Modern Slavery and Human Trafficking Statement 2023

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 100 countries and employing approximately 6,000 people worldwide.

Trading under the Andrews Water Heaters, Baxi, Heatrae Sadia, Megaflo, Main Heating, Potterton Commercial, Baxi Packaged Solutions and Remeha brands, Baxi provides heating and hot water solutions to residential and commercial customers, including gas appliances, hot water cylinders, gas and electric water heaters and low carbon solutions 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.1,350 employees in the UK, the majority of which are permanently employed.

We also utilise 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.

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.

We adhere to the BDR Thermea Group 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.

As part of our risk assessment process we utilise the resources published by the Independent Anti-Slavery Commissioner’s Office and the Gangmasters and Labour Abuse Authority.

A new recruitment strategy covering all permanent and temporary roles has been implemented. Permanent staff recruitment is managed in-house and co-ordinated through our HR team. We work with specially selected agencies to recruit temporary staff. 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 its corporate social responsibility (CSR) guidelines. We use an independent partner, Ecovardis, to carry out 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 are currently undertaking a full review of our induction processes and mandatory training requirements.

In 2022 a new business conduct and ethics training programme based around the group’s Code of Conduct was rolled out to all employees. A new whistleblowing portal was rolled out which provides an independent means to report concerns anonymously, in line with the EU Directive (EU) 2019/1937.

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 2022.

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 introduce a new Indirect Procurement Policy to further support the robust new supplier due diligence we undertake.
• To undertake a direct procurement internal audit to include an assessment of how closely our procurement policy is aligned to our sustainability strategy.
• To continue the revision of our procurement contracts to ensure they remain fit for purpose in addressing the risk from modern slavery.
• To update our modern slavery risk assessment and report the findings to our Control and Compliance Committee.

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 2022.

Karen Boswell OBE
Managing Director
Baxi Heating UK Limited
Date: 25 July 2023