



Statement by the Board of Directors on Human Rights and Modern Slavery*

Made pursuant to Section 54 of the Modern Slavery Act 2015

Howdens is a growing business. Sustainable behaviour will help us continue to grow in a way that preserves our culture, supports our business model, mitigates our risks and addresses the needs of our stakeholders

We describe the Howdens culture as being 'worthwhile for all concerned' and 'creating the conditions that allow everyone to succeed'. That means that our business needs to be worthwhile for our staff, our customers, our suppliers, the environment and the communities we work in.

Howden Joinery Group Plc Annual Report 2021

* All figures contained in this statement were accurate as at 29 March 2022

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Introduction

Howdens is a local business with a global supply chain. It is also a business that employs a significant number of people and, due to the seasonal nature of our business, we engage workers not directly employed by us to meet peak demand. With a large supplier network to also consider, we're always mindful that the risk of modern slavery and of exploitation is not limited to the businesses of our suppliers and could occur anywhere within the sphere of influence of our business.

Set out in this statement are the steps taken during the year to safeguard against modern slavery and other human rights violations in both our own business and our supply chain. Our efforts against modern slavery in 2021 continued to build on our existing safeguards against human rights violations.

This statement is intended to fulfil the legal requirement for a slavery and human trafficking statement on behalf of all companies within the Howden Joinery Group of companies¹.

Organisational Structure

Howdens supplies trade customers (principally small builders) with a range of rigid kitchens and joinery products that are always available from local stock via our network of over 800 depots in the UK and Europe. As a vertically integrated business, we manufacture a significant amount of the products we sell. We have one of the largest rigid cabinet manufacturing capacities in Europe as well as operating a global network of over 230 product suppliers from over 30 countries.

We work closely with our suppliers to ensure that not only do they meet our specifications in terms of quality, volume, availability and cost, but also that the manner in which they operate and produce these goods is ethical and sustainable.

It is essential to us that our suppliers respect their employees' health, safety and welfare in terms of working conditions and rights. We have built strong relationships with our suppliers and this creates an environment conducive to positive change.

We employ processes for continuous monitoring, regular assessment and audit to ensure that suppliers share our own business values and ethics, and continue to adhere to local laws and regulations. These are considered in more detail below.

Internally, we continue to strengthen our focus on all human rights and sustainability matters through investment in our ESG team.

¹ Including Howden Joinery Group Plc, Howden Joinery Ltd, Howden Joinery Corporate Services Ltd, Howden Joinery People Services Ltd, Howden Joinery Properties Ltd, Howden Kitchens Properties Ltd, Howden Joinery Holdings Ltd, Howdens Cuisines SAS, Howdens Cuisines SRL, and Howden Joinery (Ireland) Limited.

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Product

83% of the products we supply to the builder are timber or timber-based products (up from 80% in 2020). The raw materials we source for our own manufactured products are predominately from UK forests.

Howdens has been approved by the Timber Trade Federation as having an environmental due diligence system in place which is equivalent to their Responsible Purchasing Policy, which means that we have third-party assurance on our timber purchasing due diligence systems. More information about our ethical sourcing of raw materials can be found in our [Sustainability Report](#).

People

In total, Howdens employs over 11,000 people across our depot networks, manufacturing and logistics operations, as well as support functions, in both the UK and Europe. During 2021, Howdens engaged just over 1,100 agency workers, predominantly in our manufacturing operations and distribution centres.

Policies

Howdens promotes the observance of internationally recognised labour standards, with particular regard to human rights. The Board will keep under review the need for specific human rights or modern slavery policies but, given the procedural safeguards described in this statement, we have concluded that the introduction of these policies are not necessary at this time.

Areas of Risk

A modern slavery risk review, which was conducted across the Group during 2016, identified human resources, procurement and supply chain operations as being our highest areas of modern slavery risk.

The business has an embedded Commercial function which manages our product and supply chain risks including modern slavery. We regularly reassess our modern slavery risk profile which is discussed with the Board. Our latest update was completed in Q1 2022 and found no material changes to the risk profile.

Human Resources

Howdens' employment contracts provide that the Company will promote internationally recognised labour standards and that all our employees must adhere to a code of ethics in order to achieve the highest possible standard of integrity in our business relationships. We have specific policies in relation to anti-harassment and bullying.

In order to further reduce the likelihood of the exploitation of our employees or inappropriate activity by Howdens as a business, a confidential, 24-hour, multi-lingual whistleblowing facility is in place. This is available to all employees, customers, agency workers or contractors and it accepts telephone calls and raising of issues via a dedicated website.

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The helpline is advertised on posters in all places of work (offices, depots, and warehouses) and it is administered by an independent third party, with investigations handled by an independent internal team. Howdens encourages all workers, customers or other business partners to report any concerns related to the direct activities or the supply chains of our business.

The Board of Directors and the Executive Committee receive quarterly reports on the use of the Whistleblowing facility as well as key themes raised. Further enhancements to the Whistleblowing facility, including a more regular communication plan has been put in place during 2021. This focussed on the independence of the process, what it can be used for as well as it's multilingual support, which has led to increased awareness of the process.

No Howdens employees are paid cash in hand. This ensures that we minimise the risk of illegal working as well as modern slavery offences.

Procurement and Supply Chain Operations

Our business and customer requirements are ever-changing and so our supplier network changes to keep pace with our product offering. We therefore understand that ongoing review of best practice is essential to continually provide us with the desired levels of transparency within our supply chain. We currently have 237 suppliers and we use the SEDEX (Supplier Ethical Data Exchange) tool to ensure we have visibility of our end to end ethical trading risk profile. In 2021, as part of our ESG agenda, we reissued our Supplier Code of Conduct to mandate adoption of SEDEX to our direct tier one supply base, as a condition of supplying to us. 75% of our current supply base have registered on the system and are sharing ethical trading data with us.

Our Category Directors are fully accountable for any improvement action required within their supplier portfolio.

Communicating with our suppliers

We adopt a top-down, bottom-up approach for communicating with our suppliers. We expect our Category Directors and Buyers to have ongoing conversations with them about ethical sourcing and modern slavery, as well as commercial matters. We expect these conversations to happen at a senior manager and business owner level as well. We only want to work with suppliers who share our ethical values and we are clear about our expectations, which we aim to align through our whole supply chain.

We recognise there is potential for greater risk exposure around ethical sourcing and modern slavery in our supply chain, given the recent conflict in Ukraine, and we have enhanced our supplier due diligence practices by implementing additional controls. We have also requested information from suppliers so we can complete a full current review of our timber suppliers' profiles, introduced additional species testing, and asked for confirmation from all suppliers that no other raw materials or products are sourced from Russia or Belarus, where there is a higher risk of modern slavery resulting from the conflict.

In response to the potential increased risk of modern slavery in Ukraine's neighbouring countries, specifically Poland and Romania, as a result of the migration activity, we have increased our vigilance around any supplier activity in these countries too.

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Every year we bring our main suppliers together at a forum to talk about shared issues. This benefits both us and our suppliers, and is an example of the principle that our business needs to be “worthwhile for all concerned”. As well as talking to our suppliers about product development, we use the supplier forum as an opportunity to repeat and reinforce our expectations for sustainability and ethical behaviour. We tell our suppliers what we need from them and we work together to come up with solutions.

In 2021, due to COVID-19 restrictions the business hosted its annual Supplier Conference ‘Playing to Win’ virtually. The conference was used to maintain the ongoing conversation with our key partners, informing them of the key initiatives and business priorities and to ensure we continued to take advantage of the range of opportunities throughout the year. Each session was attended by over 100 senior executives from our key partners who were given the opportunity to ask questions of our senior leadership team.

We are pleased to say that our 2022 conference will be held in person again and we intend to dedicate a session on ESG matters which will include modern slavery considerations and our response to the Ukraine conflict.

Training

Modern Slavery Awareness training was originally mandated to a core team of 112 staff members, whose roles were deemed to have greater risk of exposure to modern slavery risks. This includes new employees being brought into one of these roles. Of these, 100% have completed the training.

The training was made available, through our online Academy training system, to all operations management and support functions employees (over 1,400 staff) from December 2021.

Completion of the Chartered Institute of Procurement and Supply Chain (CIPS) Ethical qualification is mandatory to all core Commercial staff (40 employees).

Conclusion

It is a fundamental tenet of the Howdens business that it is worthwhile for all concerned. We know that the social and commercial aspects of our business are inextricably linked. Therefore we expect that all of the people who act for, or in conjunction with, Howdens behave in a manner, both individually and collectively, which adheres to our values.

Howdens is a growing business and we remain committed to identifying and implementing ongoing improvements to further strengthen our existing safeguards

Approved by the Board of Directors on 6th April 2022.

Signed on behalf of the Board by

Paul Hayes
Chief Financial Officer