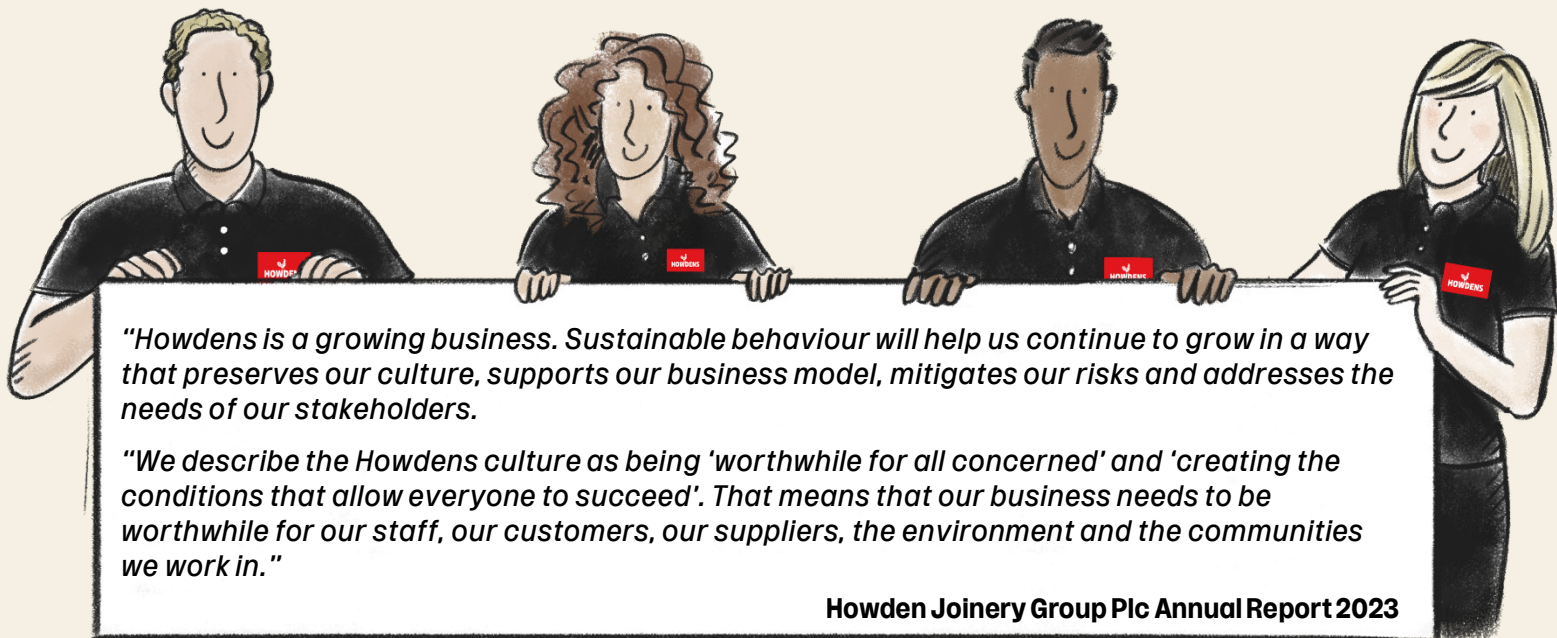




Statement by the Board of Directors on Human Rights and Modern Slavery*

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 2023

* All figures contained in this statement were accurate as at 30 December 2023

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

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 2023 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 kitchens and joinery products that are always available from local stock via our network of 915 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 200 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 Compliance and ESG teams.



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.

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

Product

83% of the products we supply to the builder are timber or timber-based products (down from 86% in 2022 due to mix change). The raw materials we source for our own manufactured products are predominately from UK forests.


Howdens has been approved by Timber Development UK (TDUK) 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 12,400 people across our depot networks, manufacturing and logistics operations, as well as support functions, in both the UK and Europe. During 2023, Howdens engaged over 1,375 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. In 2023, we introduced a Human Rights Policy with approval from the Board of Directors of Howden Joinery Group Plc.



We seek to ensure we are not complicit in human rights abuses by any person or organisation with whom we are affiliated, and we expect everyone to respect human rights. All our suppliers must agree to comply with the policy. Our Policy can be found [here](#).

Areas of Risk

We regularly assess our modern slavery risk profile as part of our wider risk management approach, in particular when the business makes a significant change to its structure or activities. This is discussed with the Executive Committee and Board.

Our latest modern slavery risk review identified human resources, procurement and supply chain operations as being our highest areas of risk. The business has an embedded Commercial function which manages our product and supply chain risks including modern slavery.

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.

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.

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.

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

The Board of Directors and the Executive Committee receive Whistleblowing updates at least twice a year including case numbers, outcomes and key themes raised. Our facility is available to all staff and stakeholders in all territories in which we operate. In 2023 we improved our awareness of the facility further as well as refining our policies and procedures to make the independence of our Whistleblowing process clearer. We have also reviewed our policies and procedures to ensure that we are compliant with the EU Whistleblowing Directive, as well as local EU state implementation.

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.

Recognising our highest exposure to modern slavery risk is through our supply chain, we take a robust and thorough approach to ethical and sustainable procurement. We mandate to our tier 1 suppliers as a condition of supply they partner with SEDEX (Supplier Ethical Data Exchange); 94% of our current suppliers are registered with completed self-assessments on the platform. The remaining suppliers share their ethical data with us by different means, including SAP Ariba

In 2023, we onboarded 55 new employment sites on SEDEX and currently have 324 sites sharing data with us to ensure we have visibility of our end-to-end ethical trading risk profile.

During 2023, we continued to risk rate all our suppliers by using the SEDEX RADAR tool. One third of suppliers' sites have had a SEDEX Members Ethical Trade Audit (SMETA) in the last three years.

Since last year we have successfully implemented SAP Ariba SLP (Supplier Lifecycle and Performance) to enhance supplier qualification to align with anti-corruption, human rights goals, sustainability and the company's code of ethics.

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 engagement with them about environmental and emission impact plans, 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 continue to recognise there is potential for greater risk exposure around ethical sourcing and modern slavery in our supply chain.

We aim to meet with our main suppliers quarterly. We also bring our suppliers together biennially 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". In 2023, we also held two dedicated ESG collaboration summits at European supplier locations.

Our March 2024 conference was used to maintain the ongoing conversations with our key partners, informing them of the key initiatives and business priorities.

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

Communicating with our suppliers CONTINUED

As well as talking to our suppliers about new opportunities and product development, we use the supplier forum as an opportunity to repeat and reinforce our expectations for all ESG matters and ethical behaviours. We tell our suppliers what we need from them and we work together to come up with solutions.

The conference was attended by over 100 senior executives from our key suppliers who were able to network with and ask questions of our senior leadership team and their industry peers

In early 2024, the business issued its first Human Rights Policy to all Suppliers alongside updated Conditions of Contract (supply of goods) to cover Sanctions and Net Zero Obligations.

Training

Modern Slavery Awareness training has been rolled out further in 2023 and is now mandated to over 1,600 people across our support functions and operations. This has been incredibly successful with a completion rate of 96%. (up from 84% in 2022).

To raise further awareness, the training will be rolled out to a wider group of employees, and it has been updated to cover the "Human Rights" that are most relevant to our people and suppliers.

The training is refreshed every two years and is available, through our online Academy Learning system.

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 25 April 2024.

Signed on behalf of the Board of Directors by

Paul Hayes
Chief Financial Officer

