

Modern Slavery and Human Trafficking Statement

The Modern Slavery Act 2015 (the 'Act') requires Telford Homes Limited to prepare an annual Modern Slavery and Human Trafficking Statement and publish it on its website. This is our eighth public disclosure – previous reports have been published on our corporate website. We will continue to disclose our activities through these channels, our corporate Sustainability Report <https://www.telfordhomes-ir.london/sustainability/sustainability-reports/> and through the relevant Industry Committees and fora.

Telford Homes Limited has been a subsidiary of CBRE Group, Inc. (the 'Group') since 1 October 2019. The Group is the world's largest commercial real estate services and investment firm. It is listed in the USA with its shares traded on the New York Stock Exchange. During 2022, we have progressed our Key Performance Indicators (KPIs) and are making progress in all related sustainability areas. This statement and related practices are managed through the Responsible Procurement Group.

Our Chief Executive Officer, Anne Kavanagh has responsibility for this area of activity for 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. No subsidiary companies or joint venture project exceeded a turnover of at least £36m in the reporting period to 31st December 2023.

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

- 1.1 Telford Homes 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 employs over 325 people directly, and on an average day we employ around 1500 people on our sites or at head office. 83% of our supply chain are Small and Medium Sized Enterprises (SMEs) which account for 71% (2021: 75%) of our supply chain spend. Our business structure is set out in our BLL advocacy structure 2022, which can be seen at <https://www.telfordhomes-ir.london/sustainability/report-appendices/>
- 1.2 Telford Homes acts as the principal contractor on most of its development projects. Its supply chain consists of:
- Consultants and designers
 - 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
 - Plant suppliers from whom Telford Homes hire some construction plant directly
 - Labour agencies who provide temporary staff including site operatives
- 1.3 Telford Homes' supply chain are required to create and maintain a subscription to Constructionline and undertake an annual review to be accepted onto its approved supplier list. During this process the submitted questionnaires are evaluated to ensure supplier policies reflect UK legislation and Telford Homes' corporate requirements. Where non-conformance is recorded, Telford Homes maintains the right to suspend and or omit companies from its supplier database. During the reporting period, no (2022: zero) companies were omitted from the prequalification process and or Constructionline portal.

2. Its policies in relation to slavery and human trafficking

- 2.1 Telford Homes is committed to reducing the risk of slavery and 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.
- 2.2 Telford Homes' commitment regarding slavery and human trafficking is to:
- Comply with legislation and regulatory requirements, which are monitored through our Risks and Uncertainties Register. As identified in our 2021 Double Materiality Review, human rights and labour conditions continues to be an area of risk. During 2023 and at each calendar quarter, our Building a Living Legacy (BLL) Steering Committee, monitors the progress of sustainability-related priorities, including responsible procurement.

- 2.3 During the period, we have not seen significant change in our BLL risk profile. A more detailed explanation of 'Our Approach' can be seen in the annual Sustainability Report and the Risks and Uncertainties Register, which can be seen at: <https://www.telfordhomes-ir.london/sustainability/report-appendices>
- 2.4 As part of the onboarding process for new employees, they are assigned sustainability modules for completion which includes e-learning training on Modern Slavery including recognising the signs and what to do.
- Make its supply chain aware that we promote the requirements of the legislation and encourage it to take its own action to prevent slavery and human trafficking
 - Consider the risk of slavery and human trafficking when making procurement decisions
 - Continue to raise awareness across the business of slavery and human trafficking issues
- 2.5 This statement should be read in conjunction with the following policies and procedures that support our commitment to responsible resourcing including: Anti bribery and corruption*, Environmental, Modern Slavery and Human Trafficking, Sustainable Procurement, Sustainable Timber; and Subcontractor Sustainability Requirements.
- 2.6 Being part of the Group also requires Telford Homes to demonstrate compliance with the United States Sarbanes-Oxley (SOX) Act 2002. Accordingly, during 2020 we adopted the Group's Anti-bribery Corruption policies* and the 'Standards of Business Conduct'¹ to enhance Telford Homes' corporate compliance and supply chain transparency. In 2023, we aim to incorporate our own 'Standards of Business Conduct' which reflects the same principles as CBRE within our prequalification processes for our supply chain to acknowledge and agree to comply with.
- 2.7 The Modern Slavery Act 2015 remains to be the current regime. However, future legislative changes are anticipated, and related amendments incorporated into relevant policies, processes and procedures.
- 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 re-assessed our supply chain and monitor in excess of 600 of our consultants, designers, material suppliers, sub-contractors, plant providers and labour agencies. We have received pre-qualification responses

¹ 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 or alternatively we have provided a confidential and independent contact to support their whistle blowing. In addition, our supply chain is expected to implement similar policies and practices.

from almost all organisations, 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 improving compliance standards is set out and monitored. Non-collaboration from organisations may result in their suspension or removal from our approved supply chain. During the reporting period, no companies were omitted. Telford Homes will continue to monitor the performance of all members of its supply chain, using the Constructionline platform.

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

4.1 In relation to direct risk of slavery and human trafficking on our sites we have in place procedures to:

- Designate appropriate managers to attend Modern Slavery and Human Trafficking training as part of the Supply Chain Sustainability School (the 'School') e-training modules and to have responsibility for operating company procedures relevant to this issue.
- All site staff are mandated to undertake Modern Slavery and Human Trafficking and related sustainability e-training modules. Our sustainability training programme was launched to ensure compliance through the onboarding process for new employees. Module relevance was reviewed in the reporting period through our cross departmental sustainability champions network.
- All site inductions include awareness on modern slavery and human trafficking.
- All staff are required to read CBRE's annual Standards of Business Conduct (SOBC) certification. Each year, they are required to renew their commitment to CBRE's RISE values by certifying that they have read and understood the SOBC, and that they will reflect its values throughout their employment.
- Posters are displayed in prominent locations on all sites raising awareness of modern slavery and human trafficking.
- Ensure that all Telford Homes 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 for.
- Encourage workers to report cases of potential hidden third-party labour exploitation.

4.2 In relation to the business, 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 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.
- In accordance with our last statement, we committed to undertake an on-site audit regarding modern slavery. This has been carried out and only improvement actions were recommended which have been actioned.

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

- 5.1 Telford Homes’ supply chain are progressing with their own processes to achieve compliance with the Act. Whilst undertaking its due diligence processes, Telford Homes 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.
- 5.2 Telford Homes advocacy work can be seen in our Sustainability Report and the various internal and external engagement Committees, Forums and Working Groups. These are outlined in the BLL advocacy structure 2023, which can be seen at: <https://www.telfordhomes-ir.london/sustainability/report-appendices/>.
- 5.3 In response to the Act, we continue to monitor, and if required develop our KPIs to improve better supply chain monitoring and management.
- 5.4 We are proactive in communicating the requirements of the Act to all colleagues via their e-training plans and appraisals, and through the Constructionline platform. 100% (2022: 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 in terms and conditions of contracts.
- 5.5 All organisations are evaluated to ensure compliance across a broad range of financial and 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 Sustainability Report and appendices <https://www.telfordhomes-ir.london/sustainability/report-appendices/>.

- 5.6 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 will end a commercial relationship.
- 5.7 100% of our central procurement function material group buying deals have been assessed against our 'materials supply chain mapping' evaluation standard. Most of these materials are procured in the UK / Europe and are in areas of low risk compared with the Transparency International assessment of Countries Corruption Perceptions Index ranks. Additionally, materials' countries of origin, manufacturing processes and transport journeys, are being collated to help us better understand the embodied carbon and circular economy impacts, and ESG implications of our procurement decisions.
- 5.8 Our analysis of sub-contractor material procurement, is ongoing and will be continued during 2023/24 – as the business grows its platform - in meeting our emerging products, specifications, construction methodologies, and the objectives set out in our 2030 roadmap.
- 5.9 We require the payment of the national minimum wage across our whole supply chain. 100% (2022: 100%) of our direct employees are paid the London Living Wage (LLW). We require that all our Tier 1 supply chain pay the LLW or the relevant prevailing local wage.
- 5.10 100% (2022: 100%) of Telford Homes' staff have been assigned modern slavery e-learning modules to complete. 25% (2021: 37%) of our priority suppliers are members of the School. Both Telford Homes and its peers encourage their supply chains to collaborate with the School to utilise its e-training materials to improve sectorial knowledge and to help mitigate mistreatment.
- 5.11 We continue to collaborate with peers to improve our supply chain take-up of the School membership and e-training resources.
- 5.12 We achieved certification to the internationally recognised Quality Management System ISO9001:2015 standard in January 2022. We have undertaken a gap-analysis and mapping of relevant sector indices, and procurement systems in accordance with ISO20400 guiding principles.

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

- 6.1 The Company engages 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 programmes that include Modern Slavery and Human Trafficking training. By way of further example, procurement and operational staff are also required to undertake Responsible Sourcing and Ethical Business e-training modules. In addition, staff undertake relevant training i.e., SOBC through CBRE Talent Coach training portal.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes Telford Homes' slavery and human trafficking statement for the financial year ending 31 December 2023. It was approved by the Board on [] 2024.



Anne Kavanagh
Director and CEO

17th May 2024