

Morgan Sindall Group plc

Modern Slavery and Human Trafficking Statement 2023

Morgan Sindall Group is committed to ethical business practices and the protection of human rights. We support the UN Guiding Principles on Business and Human rights and the Universal Declaration of Human Rights.

This statement, published in accordance with the Modern Slavery Act 2015 ('the Act'), sets out the steps taken by Morgan Sindall Group plc ('the Company') and its subsidiary companies (together 'the Group') during the year ending 31 December 2023 to prevent human trafficking and slavery in our business and supply chain. Offences under the Act include slavery, servitude, forced or compulsory labour and human trafficking for the purpose of exploitation.

This statement is made pursuant to section 54 of the Act and was approved by the Morgan Sindall Group plc Group Board on 20 February 2024.

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Our values and commitments

Acting responsibly and doing the right thing is a Core Value of Morgan Sindall Group

As a responsible business, we are committed to acting ethically and operating with integrity; promoting health and wellbeing in the workplace, which includes treating others with dignity and respect; raising awareness, both internally and among our subcontractors, of signs of forced labour or exploitation; and increasing diversity and inclusion across the Group. These objectives underpin four of our five Total Commitments, to protect people, develop people, work together with our supply chain and enhance communities – the Commitments most related to combating modern slavery. Our Code of Conduct provides a framework for ethical behaviour and is underpinned by our Total Commitments and Core Values. In 2023 we produced and distributed a specified Supplier Code of Conduct which sets out what our supply chain can expect from us and the obligations and responsibility they have to uphold our Core Values and the law.

In 2023, we undertook a new materiality assessment to identify the environmental, social and governance (ESG) issues our stakeholders consider most important. In total, 2,680 people completed the survey, including 2,125 employees and 555 external stakeholders. This was followed up with 11 in-depth interviews with industry thought leaders and stakeholder representatives to explore identified issues in more depth. The materiality assessment concluded that, while no topic is financially material, ethical business and governance, and fair employment with no modern slavery, are of high importance.

Core Values

Our purpose, culture, strategy and performance are driven by our Core Values. We encourage our people to challenge the status quo and exceed our stakeholders' expectations.



Being a responsible business

We have made five Total Commitments to our stakeholders and wider society.



Our Total Commitments are aligned with the United Nations (UN) Sustainable Development Goals. We believe we can have the biggest impact in the following:

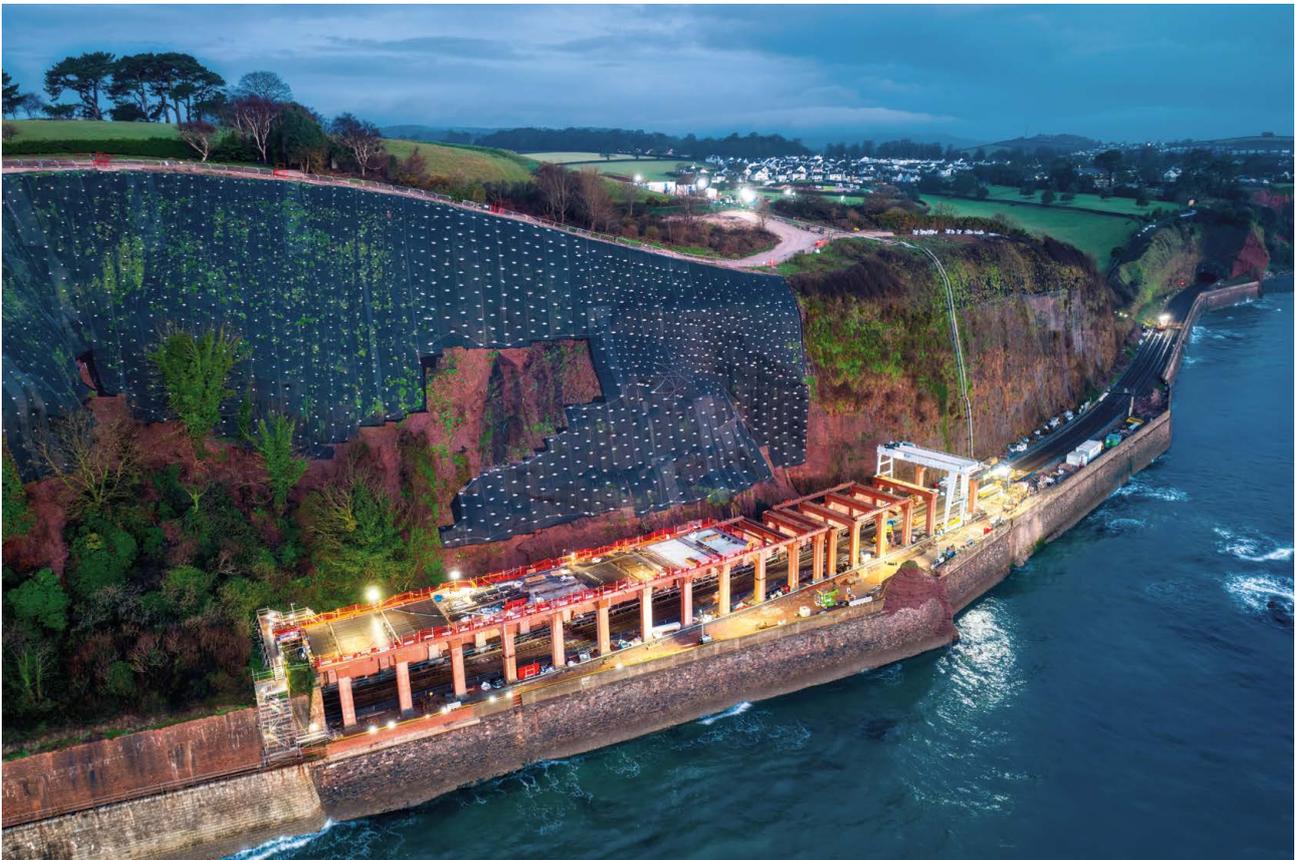


Our values and commitments continued

Initiatives taken by the divisions during the year to minimise the risk of modern slavery include the following:

- **Construction** circulated new posters, in a wider range of languages, on how to identify modern slavery and report any concerns. The division provides modern slavery training via its supply chain 'Academy' and conducted 15 modern slavery audits in 2023. Construction is working with its labour desk to develop quarterly reports confirming workers' addresses and verifying passports to ensure that everyone on its sites has the right to work in the UK.
 - **Infrastructure** developed a 'report and support' app for use by anyone on site as an extra resource to help identify modern slavery risks or concerns. The division also reviewed and updated its grievance, whistleblowing and harassment policies in respect of modern slavery.
 - **Fit Out** ran modern slavery awareness campaigns during Modern Slavery Week in October. This included ensuring that all sites were displaying modern slavery awareness posters showing signs to look out for and helpline numbers to call. The division has continued to monitor its labour agencies, which are deemed to be high risk, and audits its preferred suppliers' processes and procedures.
 - **Property Services** set up a modern slavery working group that developed a template for auditing its supply chain to ensure that no incidents of modern slavery arise. The division is preparing an enhanced prequalification questionnaire when bringing new subcontractors on board, with additional questions on modern slavery, employment rights, the Equality Act and compliance with the real living wage.
- **Partnership Housing** increased its commercial and operational audits to ensure that all subcontractor site operatives were attending inductions, employees were completing their modern slavery training, and vendor registration forms and subcontract orders were being correctly completed. Following the audits, the division issued non-conformance notices to a small number of subcontractors that were found to have inadequate right-to-work controls in place, such as undated copy ID documents. One operative was found to be working illegally, removed from site and reported to the Home Office by the subcontractor. The division shared the audit findings across the business and will be conducting regular spot checks on right-to-work controls to help subcontractors improve their processes.

We proactively manage the risk of modern slavery and human trafficking by reducing the likelihood of it happening either in our own operations or those of our supply chain. The following pages detail how we achieve this through periodic risk assessments, thorough due diligence, continuous engagement and training with employees and suppliers, collaboration with external stakeholders, and remediation when necessary.



Managing risk in our business and operations

Our operations

Morgan Sindall Group is a leading UK construction and regeneration group with an annual turnover of £4.1bn in 2023. We generate cash through our construction activities and invest in long-term regeneration schemes, which in turn create opportunities in construction. We deliver for the public, commercial and regulated sectors. We operate through six divisions: Construction, Infrastructure, Fit Out, Property Services, Partnership Housing and Urban Regeneration, with an aggregate of over 75 offices and 500 project sites located around the UK. For the purposes of this statement, we treat our joint venture entities (where we are responsible for the management and operation of the joint venture) as part of our supply chain. Our joint venture partners, in the context of this statement, are primarily other large main contractors. Appendix 1 contains more detail of our markets and business activities.

Our UK workforce is made up of almost 7,500 direct employees, 3% of whom are weekly-paid site operatives covered by collective bargaining agreements. We respect all employees' right to join, or not to join, third-party organisations such as trade unions or other lawful organisations of their own selection, along with the right to bargain or not bargain collectively, in accordance with local laws, without fear of reprisal, intimidation or harassment. This commitment to freedom of association is outlined in our human rights policy, which can be found on our website, in the Investors/Governance section under 'Policies and assurances'.

Key performance indicators

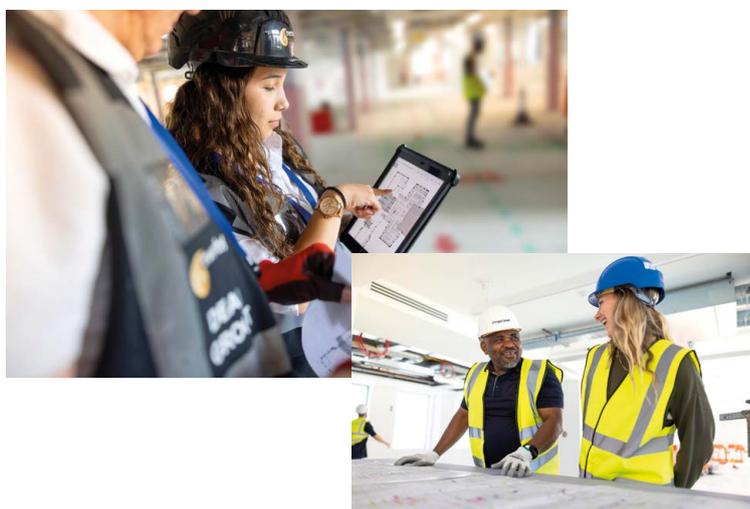
As a Group, we have historically reported against the following key performance indicators: employee training; investigations undertaken into reports of modern slavery and remedial actions taken in response; and evaluation of our labour practices against ELS BES 6002. See page 7 for information on employee training and our reporting and remedial processes. However, in 2023, the BRE (Building Research Establishment) discontinued its ELS BES 6002 accreditation and consequently the Group was unable to undergo reassessment in 2023 as originally anticipated.

Our governance

As a reaffirmation to our Total Commitments, in 2023 we updated our Core Values to include 'Acting responsibly to do the right thing' to illustrate how our responsible business strategy and practices are embedded in the daily operations of our business. Progress against our Total Commitments are reviewed periodically by the Board and includes a review of the approach and progress being made by divisional management to identify areas where the risk of human trafficking and modern slavery may occur. While human rights breaches are not considered a principal risk the Group, we do recognise that there is a risk of breach by an overseas supplier or that there may be workers on our sites who are victims of modern slavery. We are therefore committed to monitoring the issue in our suppliers' operations, adopting best practice and industry programmes, and communicating any incidents should they occur.

Our internal audit programme monitors compliance with our policies and procedures aimed at identifying, preventing and mitigating human right risks, and remediating any impacts our operations may have caused or contributed to. All Group policies are regularly reviewed by our management team, including our Group general counsel, company secretary, Group director of sustainability and procurement, Group head of audit and assurance and divisional heads of HR. The Board reviews the Group's annual modern slavery and human trafficking statements and, as part of its review, considers both the requirements of the Act and the Group's actions and future actions to ensure that the risk of modern slavery is being appropriately managed. Ultimate oversight on human rights and modern slavery mitigation is held by the Board's audit committee and Group general counsel. The Board reviews all matters raised via our raising concerns service to ensure that they are properly investigated, and appropriate actions taken. Our divisional HR leads and audit managers directly investigate and manage individual cases for their divisions as appropriate. In 2023, we did not identify any modern slavery incidents.

Each division is also required to produce its own, more detailed, policies and procedures that reflect Group-wide standards and are appropriate for its business and markets.



Managing risk in our business and operations continued

As such, many of our divisions have also adopted additional policies and procedures relating to recruitment, whistleblowing, grievance and harassment. Our divisional managing directors are responsible for ensuring compliance with the Group's Code of Conduct, our modern slavery policy and the Act and ensuring that these, and other policies, are effectively communicated, implemented and consistently enforced among suppliers. Divisional directors are advised and supported by the Group director of sustainability and procurement, the Group commercial director, the Group general counsel, the company secretary and the Group head of audit and assurance. In the event of a report of noncompliance, the Board is notified via the general counsel.

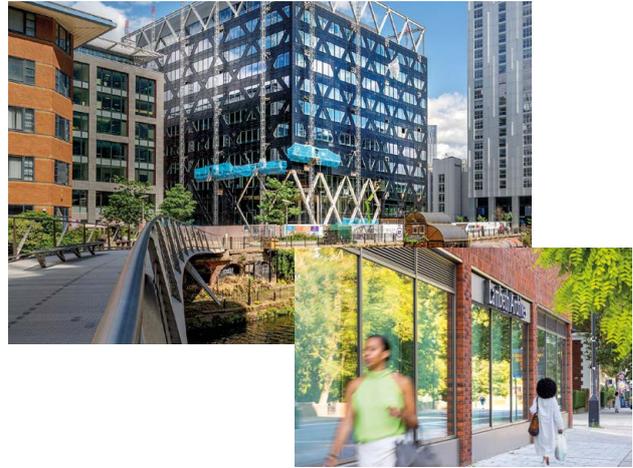
When hiring, our preference is to recruit employees directly. However, when this is not possible and we are reliant on the services of agencies, we ensure that they comply with the Act and that this is part of their terms and conditions for providing services to us. We currently work with five specialist recruitment agencies to help maintain the Group's labour desk and reduce the risk of off-payroll work taking place in our business by maintaining controls around payments and entitlements. This helps us remain compliant when recruiting contingent labour and temporary staff by providing multiple levels of verification of candidates, including right to work in the UK.

We pay the real living wage or above and two of our divisions (Construction and Property Services) are Living Wage Foundation accredited employers. We are also a signatory to the Employer Pays Principle and pay salaries directly to employees. We do not deduct commissions or charges in return for work.

Group policies in relation to human rights and modern slavery

Our support for the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights is embedded in the following Group policies listed below. These policies are the most relevant to human rights and modern slavery and outline the means in which we expect all employees, suppliers, and business partners to uphold our business ethics and standards.

- Our Group Code of Conduct sets out universal principles of good business conduct, including our commitment to maintaining a healthy and safe workplace, rejecting bribery and corruption, competing ethically and respecting others. The Code states our commitment to the Universal Declaration on Human Rights and preventing modern slavery in our operations and supply chain. It prohibits employing people either directly or through third parties who we believe to be subject to forced labour and engaging in any activities involving people or countries subject to UN, US, EU or UK sanctions. It also prohibits bullying, harassment, and discrimination on the basis of sex, pregnancy or maternity, gender reassignment, sexual orientation, religion or belief, marriage and civil partnership, age, race, or disability.



- Our modern slavery policy specifically prohibits activities linked to slavery, servitude, forced or involuntary labour and human trafficking. It prohibits charging employees any recruitment fees or deposits, retaining identity documents, restricting freedom of movement or forcing them to work excessive hours. It requires that all employees are given contracts of employment, treated humanely, equally and fairly, and paid at least the minimum wage without delays or unlawful deductions and that all migrant workers are treated in accordance with UK legislation and existing Group HR policies. The policy also requires that employees are hired direct whenever possible; if using a recruitment agency, we must ensure that the agency operates legally, is certified or licensed by the competent authority, and does not engage in fraudulent behaviour that places employees at risk of forced labour or trafficking for labour exploitation.
- Our human rights policy applies to the Group, our subsidiaries and the entities in which we hold a majority interest. It states our support of the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights and our commitment to the following human rights principles: diversity, non-discrimination, and non-harassment; prevention of human trafficking, forced labour and child labour; workplace health and safety; freedom of association; the adherence of our supply chain to the same human rights principles; and engagement with our stakeholders and consideration of their views
- Our sustainable procurement policy requires that goods and services are sourced fairly. Our procurement methods are compliant with legislation, including health and safety regulations, and conform to our ethical, environmental, and socially responsible business standards
- In 2023, the Group published and distributed its first supply chain code of conduct, which includes specific obligations and responsibilities of suppliers to uphold our Core Values and the law including those related to human rights and fair working conditions. Specific requirements for maintain a healthy and safety workspace and respecting human rights and fair working conditions are outlined in detail on page 7 of the conduct and can be found here

Managing risk in our business and operations continued

Employee training

As part of the onboarding and induction processes, all new joiners to the Group are required to undertake e-learning on modern slavery. The training consists of a module on our Group Code of Conduct and two additional courses where the topic of modern slavery is reviewed. All modules conclude with a test to assess employees' understanding of how to identify the risks and signs of modern slavery and a score of eight out of 10 is required to pass. Our group general counsel is responsible for the creation of the training content and if an employee fails the test twice, then they are required to speak to their divisional training lead, head of legal service or our

general counsel to ensure that they fully understand the issues raised in the training module and why they have failed. Group level training is also supplemented with additional divisional level training and are applicable to all employees regardless of seniority.

Furthermore, site workers are required to attend additional toolbox talks on modern slavery and site managers are provided with supervisor briefings on the topic and links to learning materials. These new resources are video-based and interactive to encourage viewers to engage with the material, making it more effective.

Modern slavery training

Who	Format	Trainer	Frequency	Expert input in compiling training
All employees	E-learning	Online	On joining with refresher course every three years	General counsel, Group director of sustainability and procurement, company secretary, Pinsent Masons
All site workers	Toolbox talk	Site manager/ contracts manager	As determined by the site manager	Gangmasters & Labour Abuse Authority

Whistleblowing and grievance mechanisms

If any employee or subcontractor has a concern or grievance, suspects a breach of policy, or is witness to an event that does not confirm to our Core Values, Group Code of Conduct or modern slavery policy then they can communicate anonymously and in full confidence via our whistleblowing service operated by Safecall, an independent third party. This grievance procedure is available 24 hours a day, 365 days a year and allows for anyone to report without fear of retaliation via telephone, email, or via the service's website. Our whistleblowing procedures are explained to all employees and subcontractors on induction, repeated in every e-learning course, published on our intranets, and made readily available on site via office and site notice boards, alongside our policies and procedures described above.

In 2023, the Group received 58 whistleblowing reports (2022: 38), This equates to one report per 129 employees (2022:186) and far exceeds against Safecall's average construction clients of one report per 400 employees. This statistic indicates that our employees have a high level of awareness of ethical issues and are willing to speak up.

Once a potential incident is reported we promise an immediate and through investigation, follow up and resolution.

All reports were formally investigated by divisional HR leads and managers and the Board is notified of any reports of non-compliance via the service. The Board also reviews arrangements for raising concerns twice a year to ensure they are suitably robust. No specific complaints were escalated for Board attention outside its normal review, and the Board was satisfied that all the reports made in 2022/23 were correctly investigated and resolved in an appropriate way. The Board satisfied itself that none of the issues raised were systemic across the Group and that they were isolated to individuals or specific circumstances.

None of the issues raised during the year related to instances of modern slavery, forced labour or human trafficking. However, if an incident were to be suspected we would investigate through our internal audit team, engage with our suppliers to ask them for further detail and background on how the incident occurred, and ensure that they understand the severity of the issue. We would then visit the supplier to review with them the processes they have in place and require them to communicate to us the appropriate steps that are being taken to make sure it doesn't happen again. We would also provide them with advice and assistance as to how to improve and we would also invoke the right to audit them going forward to keep monitoring the situation. This past year we assisted the police with a number of immigration and right to work issues raised that were carried out on our sites.

Managing risk in our supply chain

While we do not procure any materials direct from overseas and deal only with UK suppliers who carry out their own modern slavery compliance checks, we recognise that some of these suppliers in turn may source products from non-European Union (EU) high risk countries. This may relate to materials such as carpets, cable, electric components, and personal protective equipment (PPE). In addition, we risk the use of low-skilled or migrant labour supplied by subcontractors, specifically in relation to waste management and recycling, cleaning services, demolition, road works, and general construction trades. Moreover, the decentralised nature of our business, diverse nature of operations, and high number of projects means that we can have on average of 20,000 subcontractors providing services to our sites and offices on an annual basis.

We therefore have developed a comprehensive and multi-layered strategy to reduce the risk of modern slavery or forced labour from occurring within our supply chain. We have robust due diligence and risk assessments in place, including prequalification criteria for potential suppliers, contractual obligations, and minimum trading standards; provide modern slavery training to our suppliers through the Supply Chain Sustainability School and collaborate with industry organisations and peers to inform best practices. Our strategy is also based on the long term-relationships we have built with most of our suppliers over the years. Developing and maintaining strong long-term relationships with our supply chain is fundamental to our business as it helps us understand potential risks and take proactive measures towards mitigating them, while simultaneously encouraging them to adopt our responsible business practices. For example, through our Morgan Sindall Supply Chain Family, which was formed over 20 years ago, members receive training, on-site advice and a dedicated relationship management team. Members are also required to demonstrate a strong commitment to human rights as part of their participation. In 2023, we had over 400 members and 75% of the Group's total spend was with these suppliers. Throughout the year, our divisions continuously engage with their supply chains through various means, including in-person events and training sessions to communicate best practice and expectations. We require all suppliers who we work with to provide us with their own modern slavery policy or if they do not have one to commit to our Group policy.



Prequalification and ongoing monitoring

We require all new Tier 1 suppliers and subcontractors to prequalify for approval to work with us, and for all Tier 1 suppliers to be re-accredited every 24 months to ensure standards continue to be met. Each construction division maintains a database of subcontractors who are monitored for performance against set criteria. Through our assessments we evaluate a supplier's procedures for managing risks associated with modern slavery and forced labours within their organisations and ask them to verify that they have complied with all relevant UK legislation, including the Act, confirm that they have processes in place to check their employees' right-to-work status; and confirm that their supply chains have processes in place to check the same. Should any information provided by a supplier be insufficient or non-compelling, we request additional information and conduct further due diligence. Failure to do so may result in the termination of their contract.

Contractors that score highly for demonstrating strong controls against forced labour and promote human rights are prioritised within our business and awarded preferred status. In 2023, our divisions had identified 2,584 preferred contractors. Our spend with suppliers who have signed up to Group-wide agreements, which includes screening for labour and social criteria, accounted for 75% of our total spend (83% in 2022).

Our minimum trading standards

Once we contract with suppliers, our minimum trading standards form part of our terms and conditions of engagement and include contractual obligations relating to modern slavery mitigation. In accordance with these standards, we require all our suppliers to:

- provide their employees with good working conditions and fair treatment;
- respect workers' human rights and comply fully with all applicable laws;
- ensure all work is voluntary, and not done under any threat of penalties or sanctions;
- not require workers to pay any deposits for work, and employers must not keep original identity documents;
- ensure that workers are free to leave work at any time, with all salary owed to be paid;
- comply with the Modern Slavery Act (Transparency in Supply Chains) Regulations 2015;
- implement controls to prevent modern slavery; and
- notify the Group immediately if they become aware of any incidents of modern slavery within their supply chains.

These requirements are further iterated in our new Supplier Code of Conduct. We encourage all our suppliers to conduct periodic modern slavery risk assessments within their own supply chains and remain committed to taking action should suppliers breach these obligations. Our larger Tier 1 subcontractors, suppliers and joint venture partners (the majority of whom are UK-based) are themselves required to comply with the Act and consequently are expected to undertake their own due diligence and risk assessments.

Managing risk in our supply chain continued

We reserve a contractual right to carry out periodic compliance audits and/or request additional information and evidence in respect of a wide range of matters which include compliance with the Act (where applicable) and the standards we have set in relation to the risk management of anti-slavery and human trafficking. These processes are completed through our internal audit capabilities and documentation systems. In 2023, we implemented a new supply chain onboarding platform that allows us to identify, vet, and engage with a pool of over 50,000 prequalified suppliers in accordance with a range of industry standards, regulation and risk criteria, including those relating to human rights and forced labour. The platform also includes access to a 'risk radar' which will notify us of potential financial or social incidents associated with a subcontractor or supplier, to help us manage the risk more effectively.

Supplier training

We are a founding member of the Supply Chain Sustainability School (SCSS), which provides free training and skill development for our suppliers, including specific modules relating to the identification and management of modern slavery. Additional training topics provided by the SCSS include sustainable procurement, and fairness, inclusion and respect. In 2023, our suppliers completed over 10,500 e-learning modules and 1,910 suppliers attended training workshops. We were awarded Gold status (previously Silver) by the SCSS, reflecting our increased involvement and active knowledge-sharing. Our Group director of sustainability and procurement continues to be a member of the SCSS's Labour Group, which sets minimum standards for all members and the wider industry. We are a signatory of the SCSS's 'People Matter Charter', which sets out commitments relating to paying the living wage, due diligence in protecting human rights, identifying and reporting labour exploitation, and ensuring that those employed in the supply chain receive their entitled payments and benefits. These requirements apply to clients, main contractors and supply chain members. As at the end of 2023, 2,833 of our suppliers were registered with the SCSS, up from 2,778 in 2022.



Collaboration within and outside the industry to increase awareness

We work collaboratively with the government and other businesses on human rights to inform our approach, share our experiences and help address root causes and influence systemic positive change. We are a member of the Slavery & Trafficking Risk Template Development Committee, which operates under the Social Responsibility Alliance (SRA). The objective of the SRA is to build socially responsible supply chains by improving the collection of labour and human rights data which companies can monitor and act on. The Group also a member of the Gangmasters & Labour Abuse Authority's Construction Protocol, which aims to eradicate slavery and labour exploitation in the industry and commits to:

- working in partnership to protect vulnerable workers;
- sharing information to help stop or prevent exploitation;
- working together to manage information sensitively and confidentially;
- raising awareness within the supply chain; and
- maintaining momentum through the Protocol by communicating regularly.

Partnership Housing is a participant of the Construction Industry Internal Audit Forum and the Construction Industry Fraud and Corruption Forum, through which the division remains at the forefront of emerging compliance topics.

External recognition

The prevention of modern slavery in our operations and supply chain requires continuous vigilance and empowering our employees and contractors to act responsibly and always adhere to our standards and practices. We believe that our proactive measures and control mechanisms are robust, and we continue to educate our teams and supply chain partners about the risk of modern slavery and human trafficking. We are committed to doing so as part of our wider promise of being a responsible business, and our efforts have been recognised by external ESG third parties. We are included in the FTSE4Good Index, which rates companies on sustainability issues that include supporting human and labour rights and supply chain labour standards. We have also been awarded a AAA ESG rating by MSCI¹ for a third consecutive year, the highest score possible.

¹ MSCI is a provider of decision support services for the global investment community; its ESG ratings are used by the majority of our major shareholders.

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