

| Modern Slavery and | Human Trafficking Statement 2021

This statement, published in accordance with the Modern Slavery Act 2015, 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 2021 to prevent human trafficking and slavery in our business and supply chain.

Our commitment to human rights is ingrained in our culture

We are committed to protecting the human rights of our employees, subcontractors and people living in the communities where we work, and we encourage our supply chain to prevent and address any threats to human rights within their own organisations. Our Core Values and our Total Commitments to our stakeholders include protecting people, working together with our supply chain and enhancing communities.

We support the UN Sustainable Development Goals (SDGs), and have prioritised those where we believe we can have the biggest impact. These include SDG 8: Decent work and economic growth, which aligns to our Total Commitment to 'protecting people'.

Our Core Values



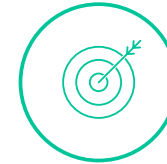
The customer comes first



Talented people are key to our success



We must challenge the status quo



Consistent achievement is key to our future



We operate a decentralised philosophy

Our Total Commitments



Protecting people



Developing people



Improving the environment



Working together with our supply chain



Enhancing communities

Our Core Values and Total Commitments are driven by our Board. Our divisional managing directors are responsible for embedding the Core Values in their own businesses and driving performance against our Total Commitment targets. The Board uses the Core Values as the criteria for monitoring the Group's culture.

Our suppliers and subcontractors are strategically important to us and we regard them as our partners. We develop long-term relationships with those who share our values and whose policies and culture are aligned with ours. We believe that working collaboratively with our supply chain promotes our culture and results in a better service for our clients.

UN Sustainable Development Goals



We have continued to take action to protect human rights across our organisation and supply chain

During the year, we

- continued to monitor and assess our risks of modern slavery;
- began the evaluation of our labour practices against the BES 6002 Ethical Labour Sourcing Standard;
- began our assessment against the ISO 20400:2017 Sustainable Procurement guidance;
- included a section on modern slavery in a new e-learning course on our Code of Conduct;
- encouraged our divisions to use Sedex, an organisation that audits working conditions in supply chains, to review the labour practices of their materials suppliers;
- prepared a guide for our site teams to help to identify signs of modern slavery and the questions they should ask if they suspect there may be an issue. We also clarified the support available for our site teams should an incidence of modern slavery be suspected; and
- liaised with Safecall (our raising concerns helpline service provider – see page 9) to ensure that their teams can detect if a call relates to a modern slavery issue, and with our site teams to ensure that our raising concerns posters are being displayed on all sites.

The evaluation of our labour practices against the BES 6002 Ethical Labour Sourcing Standard was conducted by the BRE (Building Research Establishment) and completed in 2022. The assessment included an examination of ethical approaches and human rights due diligence when sourcing labour and the Group was evaluated as being in the top quartile. We appointed BRE Global to carry out the assessment for us rather than self-assessing.

Our assessment against the international guidance standard for sustainable procurement, ISO 20400:2017, was conducted by Action Sustainability for each of our businesses and completed in 2022. The Standard is based on core principles of sustainability aligned to the UN Sustainable Development Goals and covers an assessment of ethical labour practices including subcontracted work activity.

In 2021, we introduced a new e-learning module for all employees on the standards of behaviour expected by our Code of Conduct. The Code contains a section on modern slavery, focusing on 'red flags' to be aware of, such as:

- restricted freedom, for example documents withheld, or workers not being allowed to travel alone;
- financial control, for example wages being withheld or recruitment fees being charged to a worker;
- excessively long working hours;
- signs of physical or psychological abuse;
- multiple workers giving the same home address; and/or
- workers being taken to and from our sites.

Our Group labour desk, run by five specialist recruitment agencies, assisted us during the year in managing the risks of off-payroll working and remaining compliant when recruiting contingent labour and temporary staff, by providing second and third verification of candidates including their rights to work. The agencies also ensured that we maintained scrutiny of payment and entitlements provided to workers hired through the labour desk.

Modern Slavery Act 2015

Offences under the Modern Slavery Act include slavery, servitude, forced or compulsory labour and human trafficking for the purpose of exploitation.

Morgan Sindall Group is committed to the Universal Declaration of Human Rights and preventing modern slavery in our operations and supply chain.

Find the full [Modern Slavery Act 2015](#) linked here.

Our business

Morgan Sindall Group is a leading UK construction and regeneration group with an annual turnover of £3.2 billion. We operate through five divisions: Construction & Infrastructure, Fit Out, Property Services, Partnership Housing and Urban Regeneration, with an aggregate of over 70 offices and 350 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. Our customers are drawn from the public sector, regulated industries and a



variety of commercial sectors. Appendix 1 contains more detail of our markets and business activities.

Our workforce is made up of around 6,900 direct employees. Of our direct employees, 8% are weekly-paid site operatives and covered by collective bargaining agreements. We do not prevent or deter anyone who works for us from joining or participating in a trade union. We outsource our office cleaning and a small number of IT staff.

Our supply chain

Our supply chain is extensive and ranges from large subcontractors providing specialist services such as mechanical and electrical installations, to suppliers of labour, goods and services for our sites and offices. Eighty two per cent of our cost of sales is spent on goods and services procured from our Tier 1 suppliers, i.e. those with whom we contract direct. All our procurement is carried out with UK suppliers, although some of these suppliers may source products from other countries, such as sanitaryware procured from manufacturers in Europe, or personal protective equipment (PPE) procured from manufacturers in Asia.

We have around 20,000 subcontractors working on our projects across the UK at any one time. Our supply chain is integral to our operations, and our success and reputation can be impacted by their performance and ethicality. While our supply chain is extensive, our decentralised philosophy enables each business to develop close relationships based on collaboration (see page 6).

Our policies and governance

Our Group policies support our commitment to being a responsible business. They are developed by experts in the relevant subjects, such as our Group general counsel, company secretary, Group director of sustainability and procurement, Group head of audit and assurance and divisional heads of HR. Group-wide policies, including our policy on modern slavery, are approved by the Board.

Our divisional managing directors are responsible for ensuring that the policies are communicated, implemented and enforced within their respective divisions. We also require each division to produce its own more detailed policies and procedures, reflecting Group-wide standards, appropriate for its particular business and markets and to ensure that they are embedded in the day-to-day conduct of the division's employees and people working on its projects.

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

Group policies in relation to human rights and modern slavery

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

The following Group policies are relevant to human rights and modern slavery:

- Our **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.
- 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 **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.

Our minimum trading standards for suppliers

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.

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

Communication of policies

We require all our divisions, subsidiaries, associated companies and joint venture interests to comply with the above policies in their dealings with employees and suppliers. Our policies are communicated to all employees through clear

links on intranets, inductions, regular briefings and training. We expect similar practices to be followed by our suppliers, subcontractors and business partners. Anti-bribery, ethics and modern slavery are all referenced in our standard contracts. Before accessing any of our sites, all workers are instructed in the policies they are expected to follow, including health and safety, modern slavery and our Code of Conduct.

Policy implementation

We have grievance procedures in place for our employees and disciplinary procedures for breaches of 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 people to report any wrongdoing including human rights abuses (see page 9 for more detail on the raising concerns service). All reports are formally investigated, and appropriate action taken. Policy compliance is monitored through our internal audit and control processes.

Our minimum trading standards form part of the terms and conditions when we contract with suppliers and we will take appropriate action should suppliers 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. Suppliers to our joint ventures are subject to the project terms and conditions agreed by the joint venture partners.

Our due diligence processes

Within our own business

We recruit our employees direct wherever possible in preference to using agencies. Where we do use agencies, it is part of their terms and conditions for working with us that they comply with the Modern Slavery Act and have processes in place to manage modern slavery risks. We verify that all new employees have the right to work in the UK and, as signatory to the Employer Pays Principle, pay their salaries to them direct without deducting any commission or charges from their salaries in return for work.

Prequalification and contract terms for our supply chain

We require all new Tier 1 suppliers and subcontractors to pre-qualify for approval to work with us, and to be re-accredited every 24 months. As part of the assessment, we examine their procedures for managing risks associated with modern slavery and forced labour within their organisations and supply chains and ask them to verify that they have complied with all relevant UK legislation, which includes the Act. Suppliers who demonstrate respect for human rights are prioritised. Should any information provided to us be either insufficient or non-compelling, we will ask for additional information and will conduct further due diligence if there is just cause.

Once we contract with suppliers, the minimum trading standards (see page 5), which refer to modern slavery risks, form part of their terms and conditions. We require all suppliers who we work with to provide us with their own modern slavery policy or if they don't have one to commit to our Group policy. 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.

Long-term relationships with our supply chain

One of our Total Commitments is 'working together with our supply chain'. We take a strategic approach to developing long-term relationships with our supply chain, founded on trust and alignment of values. This includes developing and taking part in supply chain networks and forums. Over 400 manufacturers and suppliers are registered with our Morgan Sindall Supply Chain Family, a Group-wide network for sharing ideas and best practice. Every two to three years we organise a networking and best practice sharing event for our suppliers, attended by some of our clients. In 2021, we held an event for our Supply Chain Family called 'Meeting the Challenge' on the theme of working together to tackle climate change. The event brought together 1,000 suppliers, employees and clients at Silverstone, and provided an opportunity for our suppliers to meet with our teams, our

clients, and each other to share ideas about new products and innovations and discuss other industry challenges such as materials supply.

We support the Supply Chain Sustainability School which helps suppliers develop their skills and provides free training, including modern slavery modules, and we share ideas through the School on how to identify and manage any incidents of modern slavery. Our Group director of sustainability and procurement chairs the School's Labour Group, which is looking to set minimum standards for the industry and manages the School's 'People Matter Charter', to which we are a signatory. The Charter sets out several commitments that apply to clients, main contractors and the supply chain; these include due diligence in protecting human rights, identifying and reporting labour exploitation, paying the living wage and ensuring those employed in the supply chain receive the payments and benefits to which they are entitled.



83%

of our cost of sales is procured from Tier 1 suppliers

81%

of suppliers (by spend) signed up to Group-wide agreements

2,595

suppliers registered with the Supply Chain Sustainability School

413

members of the Morgan Sindall Supply Chain Family

1,850

preferred subcontractors

98%

invoices paid within 60 days

Each of our construction divisions maintains a database of subcontractors who are monitored for performance against set criteria and given constructive feedback. They are awarded preferred status when they score highly which leads to repeat work and long-term relationships. Eighty-one per cent of our suppliers, by spend, were signed up to Group-wide agreements in 2021; through these procurement agreements we can give our subcontractors access to better pricing. Our policy is to treat our supply chain fairly; we are signatories of the Prompt Payment Code and in 2021 our divisions continued to work with their suppliers and subcontractors to speed up the process of receiving and paying invoices. Our largest division, Construction & Infrastructure, paid 98% of invoices within 60 days in 2021 and reduced its average time taken to pay to 25 days from 27. We do not use any supplier finance arrangements.

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 we expect them to undertake due diligence and risk assessment and management within their own supply chains. We also ask that they cascade our Group policies and minimum trading standards to their suppliers and anyone working on our projects.

Ensuring ongoing vigilance

Using materials provided by the Gangmasters and Labour Abuse Authority (GLAA), we have developed 'toolbox talks' to raise awareness of modern slavery for our own employees and site operatives employed by our supply chain. The toolbox talks are delivered by our project teams on site and focus on the impact that modern slavery and forced labour can have on victims, the signs to watch out for, and how to raise the alarm.

Other materials on modern slavery, provided by the GLAA, are distributed across the business and project sites. These include posters which are displayed on sites in prominent locations visible to supply chain operatives, for example in canteens and bathroom cubicles.

Several of our divisions require all suppliers and their operatives to undertake an online pre-registration and induction process prior to arriving on site, where they then receive a more tailored site-safety induction. Information on what might constitute modern slavery, and advice for operatives on how to seek help or report any concerns, are included, based upon the GLAA material provided to us.

Should anyone notice signs of modern slavery, they have access to our independent, well-communicated raising concerns service related to human rights, including labour conditions (see page 9). We also let our suppliers know that we expect them to have their own internal mechanism for raising concerns.

“ We take a strategic approach to developing long-term relationships with our supply chain, founded on trust and alignment of values.

Risk assessment

Within our business

We have assessed the risk of modern slavery and human trafficking within our business, and the assessment has shown that there is a low risk of modern slavery in all parts of our activities. Our operations are predominantly UK-based; we have c300 employees working in Switzerland, Germany and Austria in our design business. Our employees are given legal employment contracts upon joining. Each contract sets out the employee's roles and responsibilities, pay and benefits and the hours they are expected to work. We have grievance procedures in place for employees to report any breach of their contract and in addition they have access to our raising concerns service.

Within our supply chain

With the support of the consultancy Action Sustainability, we reviewed our supply chain to identify those that may potentially be at greater risk of instances of modern slavery. The mapping exercise identified that our biggest risk is from the use of low-skilled or migrant labour in our supply chain and from the supply by subcontractors of materials sourced from outside the EU. The Group spent approximately £2.6bn in the year through our supply chain for materials and labour.

Our risks identified in respect of labour include services provided for waste management and recycling, security, cleaning, demolition, road works and general construction trades. These services account for approximately 27% of the Group's total supply chain expenditure.



Our risks in respect of materials sourced from outside the EU include materials for floor fittings, brick and blockwork, metalwork, steel, ironmongery and quarry products. These materials account for approximately 3-4% of the Group's total supply chain expenditure.

Recognising that we buy relatively few materials directly, instead employing subcontractors to supply and install materials as part of their packages, we use the Morgan Sindall Supply Chain Family to review key third-party suppliers' modern slavery policies and procedures.

Risk management

Supply of unskilled labour for sites

In order to mitigate our exposure to modern slavery, we have a labour desk which is operated by a collaboration of five specialist recruitment agencies. The agencies manage relationships and contracts with workers and the terms of their appointment dictate that the agency must be certain that all workers have the right documentation to work in the UK and that the contracts comply with all UK legislation and regulations. People employed via the desk are paid direct. Our Group director of sustainability and procurement has overall responsibility for the labour desk and manages the contracts with the agencies.

It is a mandatory requirement of our pre-qualification process that subcontractors comply with all UK legislation and regulations; 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.

We take regular opportunities to remind our supply chain of the importance of combating illegal working and of their legal obligation to ensure that their employees have the right to work in the UK, signposting them to Home Office resources and advice. We have distributed our Code of Conduct (see page 5) to our supply chain, requiring them to maintain the standards set out in it within their own businesses.

Building materials produced overseas

We do not procure any materials direct from overseas and deal only with UK suppliers who carry out their own modern slavery compliance checks. It is part of our selection process

to award contracts to suppliers who have better modern slavery procedures in place. Our long-standing relationships with the Morgan Sindall Supply Chain Family of suppliers and manufacturers have helped us navigate supply challenges and ensure we are able to maintain existing channels. We work closely with our subcontractors where necessary to help them overcome any supply issues they experience.

Supply chain audits

If we become aware of a concern within our supply chain, we will initially telephone the supplier and discuss it with them to ensure that they understand the severity of the issue and gain an understanding as to how the matter has arisen. We will then visit the supplier to review with them the processes they have in place and offer advice and assistance as to how these might be improved; for example, suggesting they always check original documentation, such as passports, or highlighting potential signs of modern slavery that they might not have been aware of, such as an office address being used as a home address.

We are members of Sedex, a not-for-profit organisation that aims to improve ethical and responsible business practices in supply chains. Sedex can help our divisions audit suppliers of materials, particularly where the supplies come from overseas.

Independent raising concerns facility

We operate a whistleblowing service operated by an independent third party, Safecall, which is available 24 hours a day to all our employees and subcontractors to raise any concerns about behaviours or decisions that do not uphold the standards set by our Code of Conduct, modern slavery policy and other policies. The service enables people to report concerns anonymously and in confidence, without

fear of retaliation: we do not permit retaliation against anyone making reports in good faith. It can be accessed by telephone, email, or via the service's website. The hotline reporting mechanisms are explained to all our employees and subcontractors on induction, repeated throughout our e-learning courses and published online and on office and site notice boards. A direct link to the reporting page is provided on our intranets. As part of the service, we promise timely investigation, follow-up and a resolution of all issues.

The Board reviews our arrangements for raising concerns twice a year and monitors all reports of non-compliance with our procedures. The Board considered all reports raised in 2021 to have been fully investigated. None of the issues raised related to instances of modern slavery, forced labour or human trafficking.

While no instances of modern slavery were raised internally or via our raising concerns service, we assisted the police and the Gangmasters and Labour Agency with their inquiries into two separate allegations concerning right-to-work permissions and modern slavery. Each of these inquiries arose from isolated incidents in our supply chain and no wrongdoing was identified or remedial actions required.

Training and awareness

Training for employees

All employees are required to undertake e-learning on modern slavery, which is included within a training module on our Code of Conduct. Employees who work on our sites are required to attend toolbox talks on modern slavery.

Training for suppliers

We refer our supply chain to the Supply Chain Sustainability School where they can access e-learning modules on modern slavery and we promote the School's events and briefing sessions. The School provides training and materials to assist suppliers in identifying and managing the risks associated with modern slavery within their organisations, as well as guidance on how to conduct due diligence with regard to their own supply chains. Suppliers are also guided on how to link their modern slavery initiatives to their wider legislative and ethical approach to labour standards such as Right to Work checks. We engage with the Supply Chain Sustainability School to share ideas regarding how best to identify and manage incidents of modern slavery should they arise. Other training topics provided by the School include sustainable procurement, and fairness, inclusion and respect.

Collaboration within and outside the industry to increase awareness

Our Group director of sustainability and procurement is a member of the Gangmasters & Labour Abuse Authority's Construction Protocol, which is aimed at eradicating slavery and labour exploitation in the industry. The protocol commits signatories to:

- work in partnership to protect vulnerable workers;
- share information to help stop or prevent exploitation;
- work together to manage information sensitively and confidentially;
- commit to raising awareness within the supply chain; and
- maintain momentum through the protocol by communicating regularly.

In addition, our Group director of sustainability and procurement is a member of the Slavery & Trafficking Risk Template (STRT) Development Committee, which operates under the Social Responsibility Alliance (SRA). The SRA facilitates the collection of labour and human rights data to help companies build socially responsible supply chains and ultimately improve the lives of people affected by human rights violations. The development committee is a consensus-based consortium of organisations working together to

develop and maintain the STRT and other data collection tools.

Our Construction business's director of procurement and employee relations has joined Achilles' Ethical Business Working Group, along with a number of our clients and industry peers. The working group advises on Achilles' Ethical Business Programme, set up to enable organisations to investigate and improve employment conditions in their supply chain, and supported by anti-slavery charity, Unseen. As a member of the working group, we are conducting 33 ethical site audits over the next six months, having trialled audits on three sites earlier in the year. Achilles is a global supply chain data validation company.

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

Effectiveness in preventing modern slavery

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.

All new employees who joined the Group in 2021 undertook e-learning on modern slavery as part of their training in our Code of Conduct (see the training matrix on page 10). The module concludes with a test to assess employees' understanding of how to identify the risks and signs of modern slavery. A score of eight out of 10 is required to pass the test. If an employee fails twice, our general counsel speaks to them to ensure that they fully understand the issues raised and why they failed.

We received no reports of incidences of modern slavery in 2021 within our own business or supply chain, and therefore no investigations or remedial actions were required.

Looking ahead

We will be reporting against the following key performance indicators in our 2022 modern slavery statement:

- employee training;
- investigations undertaken into any reports of modern slavery and remedial actions taken in response;
- implementing the actions arising from our assessments under BES 6002 Ethical Labour Sourcing Standard and ISO 20400:2017; and
- reviewing whether we partner with the Slave-Free Alliance to support the Group's management of modern slavery risks.

We will continue to be committed to human rights, our Core Values and our Total Commitments; 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.

This statement is made pursuant to section 54 of the Modern Slavery Act and was approved by the Board of Morgan Sindall Group plc on 23 June 2022.



John Morgan,
Chief Executive
Morgan Sindall Group plc

Appendix 1
Who we are

Morgan Sindall Group is a leading UK construction and regeneration group, operating through five divisions



Construction & Infrastructure

Morgan Sindall Construction & Infrastructure provides construction services in the education, healthcare, commercial, defence, industrial, leisure and retail markets and delivers infrastructure projects in the highways, rail, energy, water and nuclear markets. Infrastructure also includes the BakerHicks activities based in the UK and Switzerland.

Fit Out

Overbury specialises in fit out and refurbishment in commercial, central and local government offices, retail banking and further education. Morgan Lovell provides office interior design and build services direct to occupiers.

Property Services

Morgan Sindall Property Services provides responsive repairs and planned maintenance for social housing and the wider public sector.

Partnership Housing

Lovell Partnerships works in partnerships with local authorities and housing associations. Activities include mixed-tenure developments, building and developing homes for open market sale and for social/ affordable rent, design and build house contracting and planned maintenance and refurbishment.

Urban Regeneration

Muse Developments focuses on transforming the urban landscape through partnership working and the development of multi-phase sites and mixed-use regeneration.