

## ANNUAL STATEMENT: SLAVERY AND HUMAN TRAFFICKING

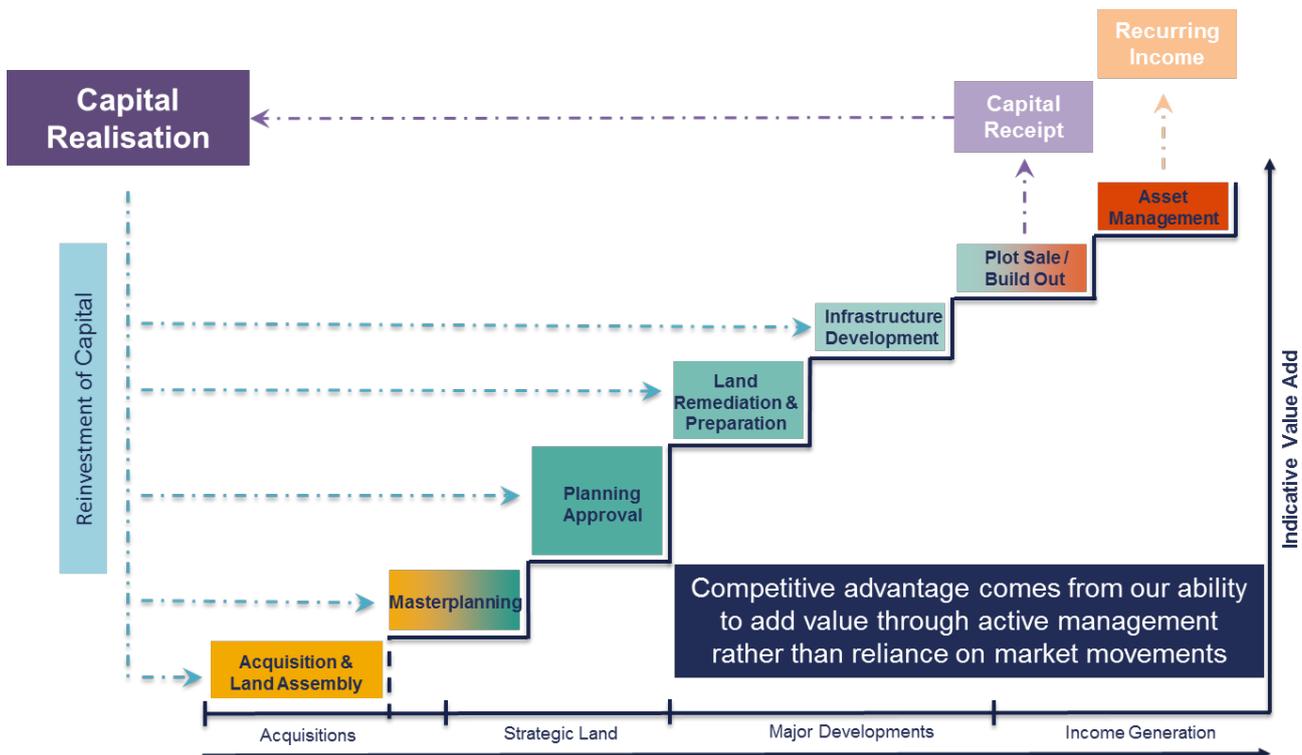
This statement is made on behalf of Harworth Group plc and its subsidiaries in accordance with section 54(1) of the Modern Slavery Act 2015 (the “Act”).

### Our business and organisational structure

Harworth is a regenerator of land and property for development and investment which owns, develops and manages a portfolio of sites located throughout the Midlands and North of England. It specialises in the regeneration of former coalfield sites and other former industrial land into new residential developments and employment areas.

Harworth Group plc is the ultimate parent company with 28 wholly or majority owned subsidiaries, together with investments in four joint venture companies (the “Group”). The activities of the Group and its joint ventures are undertaken solely in the United Kingdom and all the Group’s companies and joint ventures have their registered office in England. The Group employs approximately 60 people, the majority being based at our head office in Rotherham.

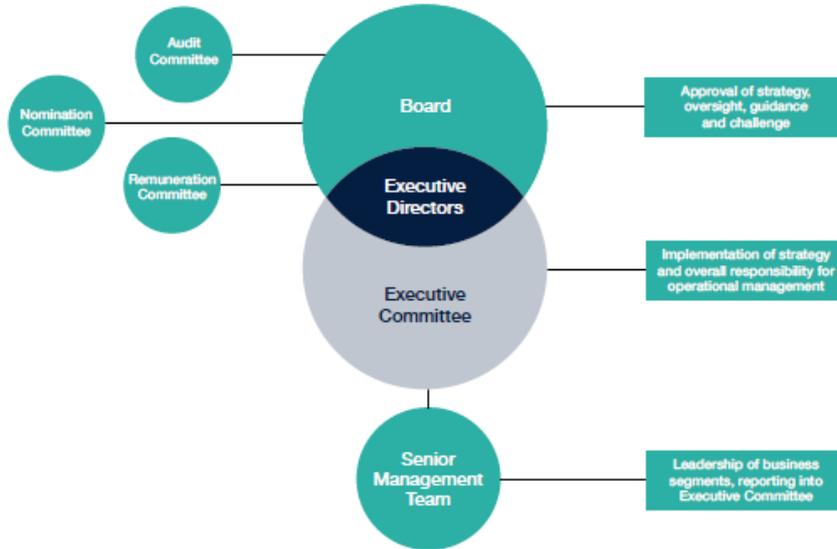
Our property portfolio comprises approximately 21,000 acres of land on around 140 sites and was valued at £462,900,000 at the end of the financial year ended 31 December 2017. Our business is organised into three separate, but related, segments: Capital Growth, Income Generation and Acquisitions. Our business model appears below:



# Harworth

## Our internal governance structure

Our internal governance structure appears below:



## Our suppliers and partners

Our supply chains include: asset managers, development managers, demolition, remediation, infrastructure, and construction contractors, sub-contractors and consultants and professional services suppliers. We also work closely with a wide range of joint venture partners, housebuilders, funders, local and planning authorities, City Regions, Homes England and infrastructure providers, such as water companies.

## Our policy

We are committed to ensuring that there is no modern slavery or human trafficking in our supply chains or in any part of our business. In May 2017, the Board of Directors approved the implementation of an Anti-Slavery and Human Trafficking policy (our “**Policy**”), which reflects our commitment to acting ethically and with integrity in all our business relationships and to implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our business or supply chains. The Policy appears on the Investors section of our website ([www.harworthgroup.com/investors](http://www.harworthgroup.com/investors)) and in Appendix 1 to this statement. The Executive Committee has overall responsibility for ensuring compliance with the Policy and is committed to making available sufficient resources for its implementation.

## Implementation of our policies

### *Our business and employees*

All of our employees are aware that Harworth operates a zero-tolerance approach to modern slavery in our business and supply chains.

All employees have been made aware of the Act and given a copy of our Policy. An email reminder of the Policy, with a copy attached, was sent to employees in May 2018 in conjunction with the roll-out of the training referred to below. It remains available throughout the year on our shared drive, alongside our staff

handbook and other policies. All new-starters are made aware of our policies as part of their induction process.

In the first half of 2018, training on modern slavery and human trafficking was delivered to all of our employees in the form of an online webinar, which also covered topics such as bribery and corruption and whistleblowing. This training is compulsory and completion of it will continue to be monitored.

Employees are encouraged to report to the Group General Counsel and Company Secretary any concerns about the existence of modern slavery in our business or supply chains. In May 2018, the Audit Committee approved the implementation of a new, more robust Whistleblowing policy, which protects employees in that regard.

Given the size of our property portfolio, we recognise the importance of monitoring “on-site” activity by our employees and our suppliers, to mitigate against the risk of slavery or trafficking taking place on our sites, particularly those which are more remote from our head office. Our site risk reports, which all our employees use when carrying out site visits, encourage our employees to look for, and report, evidence of unsafe and/or unfair working conditions imposed by our suppliers on their employees.

### *Our suppliers*

In conjunction with our Policy, the Board of Directors also approved the introduction of a Supplier Code of Conduct on Anti-Slavery and Human Trafficking (our “Code”) in May 2017. It also appears on the Investors section of our website ([www.harworthgroup.com/investors](http://www.harworthgroup.com/investors)) and at Appendix 2 to this statement.

As part of our supplier “take-on” procedure, all prospective suppliers must complete a questionnaire. In completing this questionnaire, each prospective supplier must: (i) state whether it is required by the Act to make a modern slavery statement and, if so, provide a copy of it; (ii) tell us what steps it takes to ensure that there is no slavery or trafficking in its own business or supply chains; and (iii) confirm that it will comply with our Code. An extract from our supplier “take-on” questionnaire appears below. All responses to these questionnaires are reviewed by our Environment, Estates and Safety team before suppliers are approved and appointed.

### **Section 11 – Anti-Slavery and Human Trafficking**

*Harworth is committed to implementing systems and controls aimed at ensuring that modern slavery is not taking place anywhere within our organisation or that of any of our suppliers. Please respond to the following questions, which are designed to ensure that you are also committed to ensuring modern slavery is not taking place within your business.*

<p><i>Is your business required to produce a statement under Section 54 of the Modern Slavery Act 2015?</i></p> <p><i>If yes, please attach the latest statement or provide a web link</i></p>	
<p><i>Please indicate if your business has any of the following:</i></p> <ul style="list-style-type: none"> <li>• <i>A written anti-slavery policy?</i></li> <li>• <i>A written whistleblowing policy (or equivalent)?</i></li> <li>• <i>A code of conduct which includes modern slavery and trafficking content?</i></li> <li>• <i>Training to staff on stopping modern slavery and trafficking?</i></li> <li>• <i>A risk assessment to understand the risks of slavery and trafficking in your business and supply chains?</i></li> </ul>	

<p><i>Does your business take steps to ensure that the third parties with which you contract, and their suppliers (i.e. your suppliers' suppliers), ensure that slavery and trafficking is not taking place in their operations and supply chains? Please describe any steps taken.</i></p>	
<p><i>Please describe any other steps your business has taken to ensure slavery and trafficking is not taking place in your business or supply chain.</i></p>	
<p><i>We operate a Supplier Code of Conduct in respect of Anti-Slavery and Human Trafficking, which appears on our website (in the "Corporate Social Responsibility" section). A copy is also available on request. Please confirm that you will comply with that Code of Conduct.</i></p>	

We operate a schedule of approximately 450 "approved" suppliers, albeit certain of those suppliers are engaged infrequently. Since we published our 2017 statement pursuant to the Act (our "**2017 Modern Slavery Statement**") we have written to 151 (33%) of the suppliers on our "approved" schedule. This exercise has been undertaken in conjunction with our payment process. This means we have written to those suppliers with whom we engage most frequently and have engaged most recently. We will continue with this exercise until we have written to all of the suppliers we have engaged over the last 2 years.

A sample of the letter we send to suppliers appears at Appendix 3 to this statement. In it we ask the relevant supplier to: (i) confirm to us in writing that it has a zero-tolerance approach to slavery and trafficking; and (ii) provide a summary of the steps it takes to ensure that there is no slavery or trafficking in its own business or supply chains. The letter encloses a copy of our Code and indicates that we expect all of our suppliers to comply with it.

We have undertaken a review of our suite of construction agreement precedents, in conjunction with one of the firms on our legal panel. Following that review, all our updated precedents will impose obligations on our contractors and consultants in relation to anti-slavery and trafficking. We expect those updated precedents to be signed-off shortly for immediate use across the business.

### Measuring effectiveness

Below are the key performance indicators ("**KPIs**") which our 2017 Modern Slavery Statement identified to measure how effective we have been in ensuring that slavery and human trafficking is not taking place in our business or supply chains, together with our progress against those KPIs at the date of this statement:

KPI identified in 2017 Modern Slavery Statement	Progress to date and further steps identified
<p>➤ We aim to notify 80% of our existing suppliers that we expect them to comply with our Code and ask them to: (i) confirm that they have a zero-tolerance approach to slavery and trafficking; and (ii) explain their policy and procedures in relation to anti-slavery and trafficking.</p>	<p>➤ Since publishing our 2017 Modern Slavery Statement, we have notified 33% of the suppliers on our "approved" list which includes all of the suppliers we engage regularly and have engaged recently.</p> <p>➤ We will continue with this exercise until we have written to all of the suppliers we have engaged over the last 2 years.</p>

<p>➤ We aim to notify all new suppliers that we expect them to comply with our Code and ask them to: (i) confirm that they have a zero-tolerance approach to slavery and trafficking; and (ii) explain their policy and procedures in relation to anti-slavery and trafficking.</p>	<p>➤ Since we published our 2017 Modern Slavery Statement, all of the new suppliers we have engaged have completed our supplier “take-on” questionnaire, which includes the requisite confirmations in relation to anti-slavery and trafficking.</p>
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In addition, whilst our 2017 Modern Slavery Statement did not identify it as a KPI, we have recently delivered training on modern slavery and human trafficking to all of our employees.

### **Ongoing review**

The Policy and Code (and their effectiveness) remain subject to annual monitoring and review by our Group General Counsel and Company Secretary.

**Owen Michaelson**  
**Chief Executive**  
**Harworth Group plc**  
**26 June 2018**



## Appendix 2: Supplier Code of Conduct on Anti-Slavery and Human Trafficking

## Appendix 3: Letter to existing suppliers