

McCARTHY STONE

Life, well lived

ANTI SLAVERY AND HUMAN TRAFFICKING STATEMENT

2024/2025

Introductory Statement from the Chief Executive Officer

This statement is made by McCarthy & Stone Limited (McCarthy Stone) on its own behalf and behalf of all its subsidiaries.

The Board of McCarthy & Stone Limited has approved this statement which is made in accordance with Section 54 of the Modern Slavery Act 2015 (the "Act") and covers the financial year from 1 November 2022 to 31 October 2023.

Modern slavery and human trafficking are abhorrent practices that still exist in many parts of the world, including the UK. Modern Slavery and Human Trafficking can take various forms including slavery, servitude, forced, compulsory and child labour, all of which have in common the deprivation of a person's liberty for personal or commercial gain. We maintain a zero-tolerance approach to these practices, and we remain committed to acting ethically, transparently and with high integrity in all our business dealings and relationships.

We expect the same high standards from all 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.

This is McCarthy Stone's eighth statement, and our commitments will continue to be reviewed and updated annually in accordance with the Act.

About McCarthy Stone and its Business

McCarthy Stone (*we, us, our* or *Group*) means all companies within the McCarthy Stone Group. Further information about the Group can be found at - <https://www.mccarthyandstone.co.uk/about-us/>.

The Group is the UK's leading developer and manager of retirement communities under the trading name McCarthy Stone and our purpose is to champion the role, wellbeing and happiness of older people in society by creating communities for our customers that nurture a sense of belonging, independence and peace of mind. McCarthy & Stone (Shared Ownership) Limited, a wholly owned subsidiary of McCarthy & Stone Limited provides shared ownership homes in conjunction with Homes England and is registered with the Regulator of Social Housing.

Our mission is to be the natural choice for later living – by developing beautiful, sustainable and more affordable places to live, with flexible services and a choice of ownership options, designed around our customers and their families.

All our developments built since 2010 are managed by our in-house management services team, providing peace of mind that we will look after customers and their properties for the long term whilst supporting vibrant communities across the UK.

About McCarthy Stone and its Business continued.

McCarthy Stone currently manages over 533 developments across the UK for more than 23,000 customers. Our Head Office is located in Bournemouth, and we operate from a number of offices across our four divisions.

We acquire land for development, secure detailed planning consent and then design, construct, market and manage high-quality retirement homes to suit all lifestyles and stages of retirement. We provide property resales, management and maintenance services for our customers, and also personal care, support, cleaning and food and beverage services to those living in our Retirement Living PLUS developments. All our developments and services are based within the United Kingdom.

As at 31 October 2023, we employed 2,818 people and our revenue for the financial year was £327m.

Our Supply Chain

It is widely acknowledged that the construction and care sectors are high-risk for modern slavery and human trafficking, largely due to the demographics of the temporary labour workforce and complex supply chains. We aim to ensure that we only work with credible suppliers and contractors so as to limit the potential risk of modern slavery or human trafficking within our business and supply chain.

Our construction programme is delivered through a number of principal UK-based sub-contractors and suppliers, and we have framework agreements in place with many of these ('Framework Contractors'). Each of our Framework Contractors has, at our request confirmed they have policies and controls in place to prevent modern slavery and human trafficking and the terms of our framework agreements include clauses addressing compliance with the Act.

Our Finance teams in conjunction with the business and Strategic Procurement team continue to operate a robust supplier on-boarding process for suppliers and sub-contractors.

Furthermore, our contracts with our supply chain aim to ensure that:

- 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.

All of our construction programme sub-contractors are required to have Contractors Health and Safety Assessment Scheme (CHAS) Advanced accreditation. CHAS is the UK's leading provider of compliance and supply chain risk management solutions. This helps us ensure that our business is mitigating the risk of modern slavery within its supply chain.

Employment and Recruitment Practices

As at 31 October 2023 our Group's workforce consisted of c.2,800 directly employed workers, c.600 temporary site-based workers and c.6,000 active suppliers, subcontractors and local trades people. We pay all of our directly employed workers at least the statutory UK National Minimum Wage or the UK National Living Wage (as applicable to the age of the worker).

We take steps to ensure that all our workers are eligible to work in the UK, either as part of our own recruitment process for directly employed workers or via our agency suppliers' processes. We also carry out DBS (Disclosure and Barring Service) checks and PVG (Protecting Vulnerable Groups) checks where statutorily required.

Temporary Workforce

Our temporary site-based workforce is particularly vulnerable to the risk of modern slavery. We continue to be proactive in mitigating this risk by outsourcing the recruitment process of this workforce through reputable third-party companies. All agency suppliers are required to agree to comply with the Act and to give various assurances that their personnel and temporary workers are not victims of modern slavery or human trafficking and have met the right to work test.

To further strengthen the assurances detailed above, under our agreements with agency suppliers, we can undertake or instruct independent audits to ensure that they also comply with the Act and pay our workers no less than the statutory UK National Minimum Wage or the UK National Living Wage (as applicable to the age of the worker) and that these pay rates are not reduced by the treatment of travel and/or subsistence expenses. These audits may take the form of an on-site or remote review of the records held by each labour supplier, including sight of workers' payslips, right to work documents and terms of engagement.

Adherence to McCarthy Stone's values and policies

We expect our employees (whether permanent, fixed-term or temporary), directors, casual and seconded staff, consultants, suppliers and sub-contractors to share our own ethics and values by complying with our Anti-Slavery and Human Trafficking, Money Laundering and Terrorist Financing Prevention, Anti-Bribery and Corruption and Fraud Policies. We require suppliers and sub-contractors to agree to representations and warranties contained within our standard Terms and Conditions, Subcontract Agreements and Framework Agreements relating to the prevention and detection of modern slavery and human trafficking. In addition, we require them to implement due diligence procedures within their own supply chains.

Whistleblowing

In order to detect, report and ultimately prevent modern slavery in any part of our business or supply chain 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 are given guidance on the intranet of our Whistleblowing Procedure and have access to an external and anonymous 'whistleblowing hotline'. Details of our Whistleblowing hotline are displayed at our offices, construction sites and on developments that we operate and procedures allow for our customers, visitors and sub-contractors to contact the hotline and register any concerns they might have also.

Grievances or Complaints Received

There were no grievances or complaints raised directly or via the whistleblowing hot line with regards to modern slavery or human trafficking during the financial year ending 31 October 2023.

Training and Awareness

We continue to provide mandatory e-Learning training to all employees, consultants and temporary non-site-based workers of the Group. We believe that by completing this training employees will gain a wider knowledge of modern slavery and human trafficking and enable them to recognise potential areas of risk within the workplace.

Environmental, Social and Governance Responsibility (ESG)

We have increased the Group's commitment to environmental, social and governance (ESG) responsibilities through our Group Sustainability Committee chaired by the CEO. The aim of the committee is to deliver on our net zero strategy and establish a unified view of ESG, increasing understanding of all three aspects, environmental, social and governance, and to promote robust standards of corporate governance that integrate all these aspects including societal and community engagement.

Future Steps

Code of Conduct

To ensure our suppliers and sub-contractors are aware of and agree to comply with our standards in relation to ethical and compliance issues, we will distribute a compulsory Code of Conduct to all our suppliers and sub-contractors during 2024/2025.

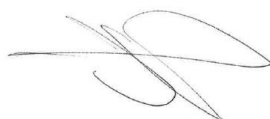
Policies

We review our Anti-Slavery and Human Trafficking Policy and other related policies on an annual basis.

As we seek to continually improve our approach to and identification of the risks of modern slavery, and human trafficking we will:

- fully investigate and take appropriate action if any slavery or human trafficking related events are reported to us directly or through our independent whistleblowing channels;
- continue to work with our contractors to monitor and identify any emerging risks of slavery and human trafficking in our supply chains;
- continue to monitor our Framework Contractors for adherence to best practice;
- focus on specialist training for colleagues with responsibility for supply chain management and procurement;
- continue provide induction training for all employees; and
- Introduce annual refresher training for all directly employed staff.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes our Group's Slavery and Human Trafficking Statement for 2024/2025. This statement outlines the steps McCarthy Stone has taken during the financial year to 31 October 2023 to help ensure that slavery and human trafficking is not taking place in any of its supply chains, and in any part of our business and will be reviewed and published annually.



John Tonkiss
Chief Executive Officer