Crest Nicholson is committed to operating in an ethical and responsible manner through our entire business and in our relationships with stakeholders.

This statement explains the policies and activities we have in place to mitigate the risk of all forms of modern slavery in our business and supply chain.

**An Overview of our Organisational Structure, Operations and Supply Chain**

Crest Nicholson is a leading developer with a history of creating well-designed sustainable communities for over 50 years. We operate through 6 housebuilding divisions and a further business unit that provides specialist skills for strategic land. The core operations of our Group are focused on the southern half of the UK.

Our tier-one supply chain is predominantly UK-based, with some material suppliers based in Europe. This first-tier supply chain comprises a number of different organisations that vary in the goods and services they provide and can be divided into three main segments: material suppliers; sub-contractors and agency labour; and consultants.

**Our Supply Chain Risks**

We consider the following areas of our business and operations to be of risk of modern slavery and human trafficking:

- **On-site labour** – specifically there is a risk of modern slavery in the labour provided to Crest Nicholson indirectly through sub-contractors and agencies.

- **Materials used in construction** – specifically there is a risk of modern slavery in the upstream supply chain where constituent parts of materials that Crest Nicholson procure directly from tier-one suppliers are produced outside the UK and Europe where there may be less stringent employer and human rights legislation.

**Policies relating to Slavery and Human Trafficking**

The Group has a number of policies that set out our approach to the identification and prevention of unethical practices, and support our efforts to ensure that slavery and human trafficking are not taking place in our business or our supply chain.
• Procurement - Through our sustainable procurement policies we set out our commitment to specify sustainable materials and work with supply chain partners that demonstrate a high regard for, and promote, social responsibility.

• Corporate Health and Safety – It is the policy of Crest Nicholson to ensure, so far as is reasonably practicable, the health, safety and welfare of its employees while they are at work and of others who may be affected by the Group’s operations and undertakings.

• Occupational Health and Safety - This policy augments our Corporate Health & Safety policy (above), and covers the safety of our employees while carrying out their roles as well as the promotion of general health & welfare among employees.

• Whistleblowing – We encourage all workers, customers, suppliers and contractors to report any concerns or malpractice. This policy facilitates a more open and honest working environment by providing procedures that allow workers to make disclosures without fear of reprisal or retaliation. Concerns can be reported in a number of ways, including through an anonymous, confidential and free telephone service that the Group provides to its workers.

In addition to these, all workers, customers, suppliers and contractors may report any concerns through the Modern Slavery Website or by calling 0800 0121 700.

**Directly employed staff**
As an organisation that only operates within the United Kingdom, we have a range of human resource processes, all which follow UK law and best practice guidelines, as well as abiding by the International Labour Organisation (ILO) conventions. These policies and our human resources practices help us strive to maintain the highest standards of direct employee recruitment. Every employee of the Group is contracted and undertakes employment of their own free will.

All directly employed staff are paid on or above the living wage. Apprentices are subject to a different pay scale, which we ensure is above statutory guidelines. As such, our wages meet or exceed minimum statutory requirements.

**Contractual terms for our supply chain**
We require all subcontractors we employ on our building sites to ensure that the materials they procure on our behalf are sourced from suppliers whose own supply chain standards meet the ILO conventions.
We reserve the right to carry out supply chain audits to ensure these minimum standards are met.

Our contractual agreements further explicitly state that all subcontractors must have the legal right to work in the UK and that companies meet all current employment legislation and provide all statutory employment benefits. New subcontractors are screened for the SMAS Worksafe Certificate, which certifies appropriate health & safety competence.

These same requirements are set for our material suppliers within our Standard Conditions for the Purchase of Goods.

**Awareness and Training to staff**

We have taken immediate steps to increase the awareness of modern slavery to all employees by publishing articles on our intranet that introduce the Modern Slavery Act 2015, along with an explanation of how the Act will impact Crest Nicholson and what steps the business is taking to mitigate the risk of modern slavery occurring in its operations and supply chain.

Additionally, over the course of our financial years 2017 and 2018, we will be training internal procurement, technical and production teams to make sure they understand the issues surrounding modern slavery within our industry and supply chain.

For our procurement and technical teams, there will be particular focus on those areas under their control where a risk of modern slavery may exist.

For our production teams, training will focus more on spotting the signs of modern slavery practices occurring on site.

We will also introduce a section on modern slavery and human trafficking to our site induction process for all site personnel.

Finally, Crest Nicholson will continue to review potential mitigation measures that will complement our current policies and procedures, in order to mitigate the risk of instances of modern slavery occurring through our supply chain.

The board of directors of the Company approved this statement at its board meeting on November 25, 2016.

Stephen Stone

**Chief Executive Officer**