

MEARS GROUP PLC HUMAN RIGHTS AND MODERN SLAVERY STATEMENT

Version

This statement relates to the financial year ended 31 December 2022. It is published by Mears Group PLC and its relevant subsidiaries in compliance with the UK Modern Slavery Act.

Introduction

The purpose of this Policy is to ensure that Mears Group and its subsidiaries (“Mears” or “the Group”) take appropriate steps to ensure that it meets its obligations under the Modern Slavery Act 2015 (“the Act”), including those contained within the International Bill of Human Rights. The Policy details of our approach to fulfilling our commitment to support the elimination of Modern Slavery.

This Statement sets out Mears approach to controlling any risk to Modern Slavery in our operations and any developments to the approach in 2023. It reaffirms that we are fundamentally opposed to Modern Slavery in all areas of our business.

The Board of Mears has been briefed on the Modern Slavery Act 2015, and in respect of how Mears has responded to the legislation since it was enacted. We consider that the measures highlighted in this Statement, coupled with our overall approach to ethics and employee and supplier engagement, are ensuring a compliance approach to the risk of Modern Slavery taking place across Mears and our supply chain.

This Statement was approved by the Board of Directors.

Mears is wholly opposed to any form of Modern Slavery and is committed to combatting any such activity that is in any way connected to our business.

Our Group

Mears currently employs around 5,415 people and provides services in every region of the UK. In partnership with our Housing clients, we maintain, repair, and upgrade the homes of hundreds of thousands of people in communities from remote rural villages to large inner-city estates. Mears has extended its activities to provide broader housing solutions to solve the challenge posed by the lack of affordable housing and to provide accommodation and support for the most vulnerable.

We focus on long-term outcomes for people rather than short-term solutions and invest in innovations that have a positive impact on people’s quality of life and on their communities’ social, economic, and environmental wellbeing. Our innovative approaches and market leading positions are intended to create value for our customers and the people they serve while also driving sustainable financial returns for our providers of capital, especially our shareholders.

At group level, we set expectations for how our businesses conduct their activities through the issue of Group policies. Each of our businesses is required to conduct its activities to deliver conformance with these expectations and manage risks associated with its activities, including modern slavery.

This Policy applies to all activities carried out by the Group, in all jurisdictions and with no exceptions. The policy extends to third party suppliers and any other parties working on behalf of Mears.

Our policies on slavery and human trafficking

At the heart of Mears lies a strong sense of responsibility towards improving people's lives. We are proud of our Social Mobility Champion status, creating opportunities and enabling people to develop new skills within some of the most disadvantaged and marginalised communities in the UK.

Mears is committed to supporting the elimination of acts of Modern Slavery and accordingly we acknowledge the Act. 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. We are committed to acting ethically and with integrity in all our business relationships and implementing and enforcing effective systems and controls to ensure slavery and human trafficking is not taking place anywhere in our supply chains.

The Board of Mears considers that the adherence with the Act is in line with the Corporate Values and Ethical Code which it promotes to all the Group's activities.

Mears is further committed to ensuring equal opportunities within all aspects of employment and values the benefits of diversity within its workforce.

Across all the Group's activities including its employees, suppliers, partners, and sub-contractors; forced or compulsory labour is prohibited. Individuals should not be forced into involuntary labour and coercion at work is not acceptable.

Our employees

We set the highest standards and are committed to ensuring that the human rights of our employees are protected.

We are proud to be on the list of the Sunday Times 25 Best Big Companies to Work For,

and on the Social Mobility Index of the top 75 employers in the UK for our commitment to social mobility. We have a national Workforce Group that is responsible for setting the approach to staff engagement and each local branch has a People plan, which sets out what it will do in each year. We have an Employee Director who sits on the Mears Group Board, which also helps ensure that the views of the workforce are listened to and actioned.

Our annual Sunday Times Best Companies survey provides independent and anonymous feedback. We encourage a culture of openness among employees with our Employee Director providing a direct link from the Executive Board to every single employee for feedback. Fostering this culture is one important way in which we strengthen our ability to respect the rights of our employees and others who work for us.

Our Internal Recruitment team manage all employee recruitment and ensure that we carry out appropriate checks to ensure that employment is chosen freely, wages are compliant with the minimum wage, working hours are not excessive, and any new applicant is suitable for the role for which they have applied. All our employees undergo identity and right to work checks prior to commencing employment. We also carry out reference checking and DBS checks. We make job offers subject to appropriate satisfactory vetting procedures (where required). We employ most of our people directly or on a fixed term basis allowing us to ensure that payment of salary is made direct to that person.

We address any failures by our employees to adhere to our code and policies; this may involve disciplinary action, up to and including termination of employment.

Our suppliers and contractors

As a group we buy a wide range of goods and services. We have an extensive Supply Chain ranging from specialist subcontractors to suppliers providing goods services and labour all are sourced via a robust due diligence process and audited on an ongoing basis. We have zero tolerance to slavery and human trafficking. The Group makes every effort to ensure that all those in our supply chain, and other parties working on our behalf, accept our values in respect of slavery and human trafficking and take the same approach when conducting their business. All subcontractors confirm their compliance with all applicable anti-slavery, human trafficking laws, statute, regulations, and codes as part of our PQQ onboarding process. Our ongoing management process requires all documentation to be reviewed and updated annually.

Contractors are required to monitor the compliance of their own suppliers in line with Mears PQQ guidelines.

Mears spend £70m on material suppliers 89% of this spend is with tier one preferred eProcurement Suppliers. Our tier one suppliers are also required to complete a PQQ process and are required to confirm their compliance and provide documentation in line with our subcontractor PQQ.

These documents are reviewed annually. If a contractor or supplier fails to act in a manner consistent with our expectations or their contractual obligations, we look to work with them to resolve the issue to improve the situation of the people affected. If a serious breach is found and no corrective action is taken, we reserve the right to terminate contracts

Due diligence processes for slavery and human trafficking

As part of our ongoing duty to identify and mitigate risk we have in place systems and processes to:

- ▶ Regularly monitor labour and payroll. Include the Act requirements as part of our procurement process clear set out our expectations.
- ▶ Provide appropriate training, to all relevant employees.
- ▶ Build strong relationships with our supply chain and make clear the Group's expectations as to their conduct.
- ▶ Protect and support any whistle blowers,
- ▶ to guarantee confidentiality/anonymity, to internal and external stakeholders.
- ▶ Identify and assess potential risk areas in our supply chains; and assist us to have visibility and a better understanding of the risk areas.
- ▶ Monitor potential risk areas in our supply Chains and put in place actions to mitigate those risks.

Responsibilities

The Group Finance Director, Andrew Smith, is the main board director with primary responsibility for implementing this policy within our wider framework for managing corporate responsibility. Compliance with the Act will be reported to the Audit Committee annually.

Pursuant to the Act, we will update and issue this policy (which for the purposes of the Act should be seen as our slavery and human trafficking statement) annually, to confirm the actions taken to ensure that slavery and human trafficking is not taking place in Mears or within the activities of the Group's supply chain.

Commitments

As part of our Slavery and human trafficking statement and our ongoing commitment towards steps taken to address and remedy modern slavery, we committed to several actions, that we have detailed the status as in progress or completed.

Progress

We are proud of the steps that Mears has taken so far to combat slavery and human trafficking, however, recognise that this is an area which requires continual monitoring and improvement, and we will continue to

focus on improvements. To date we have not identified any suspected incidences of Modern Slavery in our supply chains.

We intend to continue to raise awareness with staff and our suppliers through a review of resources currently in place; and continue to gain a greater understanding of the supply chain practices and procedures of our key suppliers to understand how they address the Modern Slavery Act.

2022 reporting:

Zero incidents of noncompliance to Human Slavery policy.

Approval

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 December 2022.

This statement has been approved by the Board of Mears Group PLC and each of its relevant subsidiaries. It was approved by the Board March 2023.