stronger Together Initiative. Stronger Together is a multi-stakeholder business-led initiative aiming to reduce modern slavery particularly forced labour, labour trafficking and other hidden third-party exploitation of workers. We have used Stronger Together material to raise awareness of modern slavery and our subject matter experts have attended training courses. Our Supplier Integrity team have updated risk assessment and screen 1,300 Suppliers, which represents 98% of our spend, using the Dow Jones Risk Centre.

Our key priorities over the next year are to: Extend the Stronger Together awareness and training courses to our top Suppliers through our Alliance programme; Require our top Suppliers to undertake a SEDEX audit.

This statement is made on behalf of all Wolseley UK Limited business pursuant to section 54(1) of the Modern Slavery Act. It has been approved by the Wolseley UK Limited Board of Directors and signed on its behalf by:

Nicky Randle  
General Counsel & Company Secretary