Modern Slavery Act
Modern Slavery Act 2015

Slavery and Human Trafficking Statement in respect of the financial year ended 31 December 2017

We are committed to improving our practices to combat slavery and human trafficking.

Headlam Group plc and its subsidiary companies (the ‘Group’) is Europe’s largest distributor of floorcoverings, linking together a global manufacturing supply base and an extensive customer base. Our scale gives our suppliers the broadest coverage with the greatest customer penetration for their products across the UK and Continental Europe, and our customers an unrivalled range of floorcoverings supported by excellent customer service and next day delivery. Our Group has over 2,400 employees based in the UK, France, the Netherlands and Switzerland.

We understand that the issue of slavery and human trafficking is a global issue and that no business sector will be able to eliminate or be free of slavery within their supply chain without working collaboratively within its industry. We will strive to ensure that our supply chain is free from slavery and human trafficking.

Our business

Our business is organised into business units, all of which report centrally into the parent company, Headlam Group plc, and the Group reported total revenue of £707.8 million in respect of the financial year ended 31 December 2017.

Our supply chains

The Group sources an extensive range of floorcovering products including carpet, residential vinyl, engineered wood, laminate, luxury vinyl tile (‘LVT’), ceramic tiles, underlay and commercial flooring. The acquisition by Headlam Group plc of The Domus Group of Companies Limited and its subsidiaries in 2017 diversified and broadened the Group’s overall position in the floorcoverings market with entry into ceramics and an increased weighting in engineered wood, LVT and laminate. During 2017, we purchased from 119 significant suppliers based in 16 primary countries. As for 2016, in 2017 over 90% of our purchases were from suppliers in the EU.

Our policies on slavery and human trafficking

We are committed to ensuring that there is no slavery or human trafficking taking place anywhere in our supply chains or in any part of our business. This reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls.

Our actions during 2017

The Group and members of its buying team work closely with suppliers throughout the year, meeting with them on a regular basis at their manufacturing facilities and/or showrooms.

As part of our initiative to identify and mitigate risk we visit certain of our suppliers and inspect their manufacturing facilities as well as receive and review the results of our supplier’s audits. One of our business units is registered on Sedex (Social, Ethical Data Exchange) which is an online platform which allows suppliers (including certain of our suppliers) to register and provide company information/audit reports which can be viewed by their customers. Sedex includes a self-assessment questionnaire which has to be completed which includes a section on human rights. We view our registered suppliers’ responses on the online platform. Certain of our suppliers perform their own audits, the results of which are shared with us. We have visited the manufacturing facilities of some of our overseas suppliers. Where we do not visit the manufacturing facilities of certain of our larger suppliers, typically these suppliers undertake their own audits and share the results of those audits with the Group.

Due diligence processes for slavery and human trafficking

During 2018 we will be increasing overseas visits to better review if anti-slavery practices are being monitored, reviewed and maintained within our supply chain. Greater internal training will be given to relevant employees of the Group to help them investigate and identify slavery or human trafficking practices. Further, we will be putting in place systems to:

- Identify and assess potential risk areas in our supply chains;
- Mitigate the risk of slavery and human trafficking occurring in our supply chains;
- Monitor potential risk areas in our supply chains; and
- Protect whistle blowers.

Supplier adherence to our values

We have zero tolerance to slavery and human trafficking. To ensure all those in our supply chain and our contractors comply with our values we will look to only deal with suppliers who we consider are compliant with the Modern Slavery Act 2015 and we have constituted a Group-wide dedicated compliance team, which consists of involvement from:

- The Company Secretary;
- The Chief Operating Officer and management for those businesses receiving supplies from non-EU based suppliers; and
- Individuals from buying, sales and procurement.

Our effectiveness in combating slavery and human trafficking

We will use the following key performance indicators (‘KPIs’) to measure how effective we have been at ensuring that slavery and human trafficking is not taking place in any part of our business or supply chains:

- During 2018 we will visit at least 50% of our suppliers based outside the EU and a significant proportion of our suppliers in the EU;
- We will send a questionnaire to all non-EU based suppliers by end of Q2 2018 requiring written answers to anti-slavery and human trafficking questions by end of Q3 2018; and
• Undertake an internal audit during Q4 2018 on achievement of our aims.

This updated statement was approved by the Board of Headlam Group plc and its subsidiaries in relation to the financial year ended 31 December 2017, and signed on its behalf by

Steve Wilson
Chief Executive

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