



## MODERN SLAVERY AND HUMAN TRAFFICKING STATEMENT

### Introductory Statement from the Chief Executive Officer

It is widely acknowledged that the construction industry is a high risk sector for modern slavery and human trafficking, largely due to the demographics of the temporary labour workforce and complex supply chains.

We have a zero-tolerance approach to modern slavery and human trafficking and we are committed to acting ethically, transparently and with high integrity in all our business dealings and relationships. We aim to achieve this commitment by implementing and enforcing effective systems and controls designed to ensure modern slavery is not taking place anywhere within our business or in any of our supply chains and by adhering to our obligations under the Modern Slavery Act 2015.

We expect the same high standards from all of our contractors, suppliers and other business associates and we expect them to hold the businesses within their own supply chains to the same high standards.

### About McCarthy & Stone and its Business

McCarthy & Stone is the UK's leading retirement housebuilder with 40 years' experience and operating from nine regional offices. We buy land, secure detailed planning consent and then build, sell and manage high-quality retirement developments to suit all lifestyles and stages of retirement.

McCarthy & Stone (we) means all companies within the McCarthy & Stone Group. McCarthy & Stone Plc is the parent company of the McCarthy & Stone Group and is a FTSE250 company, listed on the London Stock Exchange. Further information about the Group's main trading subsidiaries can be found at - <https://www.mccarthyandstone.co.uk/about-us/companies-information/>.

### What is Modern Slavery?

Modern slavery is a crime and a gross violation of fundamental human rights. It takes various forms such as slavery, servitude, forced and compulsory labour and human trafficking, all of which have in common the deprivation of a person's liberty by another in order to exploit them for personal or commercial gain.

### Supply Chains

During the year, on average we directly employed 1,300 people and engaged many agency and subcontractor companies. Our annual revenue is £635.9m<sup>1</sup>.

We aim to ensure that we only work with credible suppliers and contractors so as to limit the potential risk of slavery or human trafficking in our business and supply chains.

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<sup>1</sup> As at 31 August 2016.

During the financial year our Procurement Team launched a new supplier and subcontractor 'onboarding process' in order to increase the quality of our due diligence and compliance checks. The process ensures that no new supplier or subcontractor may deliver products, undertake works or provide any service to the Group until they have confirmed that:

- they would be happy to provide us with reasonable access to their office or a selected site and records for inspection and audit;
- they are committed to ensuring that there is no modern slavery or human trafficking in their supply chains or business; and
- they have in place adequate systems to identify, assess, monitor and mitigate potential risk areas in their business and supply chains and to protect whistle blowers.

### **Temporary Labour Workforce**

We recognise that our temporary labour workforce is particularly vulnerable to the risk of modern slavery. During the year our temporary workforce was sourced through reputable employment agencies. Since our financial year we have taken steps to mitigate this risk even further by contracting with a third party company to manage our temporary labour requirement. The service includes regular audits on our labour suppliers to ensure that they comply with the Modern Slavery Act 2015.

### **Adherence to McCarthy & Stone's values**

We expect our employees, suppliers and subcontractors to share our own ethics and values by complying with our Anti-Slavery and Human Trafficking Policy.

We require suppliers and subcontractors to agree to representations and warranties contained in our standard Terms and Conditions / Subcontract Agreement relating to the prevention and detection of modern slavery and human trafficking.

### **Whistleblowing**

In order to detect, report and ultimately prevent modern slavery in any part of our business or supply chains we must encourage those working with, or for us, to raise any concerns or suspicions at the earliest possible stage and without fear of detrimental treatment. To achieve this, employees as well as new suppliers/subcontractors are given guidance on our Whistleblowing Procedure and have access to an external and anonymous 'whistle blowing hotline'.

### **Future Steps**

It is important that our policies and procedures relating to the prevention of modern slavery and human trafficking evolve in line with best practice and changing circumstances. To that end, we aim to take the following steps during the financial year ending 31 August 2017:

#### *Training*

We recognise the need to ensure that all of our employees receive adequate training to raise their awareness about slavery and human trafficking. In order to meet this training objective we will initiate an e-learning programme for both existing and new employees.

#### *Policies*

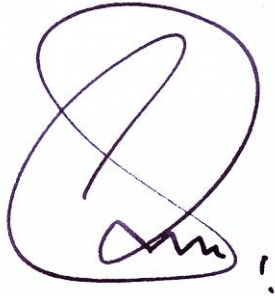
We will undertake a review of our Anti-Modern Slavery and Human Trafficking Policy and update it as necessary. We will also make a copy of the policy available to both new and existing suppliers/subcontractors.

We will make a copy of our Anti-Whistleblowing Policy available to *existing* (it is already available to new) suppliers/subcontractors.

*Procurement Process*

When we are renegotiating terms with existing suppliers and subcontractors, we will endeavour to carry out the same due diligence and compliance checks as if they were new business relationships.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our slavery and human trafficking statement for the financial year ended 31 August 2016.



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Clive Fenton  
**Chief Executive Officer**

February 2017

<b>Date approved by Executive:</b>	
<b>Date of next review:</b>	
<b>Policy Owner:</b>	Company Secretary