

MODERN SLAVERY ACT 2015 TRANSPARENCY STATEMENT

Our purpose at St. Modwen is centred on Changing Places and Creating Better Futures. Given this purpose and our approach to Responsible Business¹, we are committed to responsible business practices including those which address the risks of modern slavery².

From sources including the Gangmasters and Labour Abuse Authority³, the Independent Anti-Slavery Commissioner⁴ and the Global Slavery Index⁵, we know that modern slavery exists across multiple sectors in the UK, and overseas. We strongly believe there is no place for modern slavery, or other forms of human rights abuses, in our business or our supply chain.

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

This statement, approved by our Board on 11 May 2021 is made by St. Modwen Properties PLC on behalf of the companies within its group (St. Modwen). This statement has been published in accordance with the Modern Slavery Act 2015 and sets out the steps taken by St. Modwen to prevent modern slavery and human trafficking in its business and supply chains during the financial year to November 2020. In addition, we have taken the opportunity to include the results of work which was initiated in the reporting period to help identify our future focus and next steps.

St. Modwen

St. Modwen is an expert property developer with a rich 30-year history. A constituent of the FTSE 250, we are active across England and South Wales, with a portfolio totalling £1.37bn⁶. Our purpose 'Changing Places. Creating Better Futures' guides us in the way we conduct ourselves and how we deliver our business for our customers.

Our governance framework determines how decisions are made, where responsibilities fall and who is accountable for what and to whom. For modern slavery, activities across the business are led at the Executive Committee by the Managing Director for Strategic Land and Regeneration, whilst the CEO is responsible for final sign-off and direction at Board-level.

We have a direct workforce of c.600 employees, mostly on permanent contracts. Our direct employees are principally managerial and professional staff, supported by corporate and administrative functions, all operating across three dedicated business units:

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

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

³ <https://www.gla.gov.uk/>

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

⁵ <https://www.globalsslaveryindex.org/>

⁶ <https://www.stmodwen.co.uk/about-us/>

- St. Modwen Homes is our award-winning housebuilding business, delivering high-quality new homes across the UK. We design and build homes before selling them to customers, using land from St. Modwen's portfolio or third parties.
- St. Modwen Logistics designs, builds, and owns high-quality warehouses for a range of customers including some of the world's biggest logistics and e-commerce organisations, as well as significant national and regional enterprises⁷.
- Strategic Land & Regeneration (SL&R) is a master developer, promoting and delivering sites for housebuilding, commercial and regeneration projects. We deliver development land to St. Modwen Homes, St. Modwen Logistics, and third-party housebuilders⁸.

Across our business units, we also manage a number of assets delivering retail, leisure and office space, where we provide facilities management and property maintenance support via a range of sub-contractors. All our assets and operations are within the UK.

Our Supply Chain

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

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

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

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

Our Policies and Processes

Our policies are signed off by our CEO and developed with external support as appropriate.

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

- Anti-Slavery and Human Trafficking Policy
- Employee Code of Conduct
- Recruitment Process and Guides
- Grievance Policy and Guides
- Speak-up Policy and Guide

⁷ <https://stmodwenlogistics.co.uk/>

⁸ <https://www.stmodwen.co.uk/what-we-do/strategic-land-regeneration/>

- Anti-bribery and Corruption Policy
- Procurement processes:
 - o Construction Contract Procurement Guide for Strategic Land and Regeneration
 - o Framework Agreement for St. Modwen Homes

During 2020, we developed our Responsible Business approach which is made up of six core areas, including the Responsible Operating Practices and Partnerships Charter. The Charter incorporates our expectations with regards to modern slavery.

Risk Assessment and Due Diligence

In 2020 and consistent with our commitment to Responsible Business, we chose to collaborate with Stronger Together⁹, a not-for-profit multi-stakeholder initiative aiming to reduce modern slavery, by providing guidance, resources, training and a network to employers, labour providers, workers, and their representatives.

We commissioned Stronger Together to undertake a gap analysis using their Organisation Progress Assessment¹⁰ (OPA) methodology and the findings are being used to further develop our strategy and due diligence processes.

Whilst we believe that the risks of modern slavery are low in our direct workforce, we recognise that our supply chains are complex and multi-layered, resulting in St Modwen having a significant indirect workforce.

In particular, the nature of construction, facilities management and housebuilding means that there are transient groups of workers who will be deployed on our sites, sometimes on a temporary basis, and sometimes for short periods, depending on the specific activity they are undertaking.

In each of our divisional supply chains, there is a broad skill mix but a significant number of workers undertaking labour-intensive and low skill work consistent with those identified as being of higher risk of modern slavery by authorities such as the Gangmaster and Labour Abuse Authority¹¹ and the Independent Anti-Slavery Commissioner¹².

Our due diligence to date has focussed on ensuring that our suppliers are aware of their responsibilities by the inclusion of modern slavery provisions through our contracts and terms and conditions. In 2020, we further improved our supply chain management by implementing pre-qualification checks through our management systems including Achilles, Constructionline and the use of Build UK's Common Assessment Standard.

Based on the OPA and our work with Stronger Together, we are developing our overall approach to supplier selection and management, and work is underway to conduct a thorough analysis of our supply chain; to prioritise higher-risk suppliers for engagement and further assessment as

⁹ <https://www.stronger2gether.org/>

¹⁰ <https://www.stronger2gether.org/opa/>

¹¹ 'Low paid low skilled work that is affected by seasonal or other trends are at particular risk from being exploited for their labour.' Gangmasters and Labour Abuse Authority, Strategic Plan 2017 - 2020

¹² 'The sectors at highest risk are thought to be those that employ large numbers of low or semi-skilled workers, particularly those relying on a substantial migrant workforce such as agriculture, construction or hospitality', Independent Anti-Slavery Commissioner, Annual Report 2019 - 2020

appropriate. Working with our supply chain partners, we aim to identify opportunities to co-develop and improve due diligence and mitigation.

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

Training and Capacity

As part of a broader programme of staff compliance training, we have been undertaking a market review of e-learning modules, including those supporting training and awareness of modern slavery and we anticipate launching an e-learning module for all employees in 2021. Thereafter, we plan to provide more detailed training for key operational roles in our high-risk operational areas by late 2021 before engaging with our supply chain to develop capability with our suppliers.

At a sector level, we are looking to strengthen our industry-wide engagement through participation in Stronger Together's Construction Programme; developed with the Chartered Institute of Building. The Construction Programme provides a multi-stakeholder and collaborative platform to understand, address and highlight the challenges that the industry faces in reducing forced labour and other forms of worker exploitation.

Managing Our Progress

As a result of the OPA process, we are clear about our own opportunities to improve and, based on the Independent Anti-Slavery Commissioner's Maturity Framework, we have set ourselves a target of being at 'Evolving Good Practice' by mid-2023.

We are currently developing our plan, after which we will agree a set of key performance indicators to measure and manage our progress against our target and to provide effective reporting for our Board and external stakeholders.

Next Steps

We suspect that Covid-19 and the resulting economic impacts may lead to increased numbers of vulnerable workers, in addition to those migrant workers whose immigration status may be impacted by the new points-based immigration system, leaving them at increased risk of exploitation.

Modern slavery is a complex and dynamic issue which presents significant challenges however, we are determined to identify and tackle those looking to exploit vulnerable workers in our business or through our supply chain.

Sign off

This statement is made in accordance with section 54(1) of the Modern Slavery Act 2015 and constitutes St. Modwen's slavery and human trafficking statement for the financial year ending 30 November 2020.

This statement was approved by the Board on 11 May 2021.

Signed by:



Sarwjit Sambhi, Chief Executive Officer
For and on behalf of St. Modwen Properties PLC

Date: 13 May 2021