

## **Morgan Sindall Group plc**

Modern Slavery and Human Trafficking Statement 2022

Morgan Sindall Group is committed to the Universal Declaration of Human Rights.

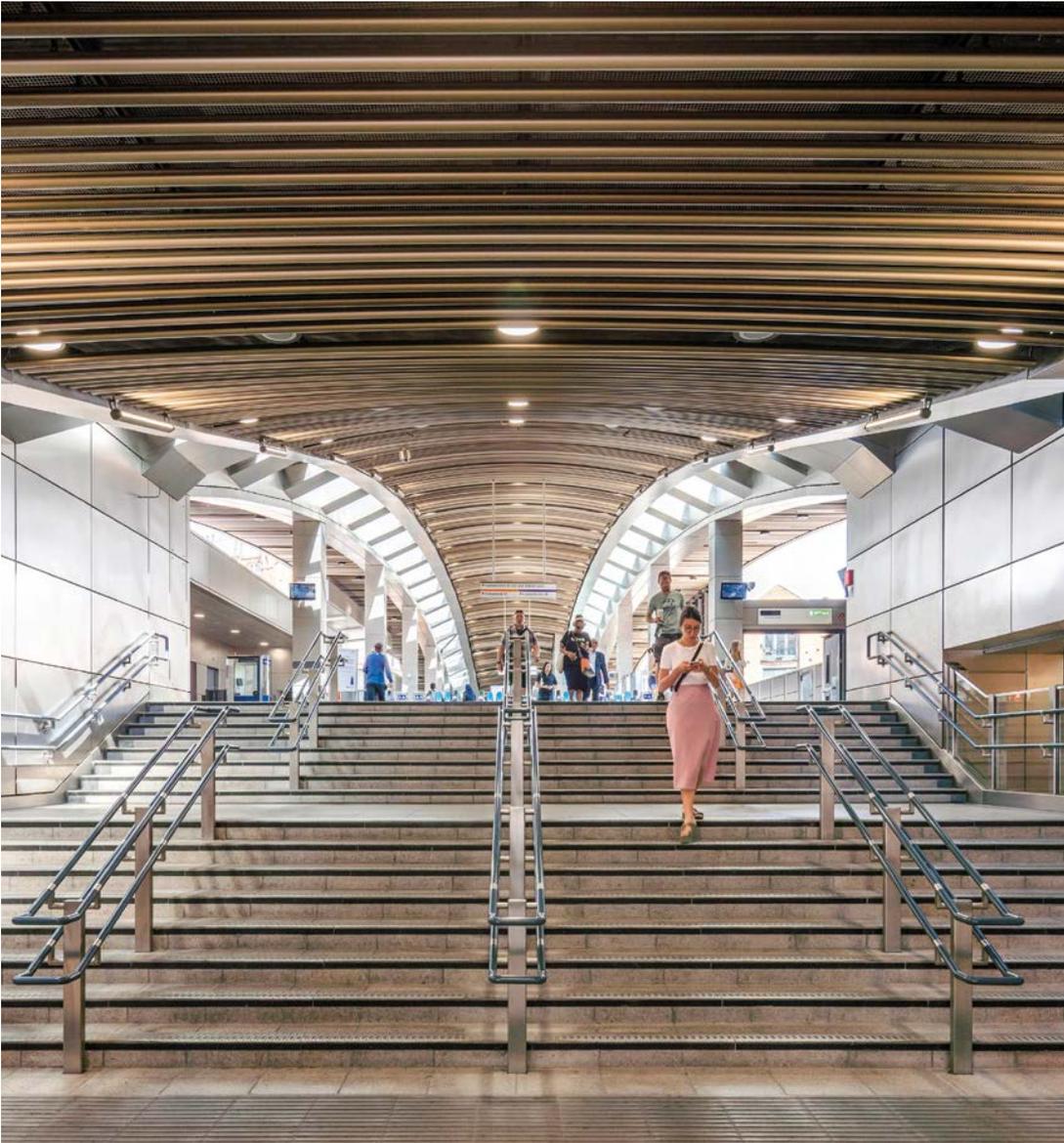
This statement, published in accordance with the Modern Slavery Act 2015, sets out the steps taken by Morgan Sindall Group plc ('the Company') and its subsidiary companies (together 'the Group') during the year ending 31 December 2022 to prevent human trafficking and slavery in our business and supply chain.

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

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

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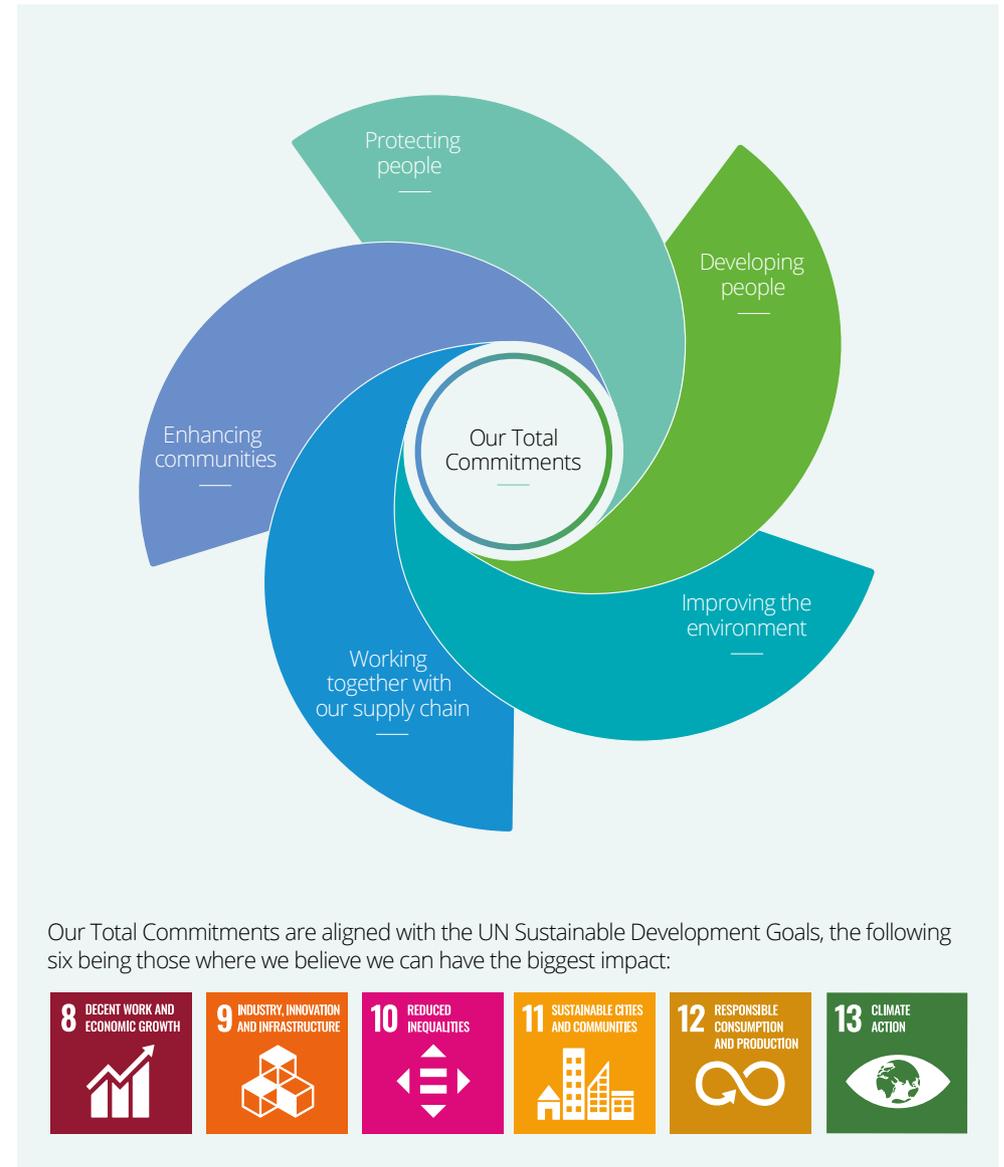


## OUR VALUES AND COMMITMENTS

# Our commitment to human rights is *ingrained* in our culture

Our Total Commitments, which have guided our responsible business strategy since 2006 and are driven by the Board, include protecting people, working together with our supply chain and enhancing communities. Our endeavours to protect the rights of our employees, subcontractors and the people living in the communities where we work underpin these three commitments. As we are a decentralised business, our divisional managing directors are responsible for embedding the Total Commitments into their businesses and at least once a year the Board reviews the approach and progress being made by management to identify areas where risk of human trafficking and modern slavery may occur.

We have adopted a proactive and holistic approach to managing the risks and minimising the likelihood of modern slavery and human trafficking happening both in our own operations and our supply chain. This includes periodic risk assessments, thorough due diligence, continuous engagement with employees and suppliers, collaboration with external stakeholders and remediation when necessary. At the end of 2022, we undertook a gap analysis of our management of modern slavery risks. As a result, we are developing a clearer roadmap for identifying and addressing modern slavery risks in our operations and supply chain; more detail will be provided during our 2023 reporting cycle.



Our Total Commitments are aligned with the UN Sustainable Development Goals, the following six being those where we believe we can have the biggest impact:



## OUR VALUES AND COMMITMENTS continued

We work collaboratively with suppliers, civil society, 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. Our relationships with our supply chain are essential in the successful delivery of our projects and we regard them as our partners. We provide additional resources and training to support our supply chain in preventing and addressing any threat to human rights within their own organisations. Contractors are made aware of their obligations and responsibilities towards our sustainable procurement principles and our human rights commitments through the appropriate contractor agreements, i.e. where we have a direct contract for goods or services.

We are committed to building awareness and knowledge of our employees and suppliers on human rights throughout the Group. We encourage anyone to speak up, without retribution, about any concerns they may have, and our policies and processes reflect this. We provide a free 24-hour whistleblowing service operated by an independent third party, Safecall, to all our employees and subcontractors to raise any concerns about behaviours or decisions that do not uphold the standards set by our Group Code of Conduct, modern slavery policy, human rights policy and any other policy. 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.

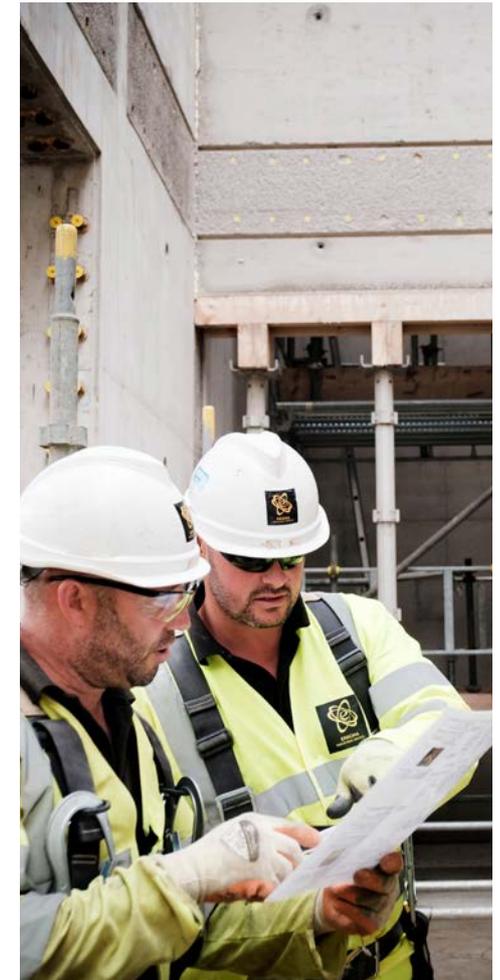
Our human rights policy, which was adopted by the Board in August 2022, clearly supports the UN Guiding Principles on Business and Human Rights and the Universal Declaration of Human Rights, and our Code of Conduct provides a framework for how we should act when engaging with our clients, colleagues and suppliers.

We continuously evaluate our operations and supply chain to identify, assess and address human rights risks. In 2022, we partnered with Unseen, an anti-slavery charity offering a range of services to help companies stay on top of forced labour risks in their businesses and supply chains. We commissioned Unseen to conduct a gap analysis across our business and support us in developing a plan for prioritised action. The gap analysis will evaluate our ongoing implementation of due diligence and processes to identify and mitigate potential impacts on human rights. The gap analysis was undertaken in late 2022 and, in 2023 an action plan will be developed and rolled out, spearheaded by a newly formed, cross-divisional forum that will include a member of Unseen. The forum will help facilitate implementing Unseen's recommendations.

Other key achievements for our management of modern slavery risk in 2022 includes:

- We achieved ISO 20400:2017 Responsible Procurement accreditation. 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.

- We achieved accreditation in ELS BES 6002 Ethical Labour Sourcing standards. 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 also appointed BRE Global to carry out the assessment for us rather than self-assessing, providing an additional level of transparency.
- We updated our Modern Slavery and Human Rights Minimum Trading Standard for inclusion in new contracts. This will commence in 2023.
- We rolled out an updated and expanded toolkit for employees including site posters, site inductions, supervisor briefings, toolbox talks 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.
- Construction carried out 33 ethical site surveys in partnership with global data validation company Achilles, which included over 1,000 direct conversations with site operatives.
- We continued to roll out mandatory e-learning course on our Code of Conduct for all new and existing employees, including a section on modern slavery.
- We liaised with Safecall (our raising concerns helpline service provider) to ensure that their teams can detect if a call relates to a modern slavery issue.



## OUR BUSINESS AND SUPPLY CHAIN

### Our business

Morgan Sindall Group is a leading UK construction and regeneration group with an annual turnover of £3.6 billion. 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 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 over 7,000 direct employees, 4% of whom are weekly-paid site operatives covered by collective bargaining agreements, and we outsource a small number of IT staff and office cleaning personnel. We respect freedom of association and our employees' right to join, or not to join, third-party organisations such as labour 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. More information is included within our human rights policy, which can be found in the Governance section on our website, under 'Policies and assurances'.

### Key performance indicators

As a Group, we report against the following KPIs: 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 8 for information on employee training and page 7 for information on our reporting and remedial processes. We have successfully completed ELS BES 6002 accreditation which included baseline standards in 12 key areas, including management systems, assurance, supply chain management and reporting. We scored a three or four (four being the highest) in nine categories and surpassed baseline requirements on all criteria. As part of our ongoing commitment to transparency and improving ethical labour sourcing practices in our own business and supply chain, the assessment scoring was completed independently by BRE and the Group will undergo a reassessment in late 2023.

### Our supply chain

Our decentralised business means that at any given time we can have around 20,000 subcontractors providing a wide range of services including mechanical and electrical installations, labour, goods, and services for our sites and offices. However, all our procurement is carried out with UK-based suppliers, although we recognise that some of these suppliers may source products from other countries.

We founded our Morgan Sindall Supply Chain Family over 20 years ago so that the businesses can develop close relationships with their suppliers. Members benefit from training, design support, on-site practical advice, access to contract information and upcoming projects and a dedicated relationship management team. To date, almost 400 manufacturers and suppliers are registered with our Morgan Sindall Supply Chain Family. In addition, we are a founding member of the Supply Chain Sustainability School and continue to partner with them to help suppliers develop skills and provide free training, including modern slavery modules that address how to identify and manage potential incidents of modern slavery. As at the end of 2022, 2,778 of our suppliers were registered with the School, up from 2,595 in 2021.

Our Group director of sustainability and procurement also chairs the School's Labour Group, which looks to set minimum standards for the industry. The leadership position our director holds provides us with additional foresight on emerging trends and regulation. The School also manages the 'People Matter Charter', which sets out several commitments that apply to clients, main contractors and the supply chain, including 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. The Group is a signatory of the Charter.



## GROUP POLICIES AND IMPLEMENTATION

### Our policies and governance

To support our commitment to being a responsible business, our policies have been developed by subject matter experts, including our Group general counsel, company secretary, Group director of sustainability and procurement, Group head of audit and assurance, divisional heads of HR and our newly appointed Group director of sustainability. Group-wide policies, including our policy on modern slavery and human rights policy, are approved by the Board and regularly monitored and reviewed, with the Board audit committee and Group general counsel having ultimate oversight. In the event of a report of non-compliance, the Board is notified via the 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 managers directly investigate and manage individual cases for their divisions as appropriate.

### Group policies in relation to human rights and modern slavery

We have taken a proactive approach to managing the risks and minimising the likelihood of modern slavery and human trafficking happening 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 **human rights policy** was approved by the Board in August 2022 and 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.

At the divisional level, our managing directors are responsible for ensuring compliance with the Group's Code of Conduct, modern slavery policy and Modern Slavery Act and that these, and other policies, are communicated, implemented and enforced among suppliers. 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. As such, many of our divisions have also adopted additional policies and procedures relating to recruitment, whistleblowing, grievance and harassment. 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 2022, the responsible business committee reviewed the Group's 2021 modern slavery and human trafficking statement (2021 statement) on behalf of the Board. As part of its review, the committee considered both the requirements of the Modern Slavery Act 2015 and the Group's actions and future actions to ensure that the risk of modern slavery is being appropriately managed.



## GROUP POLICIES AND IMPLEMENTATION continued

### 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 their employees and suppliers. Our policies and procedures are explained to all our employees as part of the onboarding process and to subcontractors during induction, repeated in e-learning courses throughout the year, and published on our intranets and office and site notice boards. We expect similar practices to be followed by our suppliers, subcontractors and business partners. 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 through 'toolbox talks' and audits. We have distributed our Code of Conduct to our supply chain, requiring them to maintain the standards set out in it within their own businesses. 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. While on site, employees and contractors participate in toolbox talks as part of site inductions to raise awareness of modern slavery of our employees and site operatives employed in our supply chain. These occur regularly throughout the duration of the project. Finally, anti-bribery, ethics and modern slavery are all referenced in our standard contracts.

### Policy implementation

In the event of a breach of policy, we have grievance procedures in place and operate a completely confidential, independent raising concerns service that encourages our employees, or anyone working on our projects, to report any wrongdoing including that related to human right abuses. Our whistleblowing service is operated by an independent third party, Safecall, available 24 hours a day, and allows for both contractors and employees to report anonymously and in confidence, without fear of retaliation. 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. All reports are formally investigated by divisional HR leads and managers and the Board is notified of any reports of non-compliance via the service. Twice a year, the Board reviews these arrangements for raising concerns to ensure they are suitably robust.

In 2022, the Group received 38 whistleblowing reports (2021: 39), of which 19 were made through our raising concerns service. None of the issues raised related to instances of modern slavery, forced labour or human trafficking.

No specific complaints were escalated for Board attention outside its normal review, and the Board was satisfied that all the reports made in 2022 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. In addition, our whistleblowing count equates to one report per 186 employees, a figure that compares favourably against Safecall's other construction clients of one report per 400 employees. Our performance indicates that our employees have a high level of awareness of ethical issues and are willing to speak up.

While our remediation process would depend on the type of incident, in the event that we are notified of potential forced labour in our supply chain, we would conduct an investigation 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 they to improve and we would also invoke the right to audit them going forward to keep monitoring the situation.



## TRAINING AND AWARENESS

### Training for employees

All new joiners are required to undertake e-learning on modern slavery, which is included within a training module on our Code of Conduct and two additional courses where the topic is reviewed. The training content has been created by our Group general counsel and supplemented with additional divisional level trainings. All modules conclude 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. Employees who work on our sites are also 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 best practice regarding how 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. Partnership Housing is also a regular participant of the Construction Industry Internal Audit Forum and the Construction Industry Fraud and Corruption Forum that brings together audit and assurance professionals in the construction sector to discuss emerging compliance, ethics, and integrity risks.

### 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

## OUR DUE DILIGENCE PROCESSES

### Within our own business

Whenever possible, we recruit employees directly in preference to using agencies. However, when we are required to 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. The Group also relies on five specialist recruitment agencies to assist in running the Group's labour desk and in managing the risks of off-payroll working. This helps us remain compliant when recruiting contingent labour and temporary staff by providing second and third levels of verification of candidates, including right to work in the UK. The agencies also ensured that we maintained scrutiny of payment and entitlements provided to workers hired through the labour desk. We verify that all new employees have the right to work in the UK and, as signatory to the Employer Pays Principle, we pay salaries directly to employees and do not deduct commission or charges in return for work. As described previously, our divisions also pay the real living wage or above and two divisions are accredited Living Wage Foundation employers.

We recognise that paying our supply chain on time is essential in helping us attract the best quality suppliers to work with; as such, we aim to pay our suppliers as promptly as possible. We are signatories of the Prompt Payment Code and do not use any supplier finance agreements. In 2022 Construction & Infrastructure, our largest division, improved its payment rate within 60 days to 99% (2021: 98%) Fit Out paid 96% of its

invoices within 60 days (2021: 97%). Property Services paid 97% of invoices within 60 days, up slightly from 96% in 2021 and Partnership Housing maintained its 2021 rate of 96% of invoices paid within 60 days. Urban Regeneration improved its payment rate to 98% within 60 days (2021: 94%). Our prompt payment rates are a key performance indicator for our responsible business practices and we report our performance every six months in accordance with UK government requirements.

We also use materials provided by the Gangmasters and Labour Abuse Authority (GLAA) and Unseen to develop new means of raising awareness of modern slavery for employees and site operatives employed by the supply chain. Our project teams on site deliver periodic toolbox talks that focus on identifying forced labour, its impacts on victims and how to raise a report. We distribute GLAA materials on modern slavery across the business and project sites through posters, which are included in multiple languages, and ensure they are displaced in highly visible areas such as bathrooms and canteens.

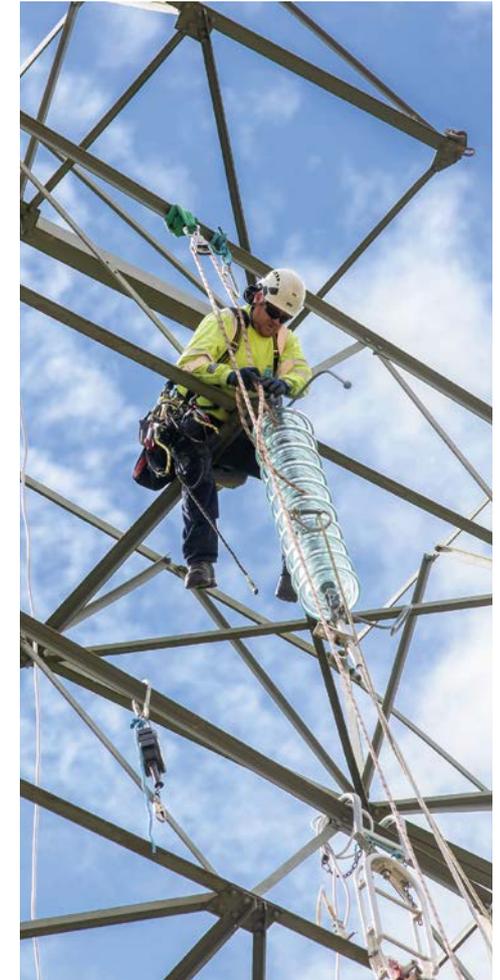
In 2022, we rolled out an updated and expanded modern slavery toolkit for all divisions that included additional site posters, enhanced site induction materials for operatives, additional site supervisor briefings on the topic and links to learning materials. These new resources are video-based and interactive to encourage viewers to engage with the material, making it more effective.

### Our minimum trading standards for suppliers

In 2022 we began the process of updating our Modern Slavery and Human Rights Minimum Trading Standard for inclusion in new contracts. This will be completed in 2023. Our trading standard forms part of our terms and conditions of engagement with suppliers and includes contractual obligations relating to modern slavery mitigation. The new text has been reviewed by Unseen and will be implemented in 2023.

Through our trading standard 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.



## OUR DUE DILIGENCE PROCESSES continued

The standards also encourage our suppliers to conduct regular modern slavery risk assessments within their own supply chains. We remain committed and will take appropriate action should suppliers breach these obligations. Such action may include working with the supplier to help them address a breach or, in certain circumstances, could result in the termination of their contracts.

### Prequalification and contract terms for our supply chain

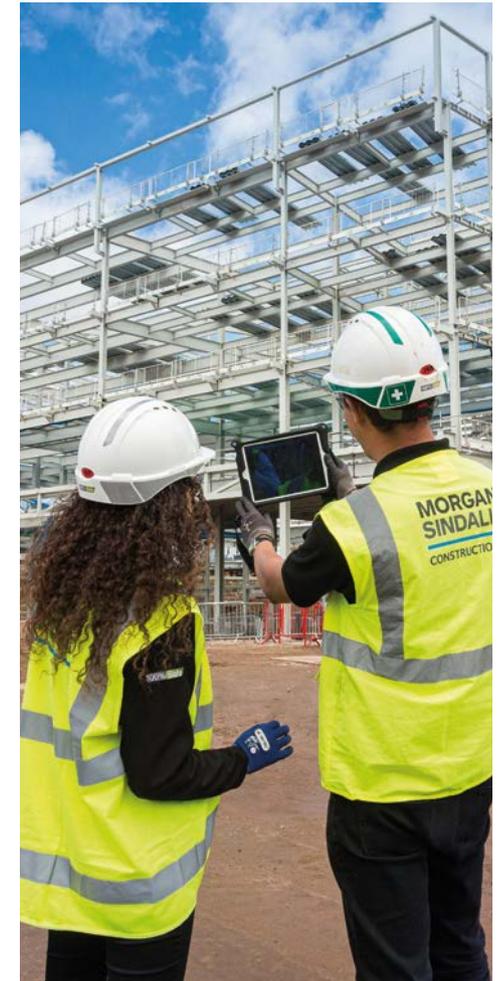
As part of our commitment to being a responsible business, we take a strategic approach to developing long-term relationships with our supply chain in order to better understand potential risks and proactively take mitigating actions (for more information on our Total Commitments, see page 3). Throughout the year, our divisions continuously engage with their supply chains through in-person events, newsletters and training sessions to communicate best practice and expectations. 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. Nevertheless, 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. 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. Should any information provided by a supplier be insufficient or non-compelling, we request additional information and conduct further due diligence.

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.

Once we contract with suppliers, the minimum trading standards (see page 9), 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 do not have one to commit to our Group policy. We also 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. These processes are completed through our internal audit capabilities and documentation systems. For example, many of our divisions use a symbiont tracking software that allows for recording and closing out audit actions and reviewing subcontractors' documentation submissions.

In 2022, our Construction business carried out 33 ethical site surveys in partnership with global data validation company Achilles, which included over 1,000 direct conversations with site operatives. As a result of these surveys, Construction is aiming to further upskill project teams and supply chain partners on modern slavery awareness and mitigation and to increase training of teams to respond effectively to any reports of ethical labour concerns. Construction will also place a focus on educating supply chain partners to ensure they understand and discharge their obligations on right-to-work checks, and subsequently audit them on the effectiveness of their ethical employment processes and activities.

Each construction division maintains a database of subcontractors who are monitored for performance against set criteria, including demonstrated strong controls against forced labour, and given construction feedback on a regular basis. These contractors are awarded preferred status when they score highly, leading to repeat work and long-term relationships. Suppliers that demonstrate stronger controls against forced labour and promote human rights are prioritised within our business. In 2022, our divisions had identified 2,731 preferred contractors. At the Group level, we host networking events for suppliers every two to three years and the Group's director of sustainability and procurement helps manage relationships with subcontractors and suppliers who work with more than one division. Over the years, our annual spend among suppliers signed up to Group-wide agreements, which includes screening for labour and social criteria, has steadily increased from 67% of total spend in 2019 to 83% in 2022.



## RISK ASSESSMENT AND MANAGEMENT

### Risk assessment

#### Within our business

The Group's Board, through the responsible business committee, annually assesses the approach and progress of work taken by management and division to identify areas where there is any risk of human trafficking and modern slavery as part of its review of the Group's modern slavery and human trafficking statement. This is also done in consideration of the requirements laid out in the Modern Slavery Act 2015. Following the 2022 review, the committee is satisfied that modern slavery is not currently a principal risk for the Group as the assessment has shown that there is a low risk of modern slavery in all parts of our activities. Providing we remain proactive and continue to educate our teams and supply chain partners about modern slavery and human trafficking risks and indicators, it is unlikely to have a material, long-term impact on the business. The Board remains committed to evaluating emerging regulation and best practices to inform future assessments.

#### Within our supply chain

As discussed on page 10, we assess our supply chain partners to identify those that may potentially be at greater risk of instances of modern slavery and prioritise work among those that have demonstrated a strong commitment to human rights. We do not procure any materials direct from overseas and deal only with UK suppliers who carry out their own modern slavery compliance checks as discussed on page 10. Moreover, for every project a risk register is developed that considers potential supply chain

risks and all materials used are third-party certified to quality and relevant procurement requirements. For example, our Infrastructure business requires suppliers to maintain a complete set of records to trace the supply chain of all goods, materials and services. As also previously stated, it is part of our selection process to award contracts to suppliers who have better modern slavery procedures in place. Nevertheless, our assessment continues to identify that our biggest risk is from the procurement of materials from outside the EU and 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. In 2022, these services accounted for approximately 15% of the Group's total supply chain expenditure. Materials sourced from high risk countries outside of the EU account for approximately 10% of the Group's total supply chain expenditure and include materials such as carpets, cable, electric components and personal protective equipment (PPE). We use the Morgan Supply Chain Family for the vast majority of our spend value and to review third-party suppliers' modern slavery policies and procedures (see page 5 for more information).

### Risk management

As stated in the previous pages, we have a wide range of management measurements in place to reduce our exposure to modern slavery, including the use of a third-party operated labour desk and whistleblowing hotline, contractual obligations and regular employee and contractor training.

### A summary of our management practices is shown below:

- ISO20400:2017 and ELS BES 6002 accreditations

+ See pages 4 and 5 for more information

- Collaboration with Supply Chain Sustainability School and other industry organisations

+ See pages 5 to 8 for more information

- Robust Group policies and governance

+ See pages 6 and 7 for more information

- Employee and contractor training and awareness

+ See page 8 for more information

- Whistleblowing and grievance mechanisms

+ See pages 6, 7 and 9 for more information

- Pre-qualification, contractual and minimum trading standards for suppliers

+ See pages 9 and 10 for more information

- Strong supply chain relationships

+ See page 5 for more information

## NEXT STEPS

# We remain vigilant



**John Morgan,**  
Chief Executive

We recognise that effectively combating modern slavery is a continuous endeavour. Although we did not receive any reports of incidents related to modern slavery within our own organisation or supply chain in 2022, and therefore no investigations or remedial actions were required, we acknowledge that it is an ongoing risk. As such, we remain steadfastly vigilant and are committed to continuously improving our procedures, communication and business practices to address and significantly reduce the likelihood of modern slavery or labour exploitation occurring within our organisation or supply chain.

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 'AAA' under MSCI's ESG ratings for a second consecutive year, the highest score possible.

In 2023:

- an action plan informed by the gap analysis will be developed and rolled out, spearheaded by a newly formed, cross-divisional forum that will include a member of Unseen. The forum will help facilitate implementing Unseen's gap analysis recommendations; and
- our new Modern Slavery and Human Rights Minimum Trading Standard will be implemented for all new projects.

We will continue to be committed to human rights 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 Morgan Sindall Group plc Group Board on 4 May 2023.

A handwritten signature in black ink that reads "John Morgan".

**John Morgan**  
Chief Executive  
Morgan Sindall Group plc

# Who we are

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



## Construction & Infrastructure

**Revenue**  
£1,569m



Education, healthcare, commercial, industrial, leisure and retail markets.  
morgansindallconstruction.com



Highways, rail, energy, water and nuclear markets.  
morgansindallinfrastructure.com

### **BakerHicks**

Infrastructure includes BakerHicks design activities based out of the UK and Switzerland.  
bakerhicks.com

## Fit Out

**Revenue**  
£968m



Fit out and refurbishment in commercial, central and local government offices, as well as further education.

overbury.com

### **Morgan Lovell**

Office interior design and build services direct to occupiers.  
morganlovell.co.uk

## Property Services

**Revenue**  
£163m



Response and planned maintenance services for social housing and the wider public sector.

morgansindallpropertyservices.com

## Partnership Housing

**Revenue**  
£696m

### **LOVELL**

Partnerships with local authorities and housing associations. Mixed-tenure developments, building/developing homes for open market sale and for social/affordable rent, design and build house contracting and planned maintenance and refurbishment.

corporate.lovell.co.uk

## Urban Regeneration

**Revenue**  
£244m

### **MUSE®**

Transforming the urban landscape through partnership working and the development of multi-phase sites and mixed-use regeneration.

museplaces.com



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