



Modern Slavery and Human Trafficking Statement

The Modern Slavery Act 2015 (the 'Act') requires Telford Homes Plc to prepare a yearly Modern Slavery and Human Trafficking Statement and publish it on its website. This is our fourth public disclosure – previous reports have been published on our corporate website – with our third statement also uploaded onto the TISC portal. We will continue to disclose our activities through these channels, our corporate Sustainability Report and through the relevant Industry Committees and Fora.

On behalf of the Board, the Group Managing Director, has responsibility for this area of activity for the Group, its subsidiary companies and its Joint Venture projects. Given the nature of its projects and their delivery over many years, turnover may trigger the £36m reporting threshold in any one year, but not consistently across the whole project lifecycle. Hence, each project is monitored to ensure the appropriate disclosure. In addition to the Group holding company, none of the subsidiary companies or joint ventures exceeded a turnover of at least £36m in the reporting period, 1st April 2018 to 31st March 2019.

The statement must include the following:

1. The organisation's structure, its business and its supply chains;
2. Its policies in relation to slavery and human trafficking;
3. Its due diligence processes in relation to slavery and human trafficking in its business and supply chains;
4. The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk;
5. Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate; and
6. The training about slavery and human trafficking available to its staff.

1. The organisation's structure, its business and its supply chains

Telford Homes Plc is a residential developer operating across London. The business was formed in 2000 and has been built on a platform of honesty, integrity and family values. It now has over 330 direct employees, and on an average day around 1800 people work on our sites or at head office.

Telford Homes Plc acts as the principal contractor on most of its development projects. Its supply chain consists of:

- Material suppliers from whom materials are purchased directly through our Group Buying team
- Sub-contractors who carry out works that include labour, plant and purchasing materials on behalf of Telford Homes Plc
- Plant suppliers from whom Telford Homes Plc hires some construction plant directly
- Labour agencies who provide temporary staff including site operatives
- Consultants and designers



Existing and new members of Telford Homes Plc's supply chain are required to complete a Builders Profile questionnaire, and undertake an annual review in order to be accepted onto its approved supplier list. During this process the submitted questionnaires are evaluated to ensure that their policies reflect UK legislation and Telford Homes Plc's corporate requirements.

2. Its policies in relation to slavery and human trafficking

Telford Homes Plc is committed to reducing the risk of modern slavery or human trafficking in all parts of its business, and engages with its supply chain to ensure that its suppliers are adopting similar policies and mitigating their own risks.

In particular Telford Homes Plc's commitment on modern slavery is to:

- Comply with legislation and regulatory requirements, as identified in our 2018/19 Materiality Review, where human rights and labour conditions have risen in importance, second only to health and safety.
- Make its supply chain aware that we promote the requirements of the legislation
- Consider the risk of modern slavery when making procurement decisions
- Develop awareness across the business of modern slavery issues
- Incorporate modern slavery conditions into tender and contract documents
- Evaluate tenders with appropriate weight given to modern slavery points
- Encourage its supply chain to take their own action to prevent modern slavery

This statement should be read in conjunction with the following policies and procedures that support our commitment to responsible resourcing: Anti bribery and corruption*, Environmental, Modern Slavery and Human Trafficking, Sustainable Procurement, Sustainable Timber; and Subcontractor Sustainability Requirements.

3. Its due diligence processes in relation to slavery and human trafficking in its business and supply chains

Further to the commitments set out in our previous Statements we have engaged with over 300 of our sub-contractors, consultants, designers, plant providers, labour agencies and material suppliers. We have received responses from all parties, in doing so they have been categorised into a risk profile. We are engaging with those perceived to be higher risk, and in certain cases due to non-disclosure or non-responses, a collaborative approach to raising standards and achieving compliance is preferred and communicated. Thereafter non-collaboration from organisations would result in being suspended or removed from our approved supply chain. Telford Homes Plc will continue to monitor the performance of all members of its supply chain.

4. The parts of its business and supply chains where there is a risk of slavery and human trafficking taking place, and the steps it has taken to assess and manage that risk

In relation to direct risk of slavery and trafficking on our sites we have already or are putting in place procedures to:

- Designate all site operatives to undertake Modern Slavery and Human Trafficking training as part of the Homes Supply Chain Sustainability School (the ‘School’) e-training modules and to have responsibility for developing and operating company procedures relevant to this issue.
- All site inductions include awareness on modern slavery.
- Posters and helpline numbers are displayed in prominent locations on all sites raising awareness on modern slavery.
- Ensure that all Telford Homes Plc’s staff responsible for recruitment are or will (in the case of new starters) be trained to be aware of issues around third-party labour exploitation and signs to look out for.
- Encourage workers to report cases of potential hidden third-party labour exploitation.

In relation to the business as a whole we shall:

- Not use any individual or organisation to source and supply workers without confirming that workers are not being charged a work finding fee.
- Ensure that labour sourcing, recruitment and worker placement processes are under the control of trusted and competent staff members.
- Adopt a proactive approach to reporting suspicions of possible hidden worker exploitation to the Gangmasters and Labour Abuse Authority and police.
- Provide information on tackling “Hidden Labour Exploitation” to its workforce.
- Require labour providers and other organisations in the labour supply chain to adopt policies and procedures consistent with the above.

5. Its effectiveness in ensuring that slavery and human trafficking is not taking place in its business or supply chains, measured against such performance indicators as it considers appropriate

Telford Homes Plc’s supply chain are progressing their own processes to achieve compliance with the Act. Whilst undertaking its due diligence processes, Telford Homes Plc has not identified any slavery or human trafficking issues on its sites, nor through its supply chain. The process of assessment continues to be undertaken as the sector develops its policies.

For example, we are advocates and a member of the School which is actively facilitating the sector’s ambitions to improve human rights through their shared supply chain training – whilst not being anti-competitive.

In response to the Act, we are developing our key performance indicators to improve better supply chain monitoring and management.

- a) We are proactive in communicating the requirements of the Act to all colleagues, and through the Builders Profile pre-qualification e-tool. 100% of our sub-contractors, professional service providers and direct, temporary and agency employment agencies have

been made aware of the Act and our compliance requirements, including terms and conditions of contracts. All organisations are evaluated to ensure visibility and compliance across a broad range of financial, Environmental, Social and Governance (ESG) aspects. Including BES6001, the Ethical Training Initiative Base Code, Chain of Custody for Timber procurement, and Anti Bribery and Corruption* commitments, which are reported upon in the Group's Annual Report and Sustainability Report.

Where a supply chain non-compliance is found in a given area, a collaborative approach to raising standards and achieving compliance is communicated. Where an unacceptable level of commitment or performance is continued without a Board-level assurance to improve, Telford Homes Plc will end a commercial relationship.

During 2019/20 continue to assess Tier 1 supply chain compliance and where required set out continuous improvement obligations.

Note: * if an employee observes or is made aware of potential improper, unethical or illegal behaviour, they are encouraged to bring the incident to the attention of their manager. In addition, our supply chain is expected to implement similar policies and practices.

- b) 100% of our Central Procurement function Material Group Buying Deals have been assessed against a new 'materials supply chain mapping' evaluation standard. The majority of these materials are procured in the UK / Europe and are considered to be in areas of low risk compared with the Transparency International assessment of Countries Corruption Perceptions Index ranks. In addition to RAG rating all materials, their countries of origin, manufacturing processes and transport journeys, we have also considered the environmental, social and governance implications of our procurement decisions.

During 2019/20 we will continue to evaluate the risks and benefits of contracting with our existing Group Buying Deal suppliers, and the organisations that are being considered and specified to meet our emerging products, specifications and construction methodologies. In addition, we aim to improve the visibility of materials being procured through our Tier 1 sub-contractors.

- c) We require the payment of the national minimum wage across our whole supply chain. All of our direct employees are paid the UK London Living Wage. We are benchmarking our Tier 1 supply chain in respect of payment of the London Living Wage to their employees – positively we are seeing encouraging levels of payment.

During 2019/20 we will complete this benchmarking through Builders Profile.

- d) 100% of Telford staff have been assigned modern slavery e-learning modules to complete. As a priority 100% of construction staff completed this training during 2019. During 2018 some 35% of our supply chain were members of the School, during 2019 this has increased to 40% of organisations benefitting from their knowledge-share and training materials.



During 2019/20 we will continue to ensure and monitor staff training is being undertaken, and make sure all new starters are enrolled onto the Telford

Homes Plc training programme. In addition, we will continuously encourage our supply chain to join the School and utilise its e-training materials and expertise.

6. The training about slavery and human trafficking available to its staff

The Company has engaged with the School as its training partner to deliver Modern Slavery and Human Trafficking training through their e-learning management system. All staff have a mandated sustainability training program that includes Modern Slavery and Human Trafficking training. Additionally, BES6001 Responsible Sourcing, Ethical Business and Social Value e-modules are also designated to procurement and operational staff. Being a member of the School and its Modern Slavery Act Hot-spotting Working Group is aiding our sector and Telford Homes Plc in developing and undertaking risk mapping of the supply chain. We have also presented at and invited our sub-contractors to attend breakfast seminars / regional events organised by the School to develop the sectors knowledge and to help manage business risks.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Telford Homes Plc's slavery and human trafficking statement for the financial year ending 31 March 2019.

A handwritten signature in black ink, appearing to read "John Fitzgerald".

John Fitzgerald
Managing Director
Responsible for Health, Safety, Environment and Sustainability

25th September 2019