Modern Slavery Statement - 2021

This statement has been published in accordance with Section 54 of the Modern Slavery Act 2015 and the Modern Slavery Act 2015 (Transparency in Supply Chains) Regulation 2015 (the "Act").

It sets out the steps taken by IKO PLC during the year ending 31st December 2020 to prevent modern slavery and human trafficking in its business and supply chain.

Introduction

Slavery and trafficking are more than a just a crime. They are crimes against people and responsible for untold misery and suffering.

Our understanding of slavery and human trafficking is based on the definitions set out in the Modern Slavery Act 2015 and is guided by the UN Universal Declaration of Human Rights and the conventions of the International Labour Organisation, particularly relating to forced or compulsory labour.

We recognise that Modern Slavery is a complex issue affecting all sectors, regions and economies and understand that the term is used to denote human trafficking, forced labour and slavery-like practices such as debt bondage, and the sale or exploitation of children.

- Human Trafficking is the act of recruiting, transporting, transferring, harbouring or receiving a person, through any coercive means for the purpose of exploitation.
- Forced Labour is work or service that is taken from a person under the menace of a penalty and for which the person has not offered themselves voluntarily.
- Debt Bondage is a worker pledging their labour or the labour of others under their control as security for a debt, when either the real value of the work undertaken is never applied to repayment of the debt, or the length or nature of the work that has to be undertaken is never fully defined or limited.
- Sale and Exploitation of children involves situations where children are transferred by one person to another for remuneration or other consideration.

IKO PLC remains committed to combating the real and growing problem of modern slavery and trafficking. We recognise it can affect any industry and we take seriously our responsibility to be alert to the risks in our business and in our wider supply chain.

We expect our people, partners and suppliers to share our commitment to ensuring modern slavery does not exist in these areas.

IKO PLC has published five previous modern slavery statements (2016, 2017, 2018, 2019 and 2020). This statement provides an update on steps taken in 2020 to combat the risks of modern slavery and trafficking in our organisation and supply chains and outlines further developments to be undertaken in 2021.

This statement has been approved by the Board of Directors and by IKO PLC Group Managing Director.

About IKO PLC

IKO PLC has a family tree spanning over a hundred years in the production of innovative solutions for flat roofs, pitched roofs and the waterproofing industry. Specifier's, installers and building owners alike rely on IKO's proven technical expertise for new build and refurbishment projects, throughout all industry sectors. IKO's continued investment in UK manufacturing ensures that we can provide roofing and waterproofing solutions that meet increasingly stringent performance and design requirements.

Structure

This statement represents the views and practice of IKO PLC and covers the following UK Manufacturing Operations;

IKO PLC
Appley Lane North,
Appley Bridge,
Wigan, WN69AB
Head Office and manufacturing plant for rolled felt roofing products.

IKO PLC,
Prospect Quarry,
Grangemill,
Matlock, DE4 4BW
Manufacturing plant for Mastic Asphalt products.

IKO Polymeric,
Coney Green Road,
Clay Cross,
Chesterfield, S45 9HZ
Manufacturing Plant for Single Ply Roofing Systems.

Supply Chain

IKO PLC's Supply Chain consists of Products and Materials supplied from EU and North American IKO Companies, Raw Material suppliers, third party bought in finished goods for resale and 'non-stock' items and services.

Our 1st Tier Supply Chain suppliers for all products, 'raw materials', 'bought in goods' and 'services' are predominantly UK or EU based. The breakdown for 2020 suppliers contributing higher than 0.05% of total annual spend in terms of supplier location was;

Canada/USA	2%
Europe	22%
UK	75%
Other	1%
Total	**100%**

As our customer base ranges across Specifiers and Installers, Merchants, Distribution and Retail we enjoy a relatively stable demand with limited seasonality and as such our labour force at each of our manufacturing sites are full time employed. This stability also extends to the demands made on our supply chain partners, which when combined with strategic forecasting as appropriate plus prompt payment for goods and services, means we can endeavour to assist our suppliers in effectively managing their operations.

Our supply chain is accredited to BES 6001 for responsible sourcing of raw materials and finished products, including being able to demonstrate responsible environmental and social practice and procedure, principally related to the manufacture and sale of Roofing and Waterproofing products.

Our approach to tackling the risk of modern slavery and human trafficking

Combating modern slavery and human trafficking is a reality all organisations face. Ultimate oversight and responsibility for the steps IKO PLC is taking and its approach to tackling modern slavery, as well as the publishing of this statement sits with the IKO Board.

In 2015 IKO PLC`s Supply Chain Director and Purchasing Department were tasked with assessing the risk of modern slavery within its operations and its supply chain, undergo external training and instigate internal training programmes via IKO's Learning and Development team.

Our risk assessment process is continually under review so that IKO PLC and its supply chain partners can best assess the degree of risk and ascertain what areas require additional focus.

IKO PLC Policies – Related to Modern Slavery Ethics;

As part of our core organisational design IKO PLC promotes a culture of openness and accountability and aims to ensure all employees are clear about their roles and responsibilities in relation to risk management activities, reducing potential areas of conflict and promoting efficient and effective ways of working.

As reported in our previous statements IKO PLC has a number of policies and codes that are relevant to tackling modern slavery and trafficking with respect to its business and suppliers:

Staff Handbook – issued to all employees.

- Maternity Rights Policy.
- Paternity Rights Policy.
- Anti-Bribery Policy.
- Dignity at Work.
- Discipline Policy.

- Grievance Policy.
- Ethical Policy.
- Flexible Working Policy.
- Whistleblowing Policy
- Recruitment and Selection Policy.
- Modern Slavery Policy

Slavery and human trafficking are abuses of a person's freedoms and rights. We are totally opposed to such abuse in our direct operations, indirect operations and supply chain and can confirm no labour is provided to the Organisation in the pursuance of the provision of its own services by means of slavery or human trafficking.

Employees within IKO PLC are free and entitled to be a member of and be represented by a Trade Union, currently there are two represented, Unite and GMB.

Risk Assessment and Due Diligence

As part of our initiative to identify and mitigate risk the following process is performed on an annual basis;

- All Suppliers and Service Providers are assessed based on annual spend.
- All Suppliers and Service Providers whose annual spend exceed 0.05% of total annual spend are then subjected to formal risk analysis.
- Mapping and Risk Analysis is conducted based on the following;
  - Determine Supplier Category and identify as Product or Service.
  - Determine Tier 1 Supplier Location.
  - Determine Industry Sector.
  - Assess likely Tier 2 Supply Chain Risk.
- Each element of mapping is risk assessed based on advice and findings of internationally recognised organisations such as publications and guides from the 'Walk Free Foundation'. Each Supplier and Service Provider is profiled by highlighting risks from their location, industry sector and potential labour cycles.
- Suppliers either Tier 1 or that we believe may have Tier 2 Med/High risk elements within their supply chain will be asked to provide documented evidence of their Supplier Audits that demonstrate that their Supply Chain meets our criteria as being fully conversant with and able to comply with the requirements of the Modern Slavery Act 2015.
- Risk assessed suppliers are required to complete an annual Supplier Self- Assessment Questionnaire detailing their policies and business practices in relation to adherence

with the Modern Slavery Act 2015. They are required to confirm that they fully understand and comply with the requirements of the Modern Slavery Act 2015 within their own operations and that they have taken steps to ensure their own supply chains are free of risk and can supply evidence to support their statement. This was updated for 2019 to make this process specific to Modern Slavery and still includes notification that failure to supply the required data or confirm their adherence to the requirements of the Modern Slavery Act 2015 will prompt their removal from active supplier status.

- Upon receipt of the completed Self-Assessment Questionnaire, IKO Purchasing Teams and Supply Chain Director review the supplied data against initial risk analysis and the severity of risk is either substantiated or updated. From this review a full Supplier Audit may be instigated to determine if there is a breach in adherence to the Modern Slavery Act 2015 which would prompt their removal from active supplier status.

- We have in place systems to encourage the reporting of concerns and the protection of whistle blowers.

- The company will not support or deal with any business knowingly involved in slavery or human trafficking.

Assessing our effectiveness in preventing Modern Slavery

To date no evidence has been found that would substantiate the presence of Modern Slavery within IKO Supply Chains. Two instances of Tier 2 medium/high risks have been identified and in both cases the Suppliers have been able to provide satisfactory documented audit results that have allowed their risk profile to be downgraded to Low.

IKO are fully committed to supporting and implementing policies and procedures to eradicate this issue and are dedicated to performing ongoing supply chain assessments and the development of new measures to better assess, control and manage supply chain relationships.

Target 2020

In 2020 we committed to review our enhanced data collection and analysis process to ensure it is meeting our requirements in analysing our supply chain adherence to the Modern Slavery Act 2015. This was completed and it highlighted a number of areas that IKO PLC intends to further develop in 2021.

Priorities and KPI's for 2021

- Develop process for the selection of new suppliers that incorporates an initial modern slavery risk analysis.
- Develop a formal supplier 'on-boarding' pack that will incorporate IKO's Purchasing Policy, Supplier Audit Questionnaire and Modern Slavery Questionnaire, including requests for copies of all relevant Quality, Environmental and Modern Slavery related policies and accreditations.
- Further develop supply chain mapping beyond Tier 1 to formally document Tier 2.

- Develop the use of the 'Responsible Sourcing Tool' in conjunction with advice and reports from the 'Walk Free Foundation' to enhance our risk analysis process.
- Offer training sessions and work with suppliers that need to increase their knowledge and understanding of modern slavery and the steps they can use to assess their own supply chains.

Training

To ensure a high level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business we provide training to relevant members of staff and Directors. This training is documented and refreshed on a biennial basis.

Summary

The Company Directors approve along with Senior Management to take responsibility for implementing this policy statement and its objectives and shall provide adequate resources and investment to ensure that slavery and human trafficking is not taking place within the organisation and its supply chain.

A full copy of this statement and a copy of the Modern Slavery Act 2015 will be accessible to all employees electronically and a copy can be obtained from the HR Department upon request.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Companies human trafficking statement for the current financial year.

Approved By IKO PLC Group Managing Director

Signature:

Print Name: Anthony Carlyle

Date : 13th April 2021