

The Nottingham's Modern Slavery Act Statement

This statement sets out the actions which The Nottingham has taken to understand all potential modern slavery risks related to its business and to put in place steps designed to ensure that no slavery or human trafficking exists either within The Nottingham's business, or within its supply chain. This statement relates to actions and activities during the financial year 1 January 2016 to 31 December 2016.

Our Business and Supply Chain

The Nottingham is a top 10 UK building society, providing savings accounts, mortgages, insurance, estate planning, investment advice and estate agency from sixty-one locations across ten counties. The Nottingham Group comprises The Nottingham Building Society and its subsidiary companies Nottingham Property Services Limited, Nottingham Mortgage Services Limited, Harrison Murray Limited and HM Lettings Limited. In addition to manufacturing its own products, The Nottingham partners with several financial services providers to deliver a wide range of complementary products and services to our members. The Nottingham employs around 700 staff.

The Nottingham sources a range of goods and services from IT hardware to corporate clothing, with an approved supplier list of around 250 companies. Our supply chain for goods and services is not complex, with the majority of procurement being sourced from suppliers based in the UK.

Policies and Contractual Terms

We are committed to conducting ourselves honestly and with integrity, striving for fairness in everything we do, including how we treat our employees. We ensure that all of our staff are aware that they can confidentially report any concerns, including cases of unethical behaviour, and we review every case that is reported and take appropriate action. We have policies in place which ensure our employment practices mitigate the risks identified in the Modern Slavery Act, including:

- Workers are not subject to any forced labour and have the freedom to terminate their employment at any time, without penalty, given the length of notice specified;
- Workers will not be charged any fees for recruitment;
- The confiscation or withholding of any worker identity documents is strictly prohibited;
- Our workplace is free of any form of harsh or inhumane treatment, as outlined in our Dignity at Work Policy and reinforced through staff training;
- All workers, irrespective of their nationality, are treated fairly and equally;
- All workers are paid at least the minimum wage required by law and wages are paid at regular intervals, directly to the member of staff;
- Workers are not required to work in excess of the legally mandated number of hours;
- Any and all overtime is voluntary, and no worker will be required to work overtime under the threat of penalty or dismissal.

We expect our suppliers and partners to act in the same way.

At supplier contract inception and renewal, we are negotiating the inclusion of contractual terms which include obligations on our suppliers to comply with the Modern Slavery Act. For

example, we may require our material suppliers to conduct regular Modern Slavery risk assessments within their own supply chains, implement appropriate controls to prevent

Modern Slavery and notify us immediately if they become aware of any incidents of Modern Slavery within their supply chains.

Risk Assessment

We understand that our biggest exposure to Modern Slavery is in our supply chains and risk profiling our suppliers will help us focus our efforts where they are most needed. Risk profiling is conducted by the business area utilising the services provided and will consider: the country services are provided from; how much we spend with the supplier now and in the future and the length of relationship we have with the third party.

The risk assessment will be conducted prior to signing a contract with a third party and at least annually thereafter, or when we are made aware there has been a significant change to the third party which may impact the risk to Modern Slavery.

We will review the assessments to ensure the oversight we have is commensurate to the risk each third party poses, and when on-boarding new third parties, we will ensure we understand any risks that arise.

Due Diligence

The Nottingham takes a risk based approach to the due diligence it applies to its third parties. The due diligence programme will be enhanced throughout 2017 to include:

- Mapping the supply chain to assess geographical risk of modern slavery and human trafficking
- Assessing goods provided against modern slavery and human trafficking risk
- Evaluating the modern slavery and human trafficking risks of all new suppliers
- Conducting third party assessments where modern slavery has been identified as a risk
- Implementing action plans where deficiencies have been identified and working with the third party to ensure improvements are made
- Invoking sanctions against third parties that fail to improve their performance in line with action plans, including the potential termination of the relationship with the supplier.

Performance Indicators

We understand the Modern Slavery risk is not static and we will therefore continue to re-assess our approach in the year ahead.

In order to assess the effectiveness of our approach we will review the following KPIs:

- The proportion of relevant staff who have completed training on modern slavery
- The proportion of third parties who have been evaluated against our Modern Slavery risk assessment tool
- The proportion of our suppliers to whom the Act applies, and who have published their own Modern Slavery Act statement.

Training

We start training our staff at induction, via our Whistleblowing and Dignity at Work training packages. By 1st April 2017, all staff will have completed modern slavery training where it is relevant to their role.

This statement was approved by the Board of The Nottingham Building Society.

David Marlow

Chief Executive, The Nottingham Building Society