



Modern Slavery and Human Trafficking Statement 2024

Managing Director's Introduction

Baxi is committed to conducting its operations in a way that respects the human rights of employees, the people we work with and the communities in which we operate.

We are committed to ethical trade and responsible sourcing. There is no place in our organisation for modern slavery (encompassing slavery, servitude or forced or compulsory labour) and human trafficking. We are committed to improving our practices to combat slavery and human trafficking in our business and supply chain.

Our Business

Baxi Heating UK Limited is a UK company which is part of the BDR Thermea Group, a leading global thermal solutions provider, headquartered in the Netherlands, operating in over one hundred countries and employing approximately 6,000 people worldwide.

Trading under brands including Baxi, Andrews Water Heaters, Heatrae Sadia, Megaflo, Main Heating, Potterton Commercial, Baxi Packaged Solutions and Remeha, Baxi provides heating and hot water solutions to residential and commercial customers that are specifically designed to make life more affordable and comfortable for our customers.

We operate a single manufacturing and distribution site at Preston, supported by a customer service centre at our Head Office in Warwick and an extensive field-based team of service engineers.

We employ c.1,250 employees in the UK, the majority of which are permanently employed. We also use the temporary services of sub-contractors and specialist agency staff.

Our Policies

As part of the BDR Thermea Group we are committed to the 10 Principles of the UN Global Compact. We support and respect the protection of internationally proclaimed human rights and will ensure we are not complicit in human rights abuses. We support the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

As a company, and individually as employees, we abide by the Group's Code of Conduct and implement Group policies, including on procurement and fair trade. We operate a Group Whistleblowing Policy, supported by a confidential whistleblowing website that can be accessed anonymously if required.

Our UK Modern Slavery Policy underpins our commitment to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

We have been awarded a bronze rating from sustainability rating agency EcoVadis.

Our Supply Chain

Our extended supply chain includes local, national and international partners. Our procurement processes cover direct production and spares sourcing and indirect goods and services.

In 2023 we introduced a new Indirect Procurement Policy to further support the robust new supplier due diligence we undertake and an internal audit was conducted in relation to our direct procurement. Our indirect and direct procurement activities have historically been managed separately but have now been reorganised and are managed as one team.

We follow BDR Thermea Group's sustainable procurement policy and ethical sourcing code to ensure that goods and services are sourced competitively, economically, ethically and efficiently. The Group strategy is to develop effective, collaborative and open working relationships with suppliers, to build strategic alliances with key suppliers, to manage suppliers via the appropriate development programmes and performance measurements.

Our Due Diligence Processes

We recognise that, like all businesses, there are risks of being exposed to modern slavery and human trafficking within our operations or those of our extended supply chain. We address these risks responsibly and act without delay in response to any concerns.

Our recruitment strategy is managed through our HR team, with permanent staff recruited directly and temporary staff recruited through specially selected agencies. We have an established process to enable temporary employees to transfer to permanent roles.

Status checks on new suppliers are undertaken by the procurement teams and we are pursuing a supplier consolidation programme to reduce the number of suppliers to improve our supply chain management. Our direct suppliers are contractually obliged to adhere to BDR Thermea Group's Supplier Excellence Manual and corporate social responsibility (CSR) guidelines. We use an independent partner, EcoVadis, to conduct CSR maturity evaluations on our suppliers and require them to achieve the minimum standard of compliance in respect of the assessment.

In managing the risk of modern slavery and human trafficking we operate a One Team approach, drawing on the support of a cross-functional team comprising representatives from the following departments: Governance and Risk, Human Resources, Procurement and Finance.

We also have in place systems to encourage whistleblowers to speak up while remaining anonymous.

Training

We continuously review our training to ensure an appropriate level of understanding of the risks of modern slavery and human trafficking in our supply chains and our business.

We run quarterly internal control workshops for our senior managers to raise awareness of a range of risks and develop a shared approach to addressing them.

Our Effectiveness In Combating Slavery And Human Trafficking

Oversight of modern slavery lies with our Control and Compliance Committee. No incidents or concerns were reported in the year to 31 December 2023.

In the event that any evidence of modern slavery (or other human rights abuses) was identified within our business or our suppliers, we would take immediate action to notify the appropriate authorities and implement corrective measures.

Further steps

Following a review of the effectiveness of the steps we have taken this year to ensure that there is no slavery or human trafficking in our supply chains we intend to take the following further steps to combat slavery and human trafficking:

- To continue the revision of our procurement contracts to ensure they remain fit for purpose in addressing the risk from modern slavery.
- To continue to review our modern slavery risk assessment and report the findings to our Control and Compliance Committee.

- To make further improvements in line with recommendations arising from our EcoVadis assessment.

Review

We review our modern slavery processes annually and are committed to communicating changes effectively.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our modern slavery and human trafficking statement for the financial year ending 31st December 2023.

A handwritten signature in blue ink that reads "Jan Rijnen". The signature is written in a cursive style and is positioned within a light blue rectangular box.

Jan Rijnen

Managing Director

Baxi Heating UK Limited

Date: 25 June 2024