

Persimmon Group Modern Slavery Transparency Statement

Introduction

This statement sets out the steps taken by the Persimmon Group during the year ended 31 December 2019 to prevent modern slavery and human trafficking in our business and supply chains. The statement covers the Persimmon Group including Persimmon Plc, Persimmon Homes Limited, Charles Church Developments Limited and Hillreed Homes Limited.

Our Organisation

Persimmon is one of the UK's leading housebuilders. We are opposed to modern slavery and human trafficking and take this matter very seriously. We treat all of our stakeholders, including our employees, workers, subcontractors, and suppliers fairly and with respect, and we will not tolerate illegal practices in our own business or in our supply chain.

The Persimmon Group has 31 regional housebuilding businesses that build homes across England, Scotland and Wales. Our Space4 business is based near Birmingham and operates the largest automated manufacturing plant for the production of timber frames and highly insulated wall panels and roof cassettes in the UK. In addition, our brick manufacturing plant in Harworth, Nottinghamshire provides a substantial proportion of the Group's brick requirements. We are establishing a new roof tile manufacturing facility at the same site, which is expected to begin supplying the Group in the first half of 2020. FibreNest is the Group's own ultrafast, full fibre to the home, broadband service which commenced operations within 2018.

Our Business Model

We identify areas of high demand for new homes across the UK, invest in suitable land either through our strategic land portfolio or through land purchased with planning consent on the open market. We design and build good quality new homes at a range of price points across the UK and focus on delivering good levels of customer service.

Our business model requires skilled people, a consistent supply of good quality materials and a skilled subcontractor base. At 31 December 2019 we employed 5,285 staff. Our operations involve 5,762 suppliers, the overwhelming majority of which are UK based, although some materials or components sourced by our suppliers originate from outside the UK. We also engage 6,245 subcontractors, all of which are UK based.

Policies

We treat all of our stakeholders, including employees, suppliers, subcontractors, business partners and customers in a fair and respectful manner and uphold all basic human rights. We have various policies in place setting out how we do this, including our Human Rights Policy, Code of Ethics and Anti-Bribery Policy, all of which are available on our website.

Assessing the Risk of Modern Slavery

Based on our annual review, we believe the Group has a low overall risk of modern slavery in both our own operations and within our immediate supply chain. Within 2019, there were no instances of modern slavery identified within the Group's operations (in 2018 there was one such instance identified). Specific risk areas that have been identified include non-compliance by subcontractors with labour related legislation and the sourcing of a small minority of goods from nations with a perceived high exposure to modern slavery risks (as determined by Global Slavery Index). The Group is committed to maintaining effective controls to mitigate these risks and in being proactive in raising awareness of modern slavery risks among our employees, suppliers and subcontractors.

Our Procedures

Our Own Business

We do not employ any person below the age of 16 in any of our business operations, including on our sites. As a reputable UK business, we ensure that as a minimum we comply with all relevant employment legislation, including legislation upholding minimum pay levels, legally mandated benefits, working conditions and working hours. The Group has voluntarily adopted the payment criteria of the Living Wage Foundation and in 2019 we signed the Social Mobility Pledge.

We have procedures in place to ensure that each of our businesses checks that all employees and labour only subcontractors are eligible to work in the UK. We also have systems in place to ensure that our businesses adhere to our procedures and legislation. In addition to this, our Group Internal Audit function conducts regular checks to ensure adherence to procedures.

Our staff, suppliers and subcontractors are encouraged to remain vigilant to unethical practices, and we maintain a culture of openness where concerns can be reported freely. We also maintain whistleblowing procedures for the anonymous reporting of concerns, and publicise these procedures at all of our sites.

Our Suppliers and Subcontractors

The vast majority of our suppliers and subcontractors are either UK based entities or are UK offices of large international companies. We look to develop long term and mutually beneficial relationships with our suppliers, built on respect and honesty.

The significant majority of the goods we buy are produced either in the UK or in jurisdictions that have well established frameworks for stakeholder protections. Previous analysis of our supply chain indicated around 11% of our suppliers sourced goods from overseas, the majority of which were from EU states. A small proportion of the goods we purchase, or components within these goods, originate from geographies that do not have such well-established frameworks and have a heightened risk of modern slavery in respect of working conditions and child labour, for example. Where these are identified, assurances are sought from suppliers to ensure appropriate safeguards are in place on the ethical sourcing of the materials.

We do not condone the sale and use of materials that have been obtained or manufactured from an illegal, unethical or unauthorised source. Our suppliers must agree to our terms and conditions, which includes adherence to our Supplier Principles. Our Supplier Principles specify that all suppliers must comply with all relevant labour related legislation in the countries in which they operate, including those relating to working hours, employee wages and benefits, and that our suppliers must not engage in business practices that may be considered unethical or corrupt.

We have procedures in place to obtain confirmation from our key suppliers, particularly those sourcing goods from countries deemed to be of higher risk that they continue to adhere to our Supplier Principles. Our Supplier Principles are reviewed regularly.

Steps Taken in 2019

In early 2019, the Group joined the Gangmasters and Labour Abuse Authority's (GLAA) Construction Protocol. This has provided access to additional industry specific information and sharing of good practices that have contributed to the further strengthening of our controls against modern slavery and human trafficking.

Targeted training has been introduced to boost employee awareness of modern slavery risks, focusing on staff working on our construction sites. Training has included a specific section within our Site Manager Essentials training course, which was delivered to 35 staff in 2019 and is scheduled for a broader roll out across the Group in 2020.

The Group Procurement team ensures all key suppliers that provide Group deals for our Operating Companies are advised of our Supplier Principles (see above) to ensure awareness of the Group's ethical expectations.

Steps to be taken in 2020

Within 2020, our Group Internal Audit function is scheduled to perform a further analysis of modern slavery risk within our supply chain, building on similar work performed and disclosed in our 2018 Modern Slavery Transparency Statement. The results of this analysis will be reported to our Risk Committee and Corporate Responsibility Committee.

The Group has also adopted GLAA developed materials for a toolbox talk for our site-based workforce, which is being delivered in early 2020. As at the end of February 2020, this had been delivered to 2,945 individuals, including both directly employed staff and subcontractors.

We will continue to participate actively within the GLAA's Construction Protocol community, ensuring we remain up to date with trends and intelligence relating to modern slavery, and adopt further areas of good practice where required.

The Group will continue to keep its practices, procedures, and training programmes under review to ensure their continued effectiveness.

Approved by the Board

Dave Jenkinson
Group Chief Executive
19 March 2020