

# CLAYWATT

## Transforming Places for Lives to thrive.

Claywatt Modern Slavery Statement  
(Year ending 31 Dec 2024)



# 1 Our structure, business and supply chain

Claywatt, established in 1980, is a UAE–UK owned construction, development, and engineering services company. Our operations cover the delivery of large-scale public and private sector projects, facilities management, property services, and advanced MEP engineering. With offices in the United Kingdom and the United Arab Emirates, we manage complex supply chains that extend across global markets.

**Our divisions include:**

## **Claywatt Construction**

Our construction division delivers innovative and sustainable projects across the UK and UAE, serving both public and private sector customers. There are three business units within the Construction division:

- Construction, which delivers large public and private sector programmes and projects.
- Our fit out and refurbishment business, which services public and private sector frameworks.
- Our recently created Fit Out business which is focussed on the commercial market.

## **CES**

Previously part of Construction, CES has become a stand-alone business. CES specialises in engineering technology and offsite manufacturing services. The business has established itself as one of the leading design-led mechanical and electrical providers in the UK and UAE.

## **Claywatt Developments Group**

Our residential and commercial land promotion businesses collectively come under the umbrella of Developments, which also includes our biodiversity net gain (BNG) land business, our flexible workspace business.

## **Claywatt Residential**

A leading housing developer and contractor, focused on delivering affordable, quality homes across UK and UAE, Claywatt Residential specialises in partnering with local authorities, housing associations and public bodies to invest in, develop and build and sell homes that create thriving, sustainable communities.

## **Claywatt Property Services**

Our Property Services business is a social housing maintenance and facilities management provider delivering specialist services to support thriving homes and workplaces.



# 2 Modern slavery governance

**Claywatt's Modern Slavery Programme is overseen jointly by our Sustainability and Legal Directors, supported by our Ethics and Compliance team.**

The framework is reviewed annually and includes:

- Top Level Commitment
- Risk Assessment
- Policies, Procedures and Governance
- Due Diligence
- Training and Communication
- Monitoring and Review

Responsibility for the management of the Modern Slavery framework sits with our Ethics and Compliance team. The framework is reviewed on an annual basis.

Each year we also complete the Modern Slavery Assessment Tool (MSAT) which also helps us to identify key areas for improvement.

The framework and MSAT provides a basis for our modern slavery action plan.

The action plan details:

our key areas of improvement and development for the year ahead.

The Modern Slavery Working Group is chaired by the Head of Ethics and Compliance and includes representatives from Legal, HR, Procurement, Sustainability, Quality and Supply Chain. The Group meets on a quarterly basis.





The scope of the Working Group 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 KPIs.

In 2025, further work will be done to strengthen the Modern Slavery Working Group including a review of membership and more detailed governance and accountabilities for members. The UN Sustainable Development Goals (SDGs) were adopted by world leaders in 2015 to create a blueprint for a more sustainable future for all. SDG 8.7 specifically calls for immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour. At Claywatt, our sustainability policies are aligned to the SDGs, which we also use as a framework to guide our sustainability strategy.

# 3

## Our 2024 achievements in brief

### 2023 KPI

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

### 2024 update

In 2024 we introduced a refreshed and updated mandatory modern slavery e-learning module. We increased the frequency of e-learning completion to require employees to repeat the e-learning every two years. We also introduced an enhanced escalation process for non-completion of mandatory e-learning.

### 2023 KPI

*Improve our auditing programme for our temporary labour agencies*

### 2024 update

In 2024 we carried out an audit of our labour agencies which included enhanced questions on modern slavery compliance. This included reviewing the labour agencies policies and procedures to on right to work and modern slavery prevention. We also introduced a new temporary labour agency model which will include bi-annual audits for temporary labour agencies in relation to modern slavery compliance.

### 2023 KPI

*Continue to improve our supply chain mapping programme*

### 2024 update

In 2024 we contacted Tier 1 suppliers who supplied potentially high-risk products (“Lists of Goods Produced by Child Labor or Forced Labor”) and asked them to provide information regarding their supply chain map and procurement processes. Mapping our supply chain remains a key priority for 2025.

### 2023 KPI

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

### 2024 update

No Supply Chain Conference was held in 2024. Claywatt regularly engaged with its supply chain in relation to modern slavery through its site-based training and awareness, and as part of its ongoing procurement processes.



# 4 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; and
- 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.

Our Code of Conduct is approved by our Group Board and CEO and is reviewed on an annual basis. In 2024 a new specific Code of Conduct e-learning module was launched for all employees which must be completed on joining the business and every two years thereafter.

The Code of Conduct is supported by an online Toolkit which contains frequently asked questions and is available to our employees. Our Code is published both internally and externally and can be found on our website.

Oversight of the Code of Conduct is managed by the Ethics and Compliance team and is supported by our whistleblowing programme. The Code was last updated in November 2024.



## **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 2024.

## **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:

- 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 2024.

The standard forms part of our contractual terms with our supply chain and our supply chain agrees to be audited on compliance.



# Our policies (cont.)

## 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

This guidance supports our commitment to working with our supply chain partners in the event that modern slavery concerns are identified. We recognise that simply stopping working with a business who has identified modern slavery in its supply chain is not the best approach to protect workers and to tackle modern slavery in the longer term.

Our guidance supports prioritising the safety of potential victims and working with our supply chain to put in place action plans, looking at remediation, the root cause of the modern slavery and how improvements can be made to prevent further occurrences. In 2025 we intend to develop this policy further by producing a specific remediation procedure and protocol where modern slavery incidences are reported.

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. We also have in place a Compliance Bites programme, this includes “bitesized” training videos on modern slavery to support our training programme (see Training and Awareness);
- We review our suppliers in accordance with a defined process, including Construction line accreditation, conducting due diligence and assessing IR35 status; (see Due Diligence); 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 (see Victim Support /Incident Management).



# 5 Risk assessment, prevention and mitigation

## 5.1 Understanding the Risks

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

The Director of Labour Market Enforcement stated that the construction industry is as at a high risk of modern slavery. In addition, the government 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. The risk assessment is conducted by the Ethics and Compliance team in consultation with key stakeholders across the group.

The risk assessment looks at key categories of risk identification including:

- Country risk
- Sector risk
- Supply Chain complexity risk
- Workforce risk
- Materials risk

As well as specific modern slavery scheme risks and vulnerable activities such as:

- Temporary labour
  - Management of third parties
  - Materials procurement
  - Recruitment
  - Mergers and acquisitions
  - Incident management / victim support
- Our risk assessment process involves reviewing internal policies and procedures, consulting government guidance and reports.

conducting internal interviews and incorporating insight from our Ethics and Regulatory Compliance team.

Our 2024 risk assessment indicated that we faced key risks in relation to the procurement of our temporary labour as a result of the number of labour agencies we utilised. As a result we implemented changes to our temporary labour programme to a neutral vendor model (see Temporary Labour). It also indicated we faced risks in relation to the use of outsourced labour in the lower tiers of our supply chain and our visibility over the treatment of those workers. We therefore worked to establish an ethical site auditing programme which will commence in 2025 (see Management of Third Parties) which will help us to understand the experience of workers on our sites. Another key risk was understanding our supply chain and the visibility over where and how our products are procured. In 2024 we carried out some work with our Tier 1 suppliers and this is something we will continue to work on into 2025 (see Materials Procurement).

In 2024 Claywatt entered into a partnership with Unseen as part its commitment to modern slavery prevention. During 2025, Claywatt will work with Unseen to look in detail at developing key risk areas, starting with a programme gap analysis highlighting opportunities for improvement.

Understanding the risks in our supply chain will also continue to be a focus in 2025 as we look to improve the way we navigate our complex supply chains.



## 5.2 Temporary Labour

Due to the work that the Group undertakes, temporary labour services are often necessary. At any one time, the Group employs approximately 1100 temporary workers. Around 60% of those are blue collar workers ( a combination of skilled and unskilled tradespeople) and 40% white collar workers, (a mix of skilled and unskilled administrative staff, and project related roles). There is an inherent modern slavery risk when using temporary labour as temporary workers are more vulnerable to exploitation than directly employed workers. The risk increases where more unskilled temporary labour is used. To mitigate this risk, we have in place a

“neutral vendor” model for managing labour agency recruitment. This ensures that our temporary workers are resourced from a small number of trusted and reputable labour agencies, and that compliance with legal requirements such as right to work checks and minimum wages requirements are overseen by a neutral vendor and that regular audit requirements are in place.

We also ensure training on modern slavery is provided to our temporary workers via site induction training modules, posters and awareness campaigns.

## 5.3 Management of Third Parties

The nature of the construction industry results in complex supply chains, often with multiple layers of sub-contractors with materials procurement and provision of labour occurring at different layers of the supply chain which can lead to increased risk.

To support with managing this risk, suppliers are required to meet the requirements of the Anti-Slavery and Human Trafficking Standard and to replicate this through their supply chain. The standard also places obligations

on suppliers in relation to their use of labour agencies (see Our Policies).

We also conduct due diligence (see Due Diligence) on our supply chain partners through the use of third-party screening, Constructionline accreditation and through internal questionnaires.

In 2025 this will be supported through a series of worker wellbeing site visits conducted in partnership with Unseen (see Effectiveness).



## 5.4 Materials Procurement

As part of our assessment of risk we review “Lists of Goods Produced by Child Labor or Forced Labor” to identify potentially at-risk goods, for example bricks, garments, textiles, glass, granite, gravel and carpets.

As the Group continues to move more into the renewables market, the risks of modern slavery related to products such as solar panels and in particular the risks associated with polysilicon, continues to increase. Polysilicon is a key input in the production of solar modules, and nearly half of the world’s solar-grade polysilicon comes from Xinjiang, a region in western China. There are well documented state-sponsored human rights abuses involving Uyghurs and Muslim minorities within Xinjiang and other parts of China.

To manage the risks in our supply chain the Group has a central list of around 250 – 300 preferred suppliers and relies predominantly on UK based distributors. 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.

For all our suppliers (even those outside of our Preferred Supply Chain Programme) we 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. We have a factory visits report which asks questions about worker welfare and provides observations on potential modern slavery indicators to be considered during the visit.

In 2024 work was carried out with our Tier 1 materials suppliers to identify potentially high-risk products and to ask questions about the lower levels of supply chain for those products. We will continue to support the development of this supply chain mapping in high-risk areas.

## 5.5 Recruitment

The Group has a recruitment process involving a combination of direct recruitment via an in-house function and by an external agency.

The Group uses an external third-party screening tool (PeopleCheck) to conduct right to work checks and DBS screening. Depending on role, recruitment checks will also include background checks such as director disqualifications and adverse media checks. In addition, the Group requires a

copy of the individual’s passport. A “day one” check was introduced for Claywatt employees in 2023 so that the employee has to present their passport on their first day at work to ensure that their identity matches.

Upon provision of bank account details for payroll purposes, the Group conducts a duplicate bank account check to identify where salaries may be being diverted to and controlled by others.



## 5.6 Mergers and Acquisitions

In October 2024, a specific risk assessment was carried out on the business looking at the policies, procedures and practices, and any potential modern slavery risks.

Work commenced to review training offering, and implementation of key policies relating to modern slavery is underway to bring it in line with the Claywatt Group.

## 5.7 Victim Support / Incident Management

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 whistleblowing programme contains a “Critical Concerns” process. Employees are under an obligation to report serious compliance concerns through the whistleblowing channels. This includes any concerns about modern slavery. Employees must contact the Ethics and Compliance team through one of the following channels:

- [info@claywatt.com](mailto:info@claywatt.com)
- Call: +971 4397 7913

The ERCG will review the concern and develop an appropriate action plan. This will include:

- Assessing the severity of the concern,
- Deciding whether the police, regulatory authority or other body should be informed,
- Agreeing what immediate steps are needed to protect individuals and preserve evidence,
- Determining what investigation /immediate remediation actions are needed.

Throughout the process, consideration is given to ensuring that reporters are protected from retaliation.

As a result of enhancements to the programme and driving awareness, in 2024 we saw a 56% increase in reports made through the Claywatt whistleblowing channels.

As well as whistleblowing we have in place a number of other mechanisms for reporting concerns, including a grievance policy for employees, an annual staff “Impulses” survey and the app which allows workers to report health and safety or welfare concerns that they have identified on site.



# Due diligence

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

### 6.1 Supply Chain

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.

Constructionline offers an accreditation standard which is designed to streamline the construction procurement process by providing a unified set of questions for assessing suppliers. This standardisation of construction PQQs improves efficiency by reducing duplication and saving time and resources for both construction buyers and suppliers.

Constructionline provides different levels of accreditation for suppliers. Claywatt is a Constructionline Gold member which means we require our suppliers to meet the relevant gold accreditation criteria.

Constructionline asks specific questions regarding modern slavery and human trafficking legislation, policies and procedures as well as worker welfare rights such as national minimum wage compliance.

In addition, in 2023 we also 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. The screening platform will look for recorded regulatory compliance fines and breaches and will also identify issues such as adverse media reports.

In the event that red flags are indicated through the screening process, these are escalated to the Ethics and Compliance team who will review them and provide guidance to the Procurement and business unit supply chain teams on how to address the concerns. Typically, this will involve asking more specific and detailed queries of those in the supply chain to understand the issues that have occurred and how they rectified / remedied the issues.

In addition, as part of the Claywatt Management System to sub-contract works, we carry out a Plan Right exercise prior to execution. This involves a detailed discussion with the sub-contractor in respect of Health and Safety, Environment and Quality issues. This document also contains a section on modern slavery and asks the sub-contractor to confirm details of modern slavery policies and procedures and how the sub-contractor manages the supply chain.

Claywatt also uses Biosite biometric recognition technology on its sites to improve safety and security on site. Using biometric recognition helps to prevent identity switching with several workers sharing one set of documents. The Biosite induction process also involves CSCS card checks.



## 6.2 Recruitment

As well as pre-employment checks (see Risk Assessment, Prevention and Mitigation) we have a number of other due diligence processes to mitigate the risks of modern slavery. All employees are also provided with terms and conditions of employment and receive pay slips setting out their pay. Employees have day one identity checks and are subject to CSCS card checks to verify their identity.



### Effectiveness

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

We assess compliance with our modern slavery action plan on an on-going basis throughout the year and monitor our KPI's and other focus areas through our Modern Slavery Working Group.

We also monitor our whistleblowing programme, identifying where we receive reports and what they relate to. We also monitor key metrics such as number of reports received year on year, length of time taken to investigate and remediation outcomes.

In 2024 we carried out an audit of our temporary labour agencies which included modern slavery compliance. Through improvements to our temporary labour agency model (see Risk Assessment, Prevention and Mitigation) we will continue to develop a programme of audits in relation to management of temporary labour.

As part of our work with Unseen we also intend to establish a programme of worker wellbeing site visits. These audits will look at:

- Responsible recruitment
- Pay and fair reward
- Managing working hours
- Safe working conditions
- Worker engagement
- Modern slavery awareness
- On-site community

We intend to carry out a minimum of three worker wellbeing site visits in 2025 with the first scheduled in Q1.

# 6 Training and awareness

**the fight against modern slavery, so we make sure that they know what modern slavery is and what to do if they spot it.**

Modern slavery training is a mandatory requirement for all our employees. Employees are required to complete a modern slavery e-learning at the start of employment and then complete the training again every 2 years. Depending on the employee's role, we provide e-learning either in the form of a traditional module (with knowledge test questions and scenario-based learning), or through short videos. In both cases the modern slavery training covers:

- How big the problem is
- What the Modern Slavery Act is
- Responsibilities under the Act
- What modern slavery is
- How to spot the signs
- How to report it

The modern slavery e-learning is managed by the Ethics and Compliance team in conjunction with the Learning and Development team. The content of the e-learning was last updated in 2024 and is reviewed by the Ethics and Compliance team on an annual basis to ensure the content remains appropriate and up to date. The completion rates for training are reviewed monthly.

Modern slavery training is also supported by our Code of Conduct e-learning. The Code of Conduct training is also mandatory for all employees on induction and is renewed every 2 years. This was introduced as a new module in 2024. This e-learning contains a scenario-based question around spotting the signs of modern slavery.

In 2025 we intend to work with Unseen to provide more specific training to those in higher risk areas such as Procurement and Recruitment.

Modern slavery awareness is also included as part of our site induction process which is delivered to temporary workers and sub-contractors starting on site. This is delivered by site management teams as part of the health and safety induction and includes details of how to spot the signs of modern slavery.



# 7

## Action plan for 2025

### Key Performance Indicators (KPIs)

**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 2025 are:



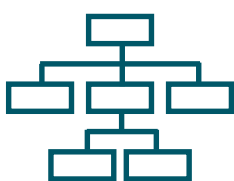
To ensure 95% compliance with our Modern Slavery e-learning



To complete a Modern Slavery gap analysis looking at areas for development and improvement in our programme by Q2 2025



To implement a Modern Slavery remediation and escalation protocol providing clear escalation routes where concerns are identified and setting out action plan steps to support remediation by Q3 2025



To complete three worker wellbeing site visits by the end of 2025 with the outputs reviewed by the Modern Slavery Working Group and reported to the Executive Risk Committee to implement remediation actions and improve standards across the Group.

# 8 Sign-off

**constitutes the slavery and human trafficking statement for the Claywatt Group and its Group Companies, including the following Group companies that have a turnover in excess of £22 million:**

CES (Engineering) Limited

Claywatt Construction Limited

Claywatt Property Services Limited

Claywatt Group Services Limited

**This statement has the support of the Board of Directors of Claywatt Group Limited and was approved on 8 May 2025 for the financial year ending 31 December 2024.**

