

This statement has been published in line with section 54(1) of the Modern Slavery Act 2015 and relates to the period between 1 January 2021 to financial year ending 31 December 2021. This statement applies to HHGL Limited and Homebase Rooms Limited in the United Kingdom and Northern Ireland (both referred to in this statement as 'Homebase' or 'we').

Founded in 1979, we're the UK and Ireland's home and garden experts and in June 2019, Bathstore joined the family too. From gardening, decorating, repairing and home furnishing, to kitchens, bathrooms and bedrooms, our products are available in over 150 stores and online at www.homebase.co.uk and www.bathstore.co.uk.

We have three distribution centres in the UK, two of which are managed by a third-party supplier. All operations and costs incurred are approved by us and we're responsible for training and onboarding the team, including right to work checks. We also have a head office in Milton Keynes – known as our Store Support Centre.

We have 5,142 fantastic team members and as of December 2021, this included:

- 4,833 (94%) team members on permanent contracts
- 309 (6%) team members on temporary contracts
- 0.1% agency workers

As of December 2021, we worked with 603 vendors; 204 are import vendors with 438 factories supplying to our import vendors. Around 85% of these vendors are located in China with the rest shared equally between India, Vietnam and the European Union.

A large proportion of our sales are goods from large, well-established household brands, complemented with own-brand products.

We've worked with an external human rights consultancy to review the potential risk of exposure to modern slavery across Homebase and our supply chain. We looked at our operations against recognised indicators such as:

- Geographic location (based on the Global Slavery Index);
- Use of outsourced recruitment;
- Employment of low-skilled or seasonal workers;
- Higher-risk sectors.

Areas of potential risk include:

- Facilities management at our retail sites;
- Employment of agency workers at our distribution centres;
- Procurement of raw materials (Tier 2 and beyond of our supply chain).

Our Ethical Code of Conduct (our Code) is aligned with the Ethical Trading Initiative base code. It requires suppliers to comply with local legislation on providing a safe and healthy work environment, minimum wage and benefits, working hours and employment rights. It is essential to us that all employment is freely chosen. Our Code explicitly prohibits:

- The employment or use of any person below the age of 15 or below the legal minimum age (where this is higher);
- Forced labour in any form;
- Withholding of papers or lodging of deposits;
- The use of corporal punishment, mental physical, sexual or verbal abuse;
- Discrimination against any worker on any grounds.

All goods for resale suppliers receive a copy of our Code as part of our supplier trading package and are required to comply as part of our standard trading terms. All other suppliers are required to comply with our standard modern slavery and ethical sourcing requirements as part of our trading terms.

All policies are reviewed and approved by a member of our Board.

Direct operations

The safety and wellbeing of our team members is incredibly important to us and we've made it easier for team members to raise concerns. We provide an anonymous whistleblowing phone number and dedicated whistleblowing email address to all team members and contractors which are promoted through posters shared across our stores, Store Support Centre and distribution centres.

We have also launched a team member network, providing an opportunity for 'ambassadors' to discuss issues with Board members on a quarterly basis.

We proudly support the British Retail Consortium (BRC), sharing best practice with other retailers.

During busier periods, we also welcome seasonal support team members to help us offer customers the best possible service. These team members are provided with the same benefits as they would if they were permanent e.g., same rate of pay, bonus scheme and are covered under our HR policies. While we work closely with two suppliers, we retain responsibility for training and onboarding – including right to work checks – and maintain a time management system to ensure every team member is working their contracted hours.

Our call centre is run by a third-party expert supplier but we have full oversight of the hours worked, with any additional hours requiring our approval.

Our supply chain

We consider our suppliers as partners and we work collaboratively to ensure that everyone involved with supplying goods and services to Homebase is doing so freely, is treated respectfully and is reimbursed appropriately.

We're also committed to making sure that we operate sustainably and responsibly and we're always looking for ways to reduce our impact on the environment.

We're a member of the European DIY Retail Association (EDRA) and in its ethical sourcing group. Through EDRA, we collaborate with other retailers throughout Europe to achieve responsible sourcing practices across the industry, including upholding fair labour conditions and streamlining common supplier assessments to reduce impact on their own resources.

Suppliers – goods for resale

We recognise that downward pressure on suppliers can contribute to forced labour. We truly value our suppliers and our supplier trading pack includes our commitments to deal fairly, negotiate reasonably and without imposing unfair pressure and ensure transparency. Throughout COVID-19 and Brexit, we have upheld our contracts with suppliers, despite the increasing challenges and associated costs of logistics.

Before entering into contracts, we request further information on our suppliers' own due diligence processes. Our Ethical Trade and Human Rights Self-Assessment Questionnaire includes detailed questions regarding programmes/processes in place to ensure that forced labour does not exist in their direct operations or own supply chain.

In addition to our supplier Self-Assessment Questionnaire, it's been our policy for many years to ensure that all factories which we source from directly must have valid social compliance audits in place whilst they are supplying to us. We request that these audits are conducted every two years as a minimum and that any critical non-compliances have been corrected prior to product being produced.

We operate with well-established and dependable suppliers that have supplied to the UK for many years and we have built close, long-term relationships with them. We receive very few notifications of serious non-compliances from our factories and these are generally related to excessive overtime. When this happens, we collaborate with the supplier to confirm that this is not forced, that it is paid appropriately and that workers get appropriate rest days, and that there is a plan to resolve the issue going forward. We also acknowledge our role in making sure that we give sufficient time for our suppliers to supply us.

Wherever practical, we engage with the factories directly through visits by our buying and quality assurance teams. We also engage with local agencies with direct relationships and knowledge of the factories and operating environments.

Suppliers - goods not for resale and logistics

Alongside sourcing goods for resale, we also partner with suppliers that support the day-to-day running of our business e.g., facilities management, cleaning services and transportation.

Our contracts include explicit clauses relating to modern slavery and reference to our expectations regarding labour standards - including forced labour - and we have a streamlined supplier list to ensure we can establish strong relationships and work collaboratively to stop any modern slavery from taking place in any of our supply chain. Failure to comply with these clauses would be a material breach of contract.

Concessions

We provide retail space for concessions in our stores and these concessions are low-risk, well-known household brands. Our standard concession agreements contain explicit clauses relating to modern slavery and require that all concessions must take reasonable steps to make sure that slavery and human trafficking is not taking place in any of our concessionaires' supply chains or in any part of their businesses. Failure to do so would be a material breach of contract.

Effectiveness

We use reputable third-party companies to audit our factories that manufacture our own brand products. Suppliers of the branded product sold in our stores have equivalent policies, procedures and diligence processes to ours, which is validated by our compliance team. We have not identified any evidence within our supply chains of any forced labour during this period. We continue to closely monitor our supply chain to make sure that employees' rights and freedoms are protected in all countries in which we carry out operations.

Training

We recognise that awareness and diligence are important in identifying potential violations and exploitation. During the period of this statement, we provided modern slavery training to all our commercial teams in our Store Support Centre. We are also developing a training module for all team members to assist in a constant vigilant approach to make sure that our policies are maintained at all times by our suppliers and service providers.