

MODERN SLAVERY STATEMENT



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This statement, which constitutes our Group's Anti-slavery and Human Trafficking Statement, for financial year ending 31st December 2020, is made pursuant to section 54 (1) of the Modern Slavery Act 2015 (the "Act"). This Statement is made on behalf of nmcn PLC who operate as a sole entity with a single, wholly owned subsidiary (nmcn Sustainable Solutions).

This Statement covers both entities. We partner with a number of organisations who help shape our commitment to doing business responsibly by providing us with specialist advice and support as appropriate. This includes Business in the Community and Investors in People.

OUR COMMITMENTS AND VALUES

nmcn and its subsidiary nmcn Sustainable Solutions are against any form of human trafficking and modern slavery and we act with integrity in all our business relationships.

We are committed to:

- Ensuring that there is no human trafficking, exploitation and modern slavery within our supply chain or in any part of our business; and
- Implementing and enforcing effective systems and controls designed to address the risk of human trafficking and modern slavery.

This statement outlines the work we have undertaken to assess areas of risk, the measures we have put in place to reduce the risk of modern slavery in any part of our business, and the steps we will be taking in future in order to build on our approach.

OUR BUSINESS AND SUPPLY CHAINS

Across our operational business units, nmcn successfully provides design, build, operation and maintenance services across two main sectors covering the Built Environment and Water. nmcn has a turnover of circa £400m in 2019.

Currently, nmcn's supply chain is large due to the complexity, scope and the geographical spread of our projects. To meet our customers' needs, we have a diverse supply chain and in 2020 we worked with 2,546 vendors. This comprises of 1,527 commodity vendors, 871 subcontractors & 148 plant hire companies.

At nmcn we are committed to ensuring that there is no human trafficking and modern slavery within our supply chain or in any part of our business.

POLICIES

We recognise that modern slavery should not be addressed in isolation, but as part of a wider approach to tackle legal and regulatory breaches within the company or supply chain. Our policies are embedded within the business, form a central part of company induction, and are communicated internally through our intranet, while our key group policies are on the nmcn.com website. As such, we have the following policies in place:

- Modern Slavery Act Policy
- Equality, Diversity & Social Inclusion Policy
- Whistleblowing Policy
- Grievance Policy
- Anti-corruption, Bribery & Fraud Prevention Policy
- Supplier Security Code of Conduct Policy

TRAINING & AWARENESS

Awareness training focused on Modern Slavery is provided to our colleagues across the business and we have a set target to achieve 90% of all employees trained on modern slavery by 2025.

Our Modern Slavery Act Policy is made available to all employees through our internal intranet, iConnect and referred to in our induction process. Additional details on the reporting process of suspicion of modern slavery are included in site induction packs.

RISK ASSESSMENT

nmcn has carried out a risk assessment for the business. In the first instance, direct employment was considered a low risk for modern slavery because nmcn ensure that all employees have a written contract of employment. The right to work in the UK is established prior to employment starting and all employees are made aware of their statutory rights during the induction process.

As such, the focus of the risk assessment was on the supply chain and use of subcontract labour. In order to better understand the risks modern slavery poses to nmcn and its supply chain, a heat-mapping exercise was undertaken for the commodities nmcn purchase. The most up-to-date information available on modern slavery was used to identify suppliers that have an increased risk, particularly in relation to working conditions, both domestically and internationally.

The result was the identification of two types of risk for nmcn's suppliers: categories of work and source countries/geographical location.

In terms of work categories, we recognise that there is a higher risk of modern slavery where there is a reliance on lower paid forms of work, whether domestically or internationally. This could include practices that meet the threshold for modern slavery, such as forced labour and debt bondage, or less forms of exploitation such as incorrect pay or lacking correct equipment to carry out work. Consequently, there is an increased risk for nmcn in the use of subcontracted or agency labour within UK operations where workers are in low paid roles such as security, couriers, cleaning, and certain forms of on-site manual labour.

nmcn further recognise that certain commodities sourced are manufactured in countries with a higher risk of modern slavery. These may include IT hardware, or raw materials such as plastics and steel that go into some commodities.

DUE DILIGENCE

In response to the risk assessment exercise, we have revised our approach to modern slavery in order to mitigate those risks and develop more robust processes and procedures.

For material suppliers operating in high-risk regions, we have undertaken enhanced due diligence and information gathering. This will help us to better understand what measures our suppliers have in place to mitigate risks, and ensure their products are sourced from companies compliant with all local labour laws and regulations.

In addition, we have enhanced our approach towards subcontracted and agency labour. This has taken the form of revising the questions that are asked of our subcontractors in our preferred supplier list to ensure they are carrying out the necessary checks. We will also be providing additional support and guidance to our supply chain where this is required.

KEY PERFORMANCE INDICATORS FOR 19/20

For the 19/20 financial year, nmcn met the following KPIs:

- Heat mapping of the supply chain commodities
- Enhanced due diligence for material suppliers
- Enhanced due diligence in relation to subcontract labour in Terms & Conditions
- Launched new e-learning module on modern slavery for all our employees

NEXT STEPS FOR 21/22

Moving forwards, nmcn will:

- Join the GLAA construction protocol
- Establish nmcn's Modern Slavery Steering Group to oversee key implementation of modern slavery processes within the business
- Enhance information shared on the topic of Modern Slavery within our company's inductions
- Enhance training for key roles in procurement and supply chain and those dealing with labour agencies
- Roll out business wide internal audit programme on enhanced ethical practices

SUMMARY

The Board of nmcn is responsible for implementing this Statement and providing adequate resources, training and investment to ensure that human trafficking and modern slavery is prevented from taking place within our organisation or its supply chain.

This statement will be reviewed annually and made publicly available on our website www.nmcn.com.



Robert Moyle

Acting Chief Executive

04-01-2021