

Report to:	Group Board
Date of meeting:	28th September 2026
Report from:	Chris Smith, Group Procurement Manager
Title of report:	Modern Slavery Statement 2026/2027
Applicable to:	Karbon Group
Considered by:	N/a
Confidential	No
Agenda No.:	12

ACTION REQUIRED	Approval of the group's Modern Slavery Statement for 2026/27 and agreement to publish this statement on our external website and upload it to the Home Office's Modern Slavery Statement Registry.
EXECUTIVE SUMMARY	This report discusses the legal requirement for Karbon to produce a Modern Slavery Statement for 2026/2027 and seeks approval of the draft statement.
APPENDICES	Appendix 1 – Draft Modern Slavery Statement 2026/2027

GROUP BOARD

Modern Slavery Statement for 2026/2027

1. PURPOSE OF THE REPORT

- 1.1. The report discusses the requirement for Karbon to produce a Modern Slavery Statement for 2026/2027 and seeks approval of the draft statement.

2. BACKGROUND INFORMATION

- 2.1. As a commercial organisation with an annual turnover of over £36million, Karbon Homes is legally required under section 54 of the Modern Slavery Act 2015 ("the Act") to publish an annual Modern Slavery Statement outlining the actions we have taken to tackle risks within our organisation and our supply chains regarding slavery, forced labour and human trafficking.

3. REPORT PROPOSALS AND/OR DECISION DETAILS

- 3.1. The Group Procurement Manager has created a draft statement (see appendix 1). In drafting the statement, Home Office guidance has been followed, and it covers the 6 key areas:

- i. Structure and supply chains
- ii. Policies on modern slavery
- iii. Due Diligence processes
- iv. Risk Assessment
- v. Measuring effectiveness
- vi. Training for staff

- 3.2. In accordance with the Act, a statement must be published as soon as possible after our financial year end and added to a prominent position on our websites. Home Office guidance also now requires the statement to be uploaded to the government's Modern Slavery Statement Registry. Where the organisation making the statement is a corporate body, the statement must be approved by the board of directors.

- 3.3. This report seeks approval of the draft statement and, if approved, authorisation for signing and publication.

4. CUSTOMER INSIGHT/ IMPACT/ VIEWS

- 4.1. If approved to do so, the issuing of our statement will assist and support the awareness of customers that the Group is aware of this global issue and that we are monitoring issues that could affect our supply chain. To support their understanding, we will be providing an overview of the subject and what steps we take to manage and monitor this issue at the Procurement Customer panel in January of 2027.

5. OPTIONS EVALUATION (IF REQUIRED)

- 5.1. Not applicable.

6. SUMMARY OF KEY RISKS AND ISSUES

- 6.1. The requirement to publish a statement is laid out by statute and supplemented with statutory guidance published by the Home Office.
- 6.2. Failure to comply with the requirements of the Act concerning the statement could lead to the following consequences:
- 6.2.1. civil action against Karbon by the Home Secretary.
 - 6.2.2. publication by the Home Office on a list of non-compliant organisations (naming and shaming).
 - 6.2.3. adverse publicity and reputational damage; and
 - 6.2.4. Adverse impact on Karbon's environmental, social and governance objectives.
- 6.3. Further legislative changes are likely in the near future, which will introduce additional penalties.
- 6.4. Other elements of the Act create criminal offences associated with acts involving slavery, forced labour and human trafficking.

7. CONCLUDING COMMENTS

- 7.1. Compliance with the Act is a legal requirement, but also important in terms of Karbon's reputation, ethical responsibilities and duties as a responsible employer and social purpose business.
- 7.2. While the Act does not require Karbon to guarantee that its entire supply chain is slavery-free, it does require it to describe the steps it has taken in the preceding year to ensure that no slavery or human trafficking is taking place in its supply chain or in any part of its business. If no steps have been taken, this must also be stated.

8. NEXT STEPS

- 8.1. Once the draft statement has been agreed, it will be published to a prominent position on the Karbon Homes, and 54North Homes websites.

9. RECOMMENDATIONS

- 9.1. It is recommended that:

9.1.1. The Board approve the draft Modern Slavery Statement appended to this report.

STRATEGIC PLAN	AIM OR ENABLER	Enabler - Embed sound environmental, social and governance practices
RISK ASSESSMENT	NUMBER & TITLE	4b Compliance and Regulation – Economic Regulation
	RISK APPETITE	Minimum
	CURRENT PROBABILITY	2
	CURRENT IMPACT	4
HEALTH AND SAFETY IMPLICATIONS		Not applicable
CUSTOMER IMPACT / VIEWS		Ensuring we eliminate modern slavery from our organisation and supply chains, and comply with this legal requirement, to maintain the reputation of Karbon.
FINANCIAL IMPLICATIONS		Not applicable
VALUE FOR MONEY/ PROCUREMENT IMPLICATIONS		The actions identified within the proposed Modern Slavery Statement will help to ensure Modern Slavery does not exist within our supply chain.
STAFFING IMPLICATIONS		Not applicable
INCLUSION & BELONGING IMPLICATIONS		Not applicable
INFORMATION/ DATA PROTECTION IMPLICATIONS		Not applicable
ENVIRONMENTAL IMPLICATIONS		Not applicable
OTHER LEGAL/ REGULATORY/ COMPLIANCE IMPLICATIONS		Updating and obtaining Board approval of the Modern Slavery statement annually is a legal requirement.