

CREATING TOMORROW TOGETHER ETHICALLY.

Wates

OUR MODERN SLAVERY STATEMENT
(YEAR ENDING 31 DEC 2023)



A message from our CEO.

Modern Slavery is a serious crime, which sees vulnerable people exploited for financial gain. We understand that the construction industry faces particular challenges to ensure the ethical management of labour and we are dedicated to playing our part to address the serious impact of modern slavery in our sector.

In 2024 we will launch our reinvigorated Group purpose to reflect where we are as a business today and our aspirations for the future. Our new purpose statement is: **Reimagining places for people to thrive.** This encapsulates our belief that the places where we live, work, and play can have a profound impact on our lives. Through our work we are able to help build resilient and prosperous communities, drive social mobility, and find new and innovative ways to address climate change.

Our modern slavery statement is a reflection of our commitment to our ethical standards and our dedication to modern slavery prevention. We are proud of what we have achieved in the last 12 months and will continue to challenge ourselves to work hard to combat modern slavery, and to uphold the highest standards of ethical behaviour.

We also know that our supply chains play a vital role in modern slavery prevention and we will continue to work with them and to collaborate with others in the sector to tackle this terrible crime.



EOGHAN O'LIONAIRD
CHIEF EXECUTIVE



“Our new purpose statement is **Reimagining places for people to thrive.** This encapsulates our belief that the places where we live, work and play can have a profound impact on our lives.”



Our structure, business and supply chain.

The Wates Group was established in 1897 and is one of the leading privately-owned construction, development, building and property services. company in the UK.

Our structure and business

Our businesses are UK based¹, with our head office in Leatherhead.

Wates Construction Group comprises two operating businesses: Construction and Integrated Construction Services. Our construction business is a Tier 1 building contractor working with a large range of public and private sector customers across the UK. We are a partner on 70% of the country’s leading central and local government procurement frameworks, delivering works for the Ministry of Justice, Department for Education and the Department of Health among others. Our Integrated Construction Services business incorporates a number of specialist engineering and construction businesses, including SES Engineering Services and Prism, our offsite manufacturing facility, and promotes the adoption of optimised construction and innovative technologies to help deliver better and more sustainable solutions for our customers.

Wates Developments Group includes three complementary businesses: Developments, Partnerships, and Development Agency Services, and in 2022 our flexible workspace brand, Needspace, was incorporated into the division, adding commercial property capability and experience. The Developments business maintains a portfolio of sites with potential for residential development, and delivers consented land and new homes across the south of England on greenfield and brownfield land. Through our Partnerships business we offer tailored development solutions through land and build packages for our customers, with a focus on affordable housing, build-to-rent and student housing, in and around London and in major regional centres. Our Development Agency Services business offers a ‘one stop shop’ of development services, including market research, project design, marketing and sales.

Wates Residential is one of the leading housing developers and contractors in London, the South of England and Wales, delivering mixed tenure housing schemes in partnership with local authorities. We work with our partners to address the country’s urgent need for new housing, and we’re driven by the belief that everyone deserves a great place to live. The regeneration schemes that we deliver are about much more than bricks and mortar. We focus on building sustainable communities that put local needs first, employ local contractors and create local training and employment opportunities.

Wates Property Services comprises three specialist businesses, covering social housing maintenance, facilities management, and fit out and refurbishment. In 2022 we maintained over 500,000 homes in social housing, supporting 65 local authorities and housing associations. Our Wates Retrofit offer, launched in 2022, is already a market-leading provider of zero carbon retrofitting services for social housing, and we are a specialist in fire safety compliance. Our facilities management business provides self-delivered mechanical, electrical and ‘total FM’ services to public and private sector customers, with a focus on improving the carbon and energy usage of non-domestic buildings through cutting-edge technology. Our fit-out business delivers high-quality commercial, office, secure facility and industrial fit-out and refurbishment services for a range of customers in both the public and private sectors.

You can find out more information on the services that we offer to our clients and partners in our latest Annual Reports and Accounts.

Our supply chain

We employ a 4,460 strong workforce and we collaborate with sub-contractor operatives and temporary workers on a daily basis. We engage around 900 - 1200 temporary workers in our business at any one time, consisting of both blue-collar and white-collar workers. Our supply chain is complex, made up of sub-contractors, consultants, materials suppliers, distributors, labour agencies and professional services suppliers.

Wates is a signatory to the Prompt Payment Code, which aims to transform the payment landscape, especially for complex supply chains involving small businesses, by promoting a culture of best practice and prompt payment.

¹Save for limited historic operations in Abu Dhabi.

Our 2023 achievements in brief.

2022 KPI
We will launch our enhanced due diligence programme, which will look to provide more detailed information on our suppliers.

2023 update
We introduced our new regulatory compliance screening programme which highlights risk factors at the outset and continually monitors our third parties throughout the relationship.

2022 KPI
We will continue to enhance our whistleblowing programme through our Whistleblowing Working Group. We will look at the options to report concerns in languages other than English.

2023 update
We introduced new and improved framework and case handling procedures into our whistleblowing programme. Reporters can now report concerns in over 40 languages.

2022 KPI
We will commence a programme to enhance our Supply Chain Mapping. Collaborating across the business, we will look at how we can improve the way that we understand the risks in our supply chain.

2023 update
We commenced our enhanced Supply Chain Mapping programme focussing on potential high-risk goods. A dedicated working group was established to focus on making improvements in this area.

2022 KPI
We will ensure that consideration of modern slavery issues on site is driven from the top down by including modern slavery indicators in our visiting managers' reports during site visits.

2023 update
Our visiting managers' report now contains modern slavery indicators. Managers at all levels have an active responsibility to be alert to and report modern slavery concerns.

Our other achievements



We refreshed our Anti-Slavery and Human Trafficking Policy and Standard to provide better clarity on the responsibilities of our employees and our supply chain for modern slavery prevention.



We introduced a new “Dealing with Modern Slavery” Guidance to help our employees understand what to do should they encounter modern slavery on our sites or in our supply chain.



We enhanced our training offering by increasing our training audience and introducing a new “Compliance Bites” programme to provide bite-sized modern slavery training to supplement our existing e-learning.



We delivered additional training to support Anti-Slavery day and engaged with Slave-Free Alliance to conduct in depth training to our employees, clients and sub-contractors in some of our London-based projects.

Our policies.

We have robust internal policies in relation to Modern Slavery that we are committed to following.

We comply with a wide-ranging suite of policies that are signed off by our Chief Executive Officer and reviewed on an annual basis. These policies are available to all staff by way of our internal Intranet and are published on our website. Our key modern slavery policies include our:

- Code of Conduct;
- Anti-Slavery and Human Trafficking Standard;
- Anti-Slavery and Human Trafficking Policy;
- People Policy;
- Safeguarding Policy.

Compliance with our Code of Conduct, Anti-Slavery and Human Trafficking Policy and Anti-Slavery and Human Trafficking Standard is required from our supply chain members and is included within our contracts.

Code of Conduct

Our Code of Conduct reflects our commitment to eliminating human trafficking, slavery, servitude and forced or compulsory labour within our business, defining the standards that we expect from our employees, temporary staff and supply chain partners.

Anti-Slavery and Human Trafficking Policy

Our Anti-Slavery and Human Trafficking Policy sets out our zero-tolerance approach to modern slavery in our business and in our supply chains, and reinforces our long-standing commitment to:

- Understand, evaluate and mitigate the risks to our business and in our supply chains;
- Implement, maintain and continually improve our policies, procedures, rules and guidance to support modern slavery prevention;
- Include obligations to comply with all requirements of the Modern Slavery Act in our Supply Chain contracts;
- Encourage openness and provide support to anyone who raises a concern relating to modern slavery, even if they turn out to be mistaken;
- Adopt a zero tolerance approach to retaliation against anyone raising a concern in good faith;
- Communicate and reinforce our zero-tolerance approach to modern slavery with our employees, supply chain and business partners.

Our policy was refreshed and updated in 2023.

Anti-Slavery and Human Trafficking Standard

In conjunction with our Code of Conduct and Anti-Slavery and Human Trafficking Policy, our Anti-Slavery and Human Trafficking Standard sets out the minimum labour standards that we require from all members of our supply chain, including obligations to:

- Comply with the Modern Slavery Act 2015;
- Provide evidence (when requested) that our supply chain have met the requirements of the standard;
- Include obligations within their own supply chain agreements that are (as a minimum) equivalent to the requirements of the standard;
- Ensure any labour agencies used operate legally and do not place workers at risk of modern slavery;
- Ensure that those in the supply chain adhere to all local and national laws relating to modern slavery and the treatment of workers.

The Standard covers our expectations in relation to:

- Freedom of movement and to choose employment;
- Freedom of association
- Contracts of employment
- Protection of young people
- Safe and hygienic working environment
- Fees
- Legal status
- Pay and benefits
- Working hours and rest
- Grievance
- Discrimination and Harassment

Our Anti-Slavery and Human Trafficking Standard was last updated in 2023.

Dealing with Modern Slavery – Guidance

In 2023 we introduced a new guidance document to help our employees understand what to do should they suspect or encounter modern slavery within our business or our supply chain. The guidance covers:

- Spotting the signs
- Reporting concerns
- Protecting victims
- Working with our supply chains
- Supporting access to remedy, compensation and justice.

In addition, we have a range of internal company rules, procedures, and professional standards that we are committed to following:

- On joining the business, all employees and temporary staff complete an induction programme, including training on modern slavery. Our training consists of modern slavery e-learning, induction materials and Modern Slavery Toolbox Talks. In 2023 we also introduced our Compliance Bites programme, this includes “bitesize” training videos on modern slavery to support our training programme.
- We review our suppliers in accordance with a defined process, including Constructionline accreditation, conducting due diligence and assessing IR35 status; and
- Our Critical Concerns Response Plan ensures that all suspected instances of modern slavery are escalated immediately to our Ethics and Regulatory Compliance team to be dealt with in an appropriate way.

Risk assessment, prevention and mitigation.

We understand our risks and we make sure that we have appropriate systems in place.

The UK Director of Labour Market Enforcement stated that the construction industry is as at a high risk of modern slavery. In addition, the government has identified construction as a high-risk area for procurement in its modern slavery statement dated 18th September 2023.

In recognising this risk, we have developed our annual risk assessment programme to identify the key activities that increase the risk of modern slavery occurring within our business. We identify specific risks and then score and evaluate those risks in accordance with a defined methodology in order to provide appropriate and realistic recommendations.

Our risk assessment process involves reviewing internal policies and procedures, consulting government guidance and reports (such as the US Department's Bureau of International Affairs' "Lists of Goods Produced by Child Labor or Forced Labor"), conducting internal interviews and incorporating insight from our Ethics and Regulatory Compliance team. This risk assessment is signed off by the Group Board on an annual basis.

As part of our public sector work, we also complete a Modern Slavery Assessment Tool, which provides a further opportunity for us to identify and manage our modern slavery risks.

The key potential risks identified from the risk assessment include the following:

Use of labour agencies	A potential risk of direct worker exploitation
Subcontractors	A potential risk of worker checks not being fully completed. The complexity of the supply chain, with multiple tiers, provides a challenge in respect of oversight at a central level.
Materials procurement	A potential risk of indirect material procurement. Procurement via sub-contractors provides a challenge in respect of oversight at a central level. Client-mandated procurement can limit control over procurement.

Due diligence.

We care about how we do business and who we do business with.

We adopt a risk-based due diligence approach in respect of our supply chain. We have mandated, where appropriate, that our suppliers be registered with the Constructionline validation system.

In 2023 we enhanced our due diligence offering to include a regulatory compliance screening platform. This allows us to carry out due diligence on onboarding and then continuously throughout the life of the relationship.

Our Preferred Supply Chain Programme, which accounts for approximately 70% - 80% of our procurement, allows us a more detailed assessment of our core suppliers' modern slavery risk. We also have a dedicated procurement and supply chain management team that regularly engages with our supply chain partners by way of briefings, updates and on-site visits. Our regional teams play an important role in supporting our modern slavery compliance, engaging with our suppliers and conducting factory visits to see how key products are being made.

In 2023 we developed a programme to look at improving our work on supply chain mapping. Using the "Lists of Goods Produced by Child Labor or Forced Labor" we identified potential high-risk products and have worked with our supply chain to understand where our products are produced. These products include bricks, PPE, timber, stones (including gravel) and solar panels.

To ensure those in our employment are safe from modern slavery we carry out right to work checks on our workforce in line with our legal obligations, and conduct day one identity checks and duplicate bank account checks. We also require our sub-contractors and our temporary work agencies to carry out right to work checks.

Effectiveness

Our compliance isn't about ticking boxes. It's about engaging in an effective way.

Our Modern Slavery Working Group is led by our Ethics and Regulatory Compliance team and includes representatives from across the business. The Working Group's scope includes:

- Leading and driving our modern slavery measures;
- Ensuring that our employees are alive to the risks of modern slavery;
- Continuously assessing our modern slavery risks;
- Supporting the business with any remediation actions; and
- Monitoring our performance against our KPI's.

We have conducted Ethical Site Audits using a third-party auditor and worked closely with our supply chain on any feedback.

Our "Speak Up" whistleblowing programme allows our employees and any third parties the opportunity to raise concerns anonymously and confidentially. This can be done via phone, email or webform. Our "Critical Concerns" process, governs how concerns relating to modern slavery should be handled to ensure that issues are dealt with in an appropriate way, ensures that reporters are protected from retaliation, and that consideration is given to how victims should be supported. We communicate details about our Speak Up programme through posters on site, within our Code of Conduct and Intranet, and through regular compliance communications. In 2023 we enhanced our whistleblowing platform to include the ability for whistleblowers to report in over 40 different languages.



Training and awareness.

Our people are our strongest weapon in the fight against modern slavery, so we make sure that they know what modern slavery is and what to do if they spot it.

We train our employees on modern slavery when they join our business and we also train those on our sites, whether that's the employees of our sub-contractors or temporary workers. Our training completion rate for eligible employees is 95%.

In 2023 we supported Anti-Slavery day with a communication and awareness programme including blog posts, the launch of our new Dealing with Modern Slavery Guidance and a business-wide open training session on understanding modern slavery.

We also conducted additional training on our projects in London with the support of Slave Free Alliance.

We engaged with our suppliers via our supply chain meetings to cascade information about modern slavery and included details out modern slavery awareness in our supply chain conference materials.

We also continued to promote our Code of Conduct. The Code includes a section on Ethical Procurement and on modern slavery prevention. Our Code is supported by a Toolkit, giving all of our employees quick access to more detailed information about the signs of modern slavery, about how to ensure that they are procuring ethically, and about what to do if they want to raise concerns.

We also introduced the signs of modern slavery into our visiting manager's report. This means that any senior leader visiting our sites must actively look out for signs of modern slavery as part of their visit and report any concerns.



Action plan for 2024.

Key Performance Indicators (KPI's)

We are proud of the work that we have done, but we know there is always further that we can go. We always look for a better way.

Our next steps in our plan to prevent modern slavery in 2024 are:



To refresh our Modern Slavery e-learning and to increase the frequency of completion;



Improve our auditing programme for our temporary labour agencies;



Continue to improve our supply chain mapping programme;



Engage with our sub-contractors on modern slavery through our Annual Supply Chain Conference.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the slavery and human trafficking statement for the Wates Group and its Group Companies, including the following Group companies that have a turnover in excess of £36 million:

- SES (Engineering) Limited
- Wates Construction Limited
- Wates Property Services Limited
- Wates Developments Limited
- Wates Group Services Limited

This statement has the support of the Board of Directors of Wates Group Limited and was approved on 20 May 2024 for the financial year ending 31 December 2023.

Head Office

Wates House
Station Approach
Leatherhead
Surrey KT22 7SW
Tel: 01372 861000

