

## Modern Slavery and Human Trafficking Statement

This statement has been published in accordance with the Modern Slavery Act 2015. It sets out the steps taken by Morgan Sindall Group plc ('the Company') and its subsidiary companies (see Appendix 1) (together 'the Group') during the year ending 31 December 2018 to prevent human trafficking and slavery in our business and supply chain. For the purposes of this statement, we treat our joint ventures (where we are responsible for the management and operation of the joint venture) as part of our supply chain.

### Our business and supply chains

Morgan Sindall Group is a leading UK construction and regeneration group with an annual turnover of £2.9 billion. We operate through six divisions: Construction & Infrastructure, Fit Out, Property Services, Partnership Housing, Urban Regeneration and Investments.

Our extensive supply chain ranges from large subcontractors providing specialist services such as mechanical and electrical installations, to providers of labour, goods and services. 88% of our cost of sales is spent on goods and services procured from suppliers. While we directly employ around 6,600 people we have in the region of 20,000 subcontractors working on our projects across the UK at any one time. Our supply chain is an integral part of our operations, and our success and reputation is inextricably linked to their performance and ethicality.

The Group has a set of core values and total commitments which include looking after our people, sourcing responsibly and creating value for both our customers and the communities in which we operate. Our approach is to develop long-term partnerships with suppliers whose policies, values and cultures, are aligned to our own. We expect high standards and work with our suppliers to ensure they can deliver against them. Around 390 manufacturers and suppliers are registered with our Morgan Sindall Supply Chain Family and each of our divisions has relationships with preferred suppliers. We actively support the construction industry's Supply Chain Sustainability School, which helps the industry's supply chain develop its sustainability skills.

### Policies and contractual controls

We have a zero-tolerance approach towards Modern Slavery and human trafficking both in our own operations and our supply chain.

Our procurement policy is to source goods and services efficiently and fairly. Our procurement methods are compliant with legislation, including health and safety regulations, and conform to our ethical, environmental and responsible business standards.

Our Ethics policy states that we will not tolerate abuse of human rights in any part of our business or supply chain and will take seriously any allegations that human rights are not properly respected. Similarly, our Modern Slavery policy specifically prohibits activities linked to slavery, servitude, forced labour and human trafficking. All our suppliers are required to comply with this policy. We also operate an independent raising concerns service, aimed principally at our employees but also available to others working on our projects, that encourages employees to report any wrongdoing including human rights abuses. All reports are formally investigated and

appropriate action taken. Our policies are developed by experts in the subject and approved by the Board.

Our minimum trading standards 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 – whether labour users or recruiters – 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 2015 (Transparency in Supply Chains) ('the Act');
- Implement appropriate controls to prevent Modern Slavery; and
- Notify the Group immediately if they become aware of any incidents of Modern Slavery within their supply chains.

The standards also encourage our suppliers to conduct regular Modern Slavery risk assessments within their own supply chains.

We will take appropriate action against suppliers who breach these obligations. Such action may include working with the supplier to help them to address a breach or in certain circumstances could result in the termination of their contract. We are reviewing the remedies that we would expect our suppliers to implement if we were made aware of any incidents of Modern Slavery and human rights abuses.

### 2018 Activities

In 2018, we undertook the following activities in respect of our obligations under the Act:

- Supported the Gangmasters and Labour Abuse Authority's (GLAA) Construction Forum in developing a site induction pack that includes a set of posters, video and presentations to help prevent Modern Slavery across the industry;
- Continued to ensure all our employees are trained about the Act, highlighting indicators that employees should be aware of which may indicate that someone may be subject to Modern Slavery;
- Engaged with the Supply Chain Sustainability School to share ideas regarding how best to identify and manage incidents of Modern Slavery should they arise. Our director of sustainability and procurement chairs the School's Labour Group which is seeking to set minimum standards for the industry in respect of the identification and management of Modern Slavery; and
- Developed a ToolBox Talk on Modern Slavery, which supports the eLearning we began to deliver in 2016.

We undertook two detailed investigations during in the year into possible incidents of Modern Slavery. Following the investigations, it was concluded that neither incident amounted to Modern Slavery, however the events allowed us to work closely with the local police and raise awareness

through additional training and toolbox talks of the red flags to look out for and how to raise a concern. Internally, this has led to us developing guidance to help our colleagues identify Modern Slavery as well as a process map showing how to investigate allegations.

Our evaluation of the impact of the ELS BES 6002 Ethical Labour Standard has been delayed until 2019/20. This will impact our registration to ISO 20400:2017 – Sustainable Procurement which is now likely to be completed in 2020 along with the introduction of an online due diligence questionnaire for our supply chain partners.

In order to mitigate our exposure to Modern Slavery we have a labour desk which manages the contracts and relationships with labour suppliers and ensures that they comply with all UK legislation and regulations. Similarly, our larger subcontractors and suppliers and joint venture partners (the majority of whom are UK based) are considered lower risk as they are themselves required to comply with the Act. We expect that they will undertake their own risk assessment and management relating

to slavery and human trafficking. As part of our existing due diligence and risk assessment process, all our supply chain must obtain pre-qualification clearance for approval to work with us. Post approval, 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 includes compliance with the Act (where applicable) and the standards we have set in relation to the risk management of anti-slavery and human trafficking in the supply chain.

### **Effectiveness in preventing Modern Slavery**

We will be reporting against the following key performance indicators in our 2019 Modern Slavery statement:

- Staff training levels;
- Activities that we undertake to support the Gangmasters Labour Abuse Authority Construction panel;
- Our evaluation of the impact of ELS BES 6002 Ethical Labour Standards on the Group; and
- Investigations undertaken into reports of Modern Slavery and remedial actions taken in response.

### **Training and awareness**

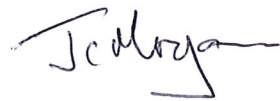
The Supply Chain Sustainability School provides our suppliers with access to a Modern Slavery training module as well as material to assist them in identifying and managing the risks associated with Modern Slavery. In 2016, we trained all our employees in Modern Slavery using an online training module which concludes with a test to assess their understanding and knowledge of the Act and all new joiners are required to complete the module. Our general counsel speaks to each employee who fails the test twice to ensure that they fully understand the issues raised and why they failed.

**Responsibility for compliance**

The director of each division is responsible for their supplier relationships and for their division's compliance with the Group's Modern Slavery policy and the Act. The divisional directors are advised and supported by the Group's director of sustainability and procurement, the head of procurement, the Group's commercial director, the general counsel, the company secretary and the Group head of audit and assurance.

This statement is made pursuant to section 54 of the Act and was approved by the Board of Morgan Sindall Group plc on 13 June 2019.

Signed

A handwritten signature in black ink, appearing to read 'J. Morgan', written over a horizontal line.

Chief Executive  
Morgan Sindall Group plc

Appendix 1

Morgan Sindall Group plc

