

ANNUAL STATEMENT FOR THE FINANCIAL YEAR ENDING 31ST DECEMBER 2021: 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”) and constitutes our Modern Slavery statement for the financial year ending 31st December 2021.

Our Pledge

Modern slavery concerns the exploitation of individuals by another person for personal or commercial gain. It can take various forms and includes servitude, slavery and forced labour but will include the deprivation of an individual’s liberty (“**Modern Slavery**”). Modern Slavery is a crime and a violation of fundamental human rights.

We have a zero-tolerance approach to Modern Slavery and are committed to the prevention, deterrence, and detection of it both within our business and our supply chain. It is our policy to conduct all business activities with honesty, integrity and at the highest possible ethical standards. We expect our supply chain partners to aim for the same high standards.

Our business and organisational structure

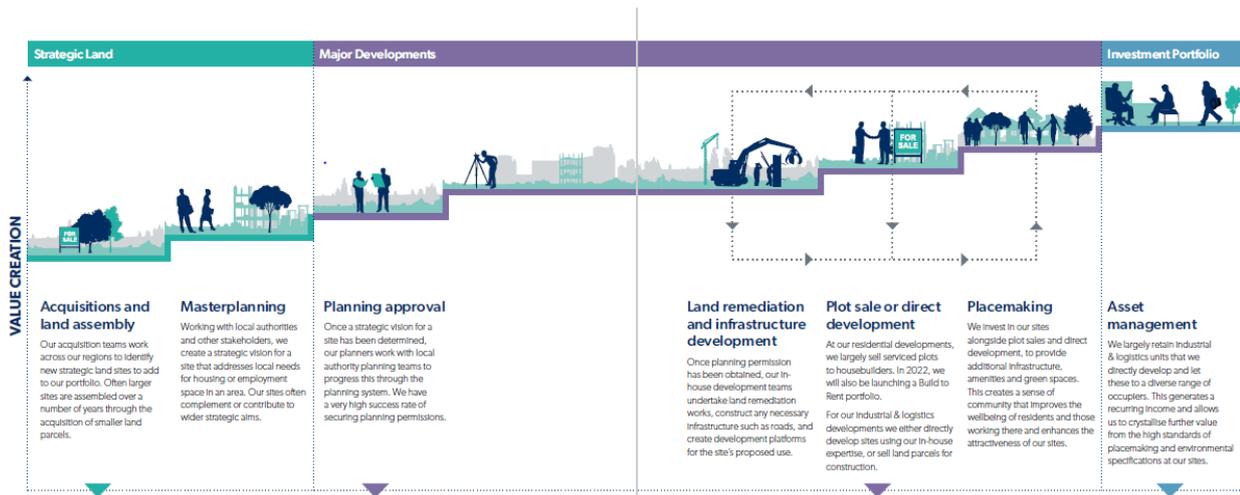
Harworth is a regenerator of land and property for development and investment. It invests to transform land and property into sustainable places where people want to live and work.

Harworth Group plc is the ultimate parent company with 32 wholly or majority owned subsidiaries, together with investments in 4 joint venture companies and limited liability partnerships (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.

Harworth owns and manages a property portfolio which comprises approximately 14,000 acres of land across around 100 sites located throughout the North of England and Midlands, which was valued at £765,700,000 at 31 December 2021. Our business is organised into two segments: Capital Growth and Income Generation, which operate across three regional divisions: Yorkshire and Central, North West and Midlands.

At the end of the 2021 financial year, the Group employed 92 people across four principal offices. At the date of this statement, our team has grown to approximately 110 employees. The majority are based at our head office in Rotherham with approximately 20 based at our regional offices in Manchester, Birmingham and Leeds, albeit many of our employees spend a significant amount of their time visiting our sites and meeting with external stakeholders. Following the Covid pandemic, we operate a flexible working environment with some employees working from home for up to two days per week.

Our business model appears below:



Our internal governance structure

Our internal governance structure appears below:



Our suppliers and other stakeholders

Our supply chains include: asset managers; demolition, remediation, infrastructure and construction contractors, sub-contractors and consultants; and professional services advisors. We also work closely with a wide range of other stakeholders including: housebuilders, commercial occupiers, funders, local and planning authorities, City Regions, regulatory bodies, Homes England and joint venture partners.

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 are not taking place anywhere in our business or supply chains. The Policy appears on the Investors section of our website (www.harworthgroup.com/investors/governance/) and in **Appendix 1** to this statement. The Senior Executive team, comprising the Chief Executive, Chief Financial Officer, Chief Operating Officer, Chief Investment Officer, and General Counsel, 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 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, is sent to employees annually. During the period under review this was sent in June 2021. A further reminder has been sent ahead of publication of this statement. 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, including the Policy, as part of their induction process. In the first half of 2018, training on modern slavery and human trafficking was delivered to all employees in the form of an online webinar, which also covered topics such as anti-bribery and corruption and whistleblowing. That training was compulsory and undertaken by all employees. Since then, completion of the training has formed a compulsory part of the induction process for all new employees.

As part of our commitment to continuous improvement in the management of risk and compliance and the professional development of our employees, we have undertaken to build a training and education programme which will include providing all employees with annual training for key compliance topics including Modern Slavery.

Our Suppliers

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 and regional offices. 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. Below is an extract from our site risk report:

HEALTH AND WELLBEING	
<i>Welfare facilities available, if applicable</i>	
<i>Evidence of unsuitable working practices or contractors mistreating, or imposing unreasonable working conditions on, its employees</i>	

New suppliers

In conjunction with our Policy, we also operate a Supplier Code of Conduct on Anti-Slavery and Human Trafficking (our “Code”). This also appears on the Investors section of our website (www.harworthgroup.com/investors/governance/) and in **Appendix 2** to this statement.

As part of our supplier “take-on” procedure, all prospective suppliers must complete a due diligence 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 Risk and Compliance team before suppliers are approved and appointed.

All the suppliers whom we have engaged for the first time since June 2017 (when we published our first modern slavery statement) have followed the above “take-on” procedure and confirmed that they will comply with our Code.

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"> • <i>A written anti-slavery policy?</i> • <i>A written whistleblowing policy (or equivalent)?</i> • <i>A code of conduct which includes modern slavery and trafficking content?</i> • <i>Training for staff on stopping modern slavery and trafficking?</i> • <i>A risk assessment to understand the risks of slavery and trafficking in your business and supply chains?</i> 	
<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 are 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 are 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>	

Existing suppliers

When we first published our modern slavery statement on 30 June 2017 we wanted to make sure that we communicated with those suppliers already on our “approved” list (i.e. those who had already been through our “take-on” procedure before it was amended to address Anti-Slavery and Human Trafficking). We set ourselves a target of notifying 80% of our existing “approved” suppliers that we expect them to comply with our Code and asking 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.

There are some suppliers we use infrequently and so, in 2019, we decided to focus on those suppliers whom we had engaged since 1 July 2018. By the time we published our 2020 modern slavery statement, we had written to all those suppliers (c.600). Many but not all have responded and all those who have responded have done so positively.

During 2022 we are undertaking a comprehensive review and overhaul of our procurement practices, including our onboarding process and how we monitor and manage suppliers. We anticipate that this will lead to the implementation of further assurance measures which will cover, amongst other things, compliance with our Code.

Our precedents

In 2019 we updated our suite of consultancy appointment precedents, in conjunction with one of the firms on our legal panel, and these precedents are reviewed regularly. All our precedents impose obligations on our consultants in relation to anti-slavery and trafficking.

Reporting

Employees are encouraged to report to the General Counsel and Company Secretary any concerns about the existence of Modern Slavery in our business or supply chains. We operate a robust Whistleblowing policy and process, which protects employees in that regard. The effectiveness of that policy and process is reviewed annually by the Audit Committee. During the 2021 financial year that review was undertaken in March. A further review has been undertaken in March 2022, after the end of the reporting period, pursuant to which we have launched a Harworth dedicated “Speak Up” Hotline, which is available to all employees, suppliers, contractors, and stakeholders, to report knowledge or suspicions of un-ethical or unlawful behaviour. This further ensures that anyone who has concerns, including about Modern Slavery in our business or supply chains, has the means of raising these concerns confidentially. Alongside the launch of the “Speak Up” Hotline, we have also re-profiled our Whistleblowing Policy across the business.

Measuring effectiveness

Below are the key performance indicators (“KPIs”) we have 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. As indicated above, in the medium term we plan to monitor communications with our suppliers and, once implemented, we will reflect this in one or more additional KPIs in future modern slavery statements.

KPI identified in our first Modern Slavery Statement (2017)	Progress identified in 2021 Modern Slavery Statement	Progress since 2021 Modern Slavery Statement
➤ Suppliers: we aim to notify 80% of our existing suppliers that we expect them to comply with our Code and ask them to:	➤ We had written to 100% of the suppliers whom we had engaged since 1 st July 2018.	➤ Not applicable (see commentary under “New suppliers” above)

<p>(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><i>*We will cease to report on this KPI in our 2022 Modern Slavery Statement.</i></p>
<p>➤ Suppliers: 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 publication of our first modern slavery statement in 2017, all new suppliers have completed our supplier “take-on” questionnaire, which includes the requisite confirmations in relation to anti-slavery and trafficking.</p>	<p>➤ Since publication of our 2020 modern slavery statement, all new suppliers have continued to complete our supplier “take-on” questionnaire and confirmed that they will comply with our Code.</p>
<p>➤ Awareness and training: Training on the risks and warning signs of, and measures to prevent, modern slavery should be delivered to all employees.</p>	<p>➤ Online training was delivered to all employees in 2018 and all new employees have, since then, completed that training as part of their induction.</p>	<p>➤ Since publication of the 2021 modern slavery statement, all new employees have completed the online training as part of their induction.</p> <p>➤ Reminders about our Policy were sent to all employees in June 2021 and June 2022.</p>

New KPIs identified for 2022 financial year
<p>➤ We will launch a Harworth dedicated “Speak Up” Hotline for all employees, suppliers, contractors, and stakeholders, to report confidentially knowledge or suspicions of un-ethical or unlawful behaviour, including about Modern Slavery in our business or supply chains.</p> <p><i>*As indicated in the Reporting section above, this has been implemented in the first half of 2022 and will be included in our KPI reporting in the 2022 Modern Slavery Statement.</i></p>
<p>➤ We plan to build a training and education programme which will include providing all employees with annual training for key compliance topics including Modern Slavery.</p> <p><i>*We have identified a preferred supplier for a Learning and Management System (LMS) and will establish an LMS by the end of the year, facilitating implementation of a training and education programme.</i></p>
<p>➤ Forming part of a wider review and overhaul of our procurement practices, we aim to improve how we monitor and manage our suppliers including their continued commitment to the Code.</p> <p><i>*We have formed a Procurement Working Group and will progress this project during the second half of the year.</i></p>

Ongoing review

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

Lynda Shillaw
Chief Executive
Harworth Group plc
30 June 2022

Appendix 1: Anti-Slavery and Human Trafficking Policy

1. Introduction

- 1.1 Modern slavery is a term used to encompass slavery, servitude, forced and compulsory labour, bonded and child labour and human trafficking. Victims are coerced, deceived and forced against their free will into providing work or services. Human trafficking is where a person arranges or facilitates the travel of another person with a view to that person being exploited. Modern slavery is a crime and a violation of fundamental human rights.
- 1.2 Forms of modern slavery may include, but are not limited to, withholding of passports, being forced to work against a person's will, depending on the employer for housing, food, and other necessities, being recruited through some form of debt arrangement, such as an advance or loan, and limitations on movement of workers.
- 1.3 Harworth strictly prohibits the use of modern slavery and human trafficking in our operations and supply chain. We are committed to implementing systems and controls aimed at ensuring that modern slavery is not taking place anywhere within our organisation or in any of our supply chains. We expect that our suppliers will hold themselves and their own suppliers to the same high standards.

2. Policy Statement

- 2.1 We expect everyone working with us or on our behalf to support and uphold the following measures to safeguard against modern slavery:
- We have a zero-tolerance approach to modern slavery in our organisation or our supply chains. The prevention, detection and reporting of modern slavery in any part of our organisation or supply chain are the responsibility of all those working for us or on our behalf. Workers must not engage in, facilitate or fail to report any activity that might lead to, or suggest, a breach of this policy.
 - We are committed to engaging with our stakeholders and direct suppliers to address the risk of modern slavery in our operations and supply chain.
 - As part of our contracting processes, we include a specific prohibition against the use of modern slavery and trafficked labour and a requirement to comply with our Code of Conduct, which sets out the minimum standards required to combat modern slavery and trafficking.
 - Our recruitment procedures require employment and recruitment agencies and other third parties supplying workers to our organisation to comply with our Code of Conduct. Suppliers engaging workers through a third party are also required, via the Code, to obtain third parties' agreement to adhere to the Code of Conduct.

3. Policy Application

- 3.1 This policy applies to all persons working for us or on our behalf in any capacity, including employees at all levels, directors, officers, agency workers, seconded workers, volunteers and interns.

3.2 This policy does not form part of any employee's contract of employment and we may amend it at any time.

3.3 Workers must ensure that they read, understand and comply with this policy.

4. **Responsibility for the policy**

4.1 The Senior Executive team is committed to making available sufficient resources for the implementation of this policy and has overall responsibility for ensuring compliance.

4.2 The Company Secretary has primary and day-to-day responsibility for implementing this policy, monitoring its use and effectiveness, dealing with any queries about this policy, and auditing internal control systems and procedures to ensure they are effective in countering modern slavery.

4.3 Management at all levels are responsible for ensuring those reporting to them understand and comply with this policy and are given adequate and regular training on it and the issue of modern slavery in supply chains.

4.4 You are invited to comment on this policy and suggest ways in which it might be improved. Comments, suggestions and queries are encouraged and should be addressed to the Company Secretary.

5. **Reporting Modern Slavery**

5.1 Employees must notify their manager or the Company Secretary as soon as possible if they have any reason to believe that modern slavery of any form may exist within our organisation or our supply chain or may occur in the future or have any concerns or suspicions relating to compliance with this policy. In the event that employees do not feel comfortable raising their concerns internally, they are also able to use our Harworth dedicated Speak Up Line, which is operated by an independent third party, NAVEX Global. Full details of this facility are available within our Speak Up Policy.

5.2 If a person, other than an employee, has any reason to believe that modern slavery of any form may exist within our organisation or our supply chain, or may occur in the future or have any concerns or suspicions relating to compliance with this policy, they must notify as soon as possible the Company Secretary. Similarly, if the third party would feel more comfortable, they can also use our Speak Up Line. This facility has been extended to all Harworth suppliers, contractors, stakeholders and third parties.

5.3 We aim to encourage openness and will support anyone who raises genuine concerns in good faith under this policy, even if they turn out to be mistaken. We are committed to ensuring no one suffers any detrimental treatment as a result of reporting in good faith their suspicion that modern slavery of whatever form is or may be taking place in any part of our own business or in any of our supply chains. Detrimental treatment includes dismissal, disciplinary action, threats or other unfavourable treatment connected with raising a concern. If you believe that you have suffered any such treatment, you should inform the Company Secretary immediately. If the matter is not remedied, and you are an employee, you should raise it formally using our Grievance Procedure.

6. **Breaches of this policy**

Any employee who breaches this policy will face disciplinary action, which could result in dismissal for misconduct or gross misconduct.

1. INTRODUCTION

Harworth is committed to implementing systems and controls aimed at ensuring that modern slavery is not taking place anywhere within our organisation or in any of our supply chains. We expect that our suppliers, contractors and business partners to adhere to the principles in this Code, in accordance with our contractual terms of engagement. We expect you to require the same standards of your own sub-contractors, suppliers and business partners.

2. CODE OF CONDUCT: PRINCIPLES

- 2.1 Workers shall not be subject to forced, prison, bonded, indentured, slave, trafficked or compulsory labour in any form, including forced overtime. All work must be carried out voluntarily.
- 2.2 Workers must have the right to terminate their employment freely, as appropriate following a reasonable period of notice in accordance with applicable laws and collective agreements, and without the imposition of any improper penalties.
- 2.3 Workers shall not be mentally or physically coerced to provide their labour.
- 2.4 Workers shall not have their identity or travel permits, passports, or other official documents or any other valuable items confiscated or withheld as a condition of employment and the withholding of property shall not be used directly or indirectly to restrict workers' freedoms or to create workplace slavery.
- 2.5 Fees or costs associated with the recruitment of workers (including but not limited to fees related to work visas, travel costs and document processing costs) shall not be charged to workers whether directly or indirectly. Similarly, workers shall not be required to make payments which have the intent or effect of creating workplace slavery, including security payments, or be required to repay debt through work.
- 2.6 Workers shall have their terms of employment or engagement set out in a written document that is easily understandable to them and which clearly sets out their rights and obligations. This written document shall include, but not be limited to, transparent terms with respect to wages, overtime pay, payment periods, working hours and rights in respect of rest breaks and holiday. Such written terms shall be provided to the worker in advance of them starting work, shall be honoured by the employer and shall meet industry standards and the minimum requirements of applicable laws and collective agreements where the work is carried out.
- 2.7 There shall be no use of child labour. Nobody shall be employed under the minimum age. Subject to the overriding prohibition on the use of child labour, if workers under the age of 18 are employed then particular care shall be taken as to the duties that they carry out and the conditions in which they are required to work to ensure that they come to no physical, mental or other harm as a direct or indirect result of their work or working conditions.
- 2.8 Workers, their families and those closely associated with them shall not be subject to harsh or inhumane treatment including but not limited to physical punishment, physical, psychological or sexual violence or coercion, verbal abuse, harassment or intimidation. Migrant workers, their families and those closely associated with them should not be subject to discrimination due to their nationality.

- 2.9 Workers shall be free to file grievances with their employers about the employer's treatment of them and workers shall not suffer detriment, retaliation, or victimisation for having raised a grievance.
- 2.10 Workers shall be free to move without unreasonable restrictions and shall not be physically confined to the place of work or other employer-controlled locations (for example accommodation blocks) nor shall they be confined by more indirect means. There shall be no requirement placed on workers that they take accommodation in employer-controlled premises except where this is necessary due to the location or nature of the work being performed.
- 2.12 Where it is necessary to recruit workers who are engaged via a third party, such as an employment agency, then only reputable employment agencies shall be engaged. Where workers are sourced to be employed directly, only reputable recruitment agencies shall be engaged. All such agencies must have the necessary licences and registrations under local laws; agree to adhere to this Code of Conduct; and agree to be audited to ensure their compliance with this Code of Conduct.

3. REPORTING OF BREACHES OF THIS CODE OF CONDUCT

- 3.1 Any person concerned about a breach of this Code of Conduct or our Anti-Slavery and Human Trafficking Policy may report their concerns on a confidential basis to our Company Secretary, whose contact details appear below. Individuals with concerns are encouraged to provide their name and contact details so that the issues that they raise can be investigated thoroughly. However, we recognise that in some circumstances an individual will only be prepared to raise their concerns on an anonymous basis and we commit to investigate anonymous allegations as thoroughly as possible and to take the necessary remedial action.
- 3.2 In the event that any person does not feel comfortable raising their concerns with the Company Secretary, they are also able to use our Harworth dedicated Speak Up Line, which is operated by an independent third party, NAVEX Global.
- 3.3 Contractors and their subcontractors are to ensure that our Company Secretary's contact details and the details for our Speak Up Line are made available to all workers.

Company Secretary contact details

Chris Birch
Group General Counsel and Company Secretary
Direct dial: 0114 349 3133
Email: cbirch@harworthgroup.com

Harworth Speak Up Line



Mobile:
harworth.navexone.com

Online:
harworth.ethicspoint.com

Phone:
0800 041 8848

Harworth