

Transparency Statement on Human Trafficking and Modern Slavery (in compliance with the Modern Slavery Act 2015 (the "Act"))

North Midland Construction PLC ("NM Group") operates nationally with twelve strategically located regional offices and operational centres. We provide engineering and management consultancy services internationally, with an annual turnover of in excess of £265 million.

With six operational divisions, NM Group successfully provides design, build, operation and maintenance services across six main sectors covering the spheres of Civil Engineering, Building, Utilities, Mechanical and Electrical Engineering and Specialist Product manufacturing. Details of our structure and where we operate can be found on our main website www.northmid.co.uk/who-we-are.

NM Group meets the criteria in section 54 of the Act and is therefore required to prepare a slavery and human trafficking statement. This Transparency 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

NM Group are against any form human trafficking and modern slavery and we act ethically and with integrity in all our business relationships.

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; and
- Implementing and enforcing effective systems and controls designed to address the risk of human trafficking and modern slavery.

Supply chain management

Our supply chain supports our business and enables us to provide services throughout the United Kingdom. It comprises a wide range of suppliers, from small/medium enterprises (SMEs) to global corporates, across many authorities, including authorities where there is a higher risk of human trafficking and modern slavery.

The NM Group Supply Chain Management philosophy is built in line with our core values., People Inspire Excellence.

Our customers require us to continue to progress innovation and efficiency as key drivers for delivery. To meet these challenges we continue to invest in our Supply Chain and Procurement function. We aim to continue our focus on engaging with our partners and ensuring that our supply chain is sustainable enough to meet customer demand, bringing value through cross fertilisation of ideas and knowledge.

We continue to pursue preferred supplier agreements with our strategic supply chain, developing and building on long-standing relationships and formalising agreements to the benefit of all parties.



Modern Slavery & Human Trafficking Statement

To illustrate the breadth of our supply chain, it encompasses products and services from construction and engineering materials, plant machinery, personal protective equipment (PPE), through to IT hardware and software, recruitment agents and training providers. This range means that we consider our supply chain to be our primary area of risk from a human trafficking and modern slavery perspective.

Assessing Risk Through Supplier Due Diligence

We recognise that particular types of suppliers are likely to give rise to a higher risk of human trafficking and modern slavery, in particular those utilising lower-wage staff such as security, couriers, cleaning, and those utilising manufacturers in low-wage countries, such as IT hardware.

Where, through risk assessment, we perceive a particular risk of human trafficking and modern slavery, we will undertake enhanced due diligence, asking additional questions during the procurement process tailored to the specific risks and utilising the resources and influence available to us to ensure the supplier meets acceptable standards.

Incorporating Human Trafficking and Modern Slavery Risk Reduction into Process

We have undertaken a review of our procurement process and identified opportunities where we can reduce the risk of human trafficking and modern slavery in our supply chain.

The result of that review is to introduce a set of checkpoints throughout the procurement process, from initial sourcing, through to contract approval, to ensure that at each stage the risks are considered and appropriate information is gathered and that supplier selection decisions are taken in the light of the risk of human trafficking and modern slavery.

To further reduce our risk, we plan to create and implement a Supplier Code of Conduct, which will be designed to identify and enable us to address issues of human trafficking and modern slavery.

On-going Monitoring

We understand the importance of active monitoring and auditing of our supply chain to ensure and maintain compliance.

NM Group's bespoke electronic buying system, eProc, is used to automate compliance processes for our suppliers. Our Supply Chain Questionnaire is issued each year to key suppliers, as well as at the outset of each relationship and upon renewals, to ensure that we can monitor on-going compliance and improvements amongst our supply chain. We are also incorporating a standing agenda item on responsible business in our supplier reviews with our key suppliers and also our annual P4D meetings.

Communication & Awareness Training

Any changes to our procurement process are communicated to all employees who have responsibility for suppliers and buying through training and policies. Awareness training for senior management and employees involved in the procurement function.

Modern Slavery & Human Trafficking Statement



Our Modern Slavery Act Policy is made available to all employees through our internal intranet, NM Cloud and referred to in our Corporate Induction.

Other relevant policies we have in place are:

- Equality, Diversity & Social Inclusion Policy
- Whistle-Blowing Policy
- Grievance Policy
- Fraud Prevention Policy
- Risk Management Policy
- Third Party Access Policy
- Supplier Security Code of Conduct Policy

Employment Practices

All our employees have a written contract of employment. The right to work in the UK is established prior to their employment starting. All employees are made aware of their statutory rights during the induction process. We also operate a preferred supplier list in relation to the recruitment agencies we work with, who understand and support our policy.

Summary

This Statement is made in accordance to section 54 (1) of the Modern Slavery Act 2015 and our human trafficking and modern slavery statement for our financial year ended 31 December 2016. The Board of NM Group 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.northmid.co.uk.

A handwritten signature in black ink, appearing to read 'John Homer', written over a horizontal line.

John Homer
Chief Executive
January 2017