

MODERN SLAVERY ACT 2015 TRANSPARENCY STATEMENT 2022

St. Modwen's purpose 'Changing Places and Creating Better Futures' guides us in our development of quality places to live and work, and we do so with a continuing commitment to Responsible Business¹, and responsible business practices including those which address the risks of modern slavery².

From multiple sources including the Gangmasters and Labour Abuse Authority³, the Independent Anti-Slavery Commissioner⁴ and the International Labour Organisation⁵, we know that modern slavery exists across multiple sectors in the UK, and overseas. We strongly believe there is no place for modern slavery, or other forms of human rights abuses, in our business or our supply chain.

Working with our supply chain partners, we are committed to taking the necessary steps to identify and address the risks and importantly, where exploitation is occurring, identify victims and ensure that they receive the support they require.

This statement, approved by our Board 13 April 2023 is made by St. Modwen Group Holding Company Limited on behalf of itself and its subsidiary company, St. Modwen Homes Limited. This statement has been published in accordance with the Modern Slavery Act 2015 and sets out the steps taken by St. Modwen to prevent modern slavery and human trafficking in its business and supply chains during the financial year to 31 December 2022.

A legal entity reorganisation of the St. Modwen group took place during the financial year ended 31 December 2022, which involved certain entities transferring to St. Modwen Group Holding Company Limited, including St. Modwen Homes Limited. As a result, some of the activity of St. Modwen Homes Limited was carried out under the parent company St. Modwen Properties Limited and some of the activity under the parent company St. Modwen Group Holding Company Limited. Please therefore see the corresponding report for St. Modwen Properties Limited.

St. Modwen

Operating across England and South Wales, St. Modwen is an expert logistics and housebuilding developer with a rich 50-year history and a strong track record of delivery.

Our efforts to tackle modern slavery are led at an Executive Level by the Managing Director for St. Modwen Developments, whilst the CEO (Sarwjit Sambhi) is responsible for final sign-off and direction at Board-level.

We have a direct workforce of over 700 employees, mostly on permanent contracts. Our direct employees are principally managerial and professional staff, supported by corporate and administrative functions, operating across three dedicated business units:

- St. Modwen Homes delivering award-winning, quality new homes and sustainable communities across the UK.

¹ <https://www.stmodwen.co.uk/delivering-responsibly/>

² For a full definition, see <https://www.gov.uk/government/publications/transparency-in-supply-chains-a-practical-guide/transparency-in-supply-chains-a-practical-guide#introduction>

³ <https://www.gla.gov.uk/>

⁴ <https://www.antislaverycommissioner.co.uk/>

⁵ https://www.ilo.org/global/topics/forced-labour/publications/WCMS_854733/lang--en/index.htm

- St. Modwen Logistics creating future-proofed warehousing and logistics spaces where business can thrive. We deliver value to occupiers through comprehensive estate management, by providing facilities management and property maintenance across the estates parks supported via a range of sub-contractors.
- St. Modwen Developments is a master developer, promoting and delivering sites for housebuilding, commercial and regeneration projects. We also manage a number of assets delivering retail, leisure, and office space, where we provide facilities management and property maintenance supported via a range of sub-contractors.

All our assets and operations are within the UK.

Our Supply Chain

Our supply chain consists of a core of c.150 tier 1 suppliers who provide us with the services, goods, and materials for each of our business divisions.

In the Logistics and Development businesses, we use a mix of national and regional main contractors employed on turnkey construction contracts who provide both goods and services, including labour. Similarly, for the management of our assets, we use local and regional sub-contractors to provide the goods and labour for a range of facilities management and property maintenance services.

For St. Modwen Homes, our regionally based sub-contractors provide us with most of the materials plus labour required for housebuilding. Our main direct purchases are bricks and blocks, manufactured or sourced within the UK, and imported sustainably certified timber.

In addition to the supply chains mentioned so far, we also procure a range of goods and services which are used within our business, for example office furnishings and supplies, workwear, and facilities management services.

Our Policies and Processes

Our policies, including our Modern Slavery Policy, are signed off by our CEO and developed with support from external expertise where appropriate.

We have additional policies and processes relevant to modern slavery as follows:

- Employee Code of Conduct
- Recruitment Process and Guides
- Grievance Policy and Guides
- Speak-up Policy and Guide
- Anti-bribery and Corruption Policy
- Procurement processes:
 - o Construction Contract Procurement Guide for Strategic Land and Regeneration
 - o Framework Agreement for St. Modwen Homes

Our Responsible Business approach comprises six areas, including Responsible Operating Practices and Partnerships Charter which incorporates our expectations with regards to modern slavery.

Risk Assessment

Whilst we believe that the risks of modern slavery are low in our direct workforce, we recognise that our supply chains are complex and multi-layered. In particular, the nature of construction activities, facilities management and housebuilding means that there are transient groups of indirect workers deployed on our sites, sometimes on a temporary basis, and for short periods.

In our supply chain, there is a broad skill mix but it includes a significant number of workers undertaking labour-intensive and lower skilled work consistent with those groups of workers identified as being at a higher risk of modern slavery by authorities such as the Gangmaster and Labour Abuse Authority⁶ and the Independent Anti-Slavery Commissioner⁷.

We have therefore based our risk assessment on the likelihood of vulnerable workers being on our sites or within the workforce of those supply chain partners providing us with goods and materials. In response, we have developed appropriate mitigation on our sites and prioritised direct engagement with suppliers based on our opportunity to influence change; by selecting those suppliers who constitute a higher proportion of our procurement spend.

To help our managers judge the potential level of risk during the construction process or ongoing operation of a site, we have produced a site risk assessment tool. This tool enables managers to identify when they need to increase the level of vigilance, revisit mitigation activities such as refreshing posters and leaflet distribution, deliver toolbox talks and proactively observe potentially vulnerable workers to identify any signs of exploitation.

We continue to ensure our suppliers are aware of their responsibilities to monitor and mitigate the risk of modern slavery, by means of the supplier pre-qualification arrangements and through construction contracts and supplier terms and conditions.

Our Progress

Having worked with Stronger Together⁸ to identify areas for improvement in our approach to tackling modern slavery, our Executive Committee agreed our vision of being at the level of 'Evolving Good Practice'⁹ on the Maturity Framework, created by the Office of the Independent Anti-Slavery Commissioner, by mid-2023. 'Evolving Good Practice' is characterised on the Maturity Framework as follows:

- External challenge or working groups informing strategy
- Going beyond auditing – deep dives and unannounced visits
- Cascading ethical standards throughout supply chains
- In-depth training for staff in key roles such as procurement
- Commitment to worker engagement
- Implementing the Employer Pays Principle

⁶ 'Low paid low skilled work that is affected by seasonal or other trends are at particular risk from being exploited for their labour.' Gangmasters and Labour Abuse Authority, Strategic Plan 2017 - 2020

⁷ 'The sectors at highest risk are thought to be those that employ large numbers of low or semi-skilled workers, particularly those relying on a substantial migrant workforce such as agriculture, construction or hospitality', Independent Anti-Slavery Commissioner, Annual Report 2019 - 2020

⁸ <https://www.stronger2gether.org/>

⁹ <https://www.antislaverycommissioner.co.uk/media/1428/iasc-operation-fort-review-june-2020-iasc-maturity-framework.pdf>

To support our strategic plan and demonstrate our commitment, we have continued our sponsorship of Stronger Together's Construction Programme which enables us to collaborate with like-minded organisations and develop capability in our organisation, our supply chain and across the sector.

Through attendance at monthly Construction Programme meetings, we can further develop our understanding, as well as addressing and highlighting the challenges that the industry faces. Together with our fellow Sponsors, we collaborate to develop additional tools and resources to support our organisation, our supply chain partners and the sector.

To further enhance our efforts, we have engaged an independent expert consultant to provide us with focussed support for implementation and to work with our Modern Slavery Working Group; made up of senior representatives from each business and key corporate functions who ensure the effective implementation of our strategy.

This financial year, the focus for the Working Group was the development of our new Modern Slavery Policy, together with a comprehensive Guidance Document for managers and employees. The Policy and Guidance Document were launched in the first quarter of 2022 by our CEO during an online 'all-hands' organisation-wide meeting.

The Guidance Document sets out our approach to tackling modern slavery and supports implementation of our strategy by providing information, practical guidance, and links to internal and external resources. The Guidance Document covers the following:

- Understanding modern slavery
- Raising awareness and engagement
- How to assess and address risks
- How to take action on sites
- Spotting the signs of modern slavery
- Raising concerns and seeking help for potential victims
- Opportunities for improvement

The document includes a checklist which can be used on all our sites as an easy reference tool to ensure compliance with the standards we have put in place.

To support the launch of our Policy and Guidance Document, we developed a mandatory online learning module for all employees, with links to further resources. The learning module forms part of the induction requirements for all new employees and is repeated each year.

Since vulnerable workers are likely to include those whose first language is not English, we have signed up for the services of Clear Voice, a telephone interpreting service provided by Migrant Help. We have provided access to this service across our sites to ensure that independent interpreting is available as required to respond to worker concerns.

The Working Group further identified key operational staff to receive live and interactive online training during 2022, which includes an exercise to develop operational capability in spotting the signs and responding to potential incidents. The roll-out of this training will continue through 2023.

The Working Group has already started work on developing supply chain capability. Starting in Logistics, we issued Self-Assessment Questionnaires to our key high-risk suppliers. At the same

time, we provided them with complimentary invitations to Stronger Together's open workshops, which are part-funded by our sponsorship.

Having reviewed the completed questionnaires, we are inviting the suppliers to attend a further bespoke workshop to support the development of corrective action plans to improve due diligence and mitigation.

In St. Modwen Homes, there is a larger pool of regional and national suppliers and sub-contractors with significant variations in size, complexity, and maturity of organisations. We have taken the opportunity of developing a set of modern slavery questions for our newly implemented supplier selection and on-boarding system which will help us to identify those suppliers who present the highest potential risk with the best opportunity to affect change. For this group, and legacy suppliers who are already 'active', we will begin a process of issuing Self-Assessment Questionnaires and developing corrective action plans. Where we identify common gaps and concerns, we will develop and deliver support to mitigate risks.

In the meantime, we have had no reported incidents of modern slavery in our business or our supply chain.

Managing Our Progress

In summary, if we measure our progress against the Maturity Framework, we are comfortably at the level of 'meeting basic expectations' as follows:

- Our modern slavery statement demonstrates our areas of improvement.
- We have actively identified areas of high-risk in the business and supply chains by upskilling our staff to understand where the risks are to be found.
- We are engaging with those suppliers we believe to be at highest risk of engaging vulnerable workers and are measuring their due diligence and mitigation via self-assessment questionnaires.
- We are developing capability in our supply chain by inviting the highest-risk suppliers to attend Stronger Together workshops at no cost, part-funded by our Sponsorship of the programme.
- We are further developing capability across our business by providing live, interactive online workshops for operational staff to ensure they understood the prevalence of modern slavery, understand more about vulnerable workers and how to spot the signs of exploitation then what to do if they have suspicions or must react in an emergency.
- We have included a modern slavery incident response plan within our management system.
- We have our own whistleblowing hotline and actively promote the Modern Slavery Helpline, including the Unseen App for reporting concerns.

We are making progress towards 'Evolving Good Practice' by:

- Inviting an independent expert consultant to join our working group and support us in our strategy implementation.
- We have started to cascade our ethical standards through our supply chains, starting with our highest risk suppliers in Logistics.
- Providing online and live in-depth training to staff in key roles.
- Producing a Guidance Document for employees and ensuring that we are promoting information on modern slavery to workers across our sites.

- Including a commitment to the Employer Pays Principle in our Modern Slavery Policy.

To further measure our progress and maintain the momentum we have already seen across the organisation, the Modern Slavery Working Group have agreed the following Key Performance Indicators for each of our strategic priorities:

Strategic Priority	Key Performance Indicators	Target	Achieved
Governance	Number of Working Group meetings per year	4	100%
Internal Capability	Completion of e-learning module	90%	90%
	Attendance at live operational training	50%	38%
Procurement and Supply Chain	Response rate for completed Supplier Self-Assessment Questionnaires	70%	100%

Next Steps

To ensure that we are implementing effective mitigation measures on our St. Modwen-managed sites, we will be utilising our existing audit team to measure compliance with our site standards. Ultimately, we plan to extend these standards to our suppliers and will include compliance targets for our sites and our supply chain partners in our Key Performance Indicators.

We will continue to stretch our performance and embed our approach. The next areas of focus from the Maturity Framework are:

- Going beyond auditing - deep dives and unannounced audits
- Commitment to worker engagement
- Implementing the Employer Pays Principle

In addition, we are working with our fellow Sponsors of the Stronger Together Construction Programme to develop our approach to Remediation.

Summary

We know that many factors are contributing to the numbers of vulnerable workers in the UK, and we remain vigilant to implementing effective systems to identify and mitigate the risks in our business and in our supply chain.

Whilst we are making progress, we are not complacent. We will continue to learn and are determined to meet the challenges presented by this complex and ever evolving issue.

We continue in our efforts to make it as difficult as possible for those looking to exploit vulnerable workers to do so in our business or in our supply chain.

Signature

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes St. Modwen's slavery and human trafficking statement for the financial year ending 31 December 2022.

This statement was approved by the Board on 13 April 2023.

Signed by:



Sarwjit Sambhi, Chief Executive Officer
For and on behalf of St. Modwen Group Holding Company Limited

Date: 13/4/23