

MODERN SLAVERY ACT TRANSPARENCY STATEMENT

Slavery and Human Trafficking Statement made on behalf of Coventry Building Society and its subsidiaries Godiva Mortgages Limited and ITL Mortgages Limited further to section 54 of the Modern Slavery Act 2015

ORGANISATION'S STRUCTURE AND BUSINESS

Coventry Building Society is a financial services provider based in Coventry, United Kingdom. The Society provides retail savings products, and the Society and its wholly owned subsidiaries Godiva Mortgages Limited and ITL Mortgages Limited (together 'the Society') provide mortgage products. The Society does not have a presence outside the United Kingdom.

The Society has been looking after our members' finances for over 130 years, and today we are proud of our record as one of the UK's strongest building societies. We are now the second largest building society in the UK with assets in excess of £40 billion, serving over 1.8 million members and employing over 2,400 staff. We provide competitive savings and mortgage products to our members, jobs and career development for our employees, and social and economic benefits to our local communities.

The simplicity of our business model, focussing as it does purely on savings and residential mortgages means that we do not lend to businesses and do not have exposure to 'high risk' sectors.

THE SOCIETY'S SUPPLY CHAINS

The Society does not manufacture any goods. The Society's suppliers support our Functions, and the retail financial services we provide to members and customers. The suppliers are subject to due diligence checks before we enter into contracts, as well as regular ongoing risk monitoring.

All the Society's call centres are UK-based and operated by the Society, and the majority of the Society's suppliers are also UK based.

OUR APPROACH TO SLAVERY AND HUMAN TRAFFICKING

The Society has zero tolerance to slavery and human trafficking and is committed to taking all reasonable steps to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business.

Because of the nature of the Society's business and its supply chains, following careful consideration, we consider that the risk of the presence of slavery or human trafficking in our supply chains is low. However, the Society is not complacent in relation to these issues.

Our policy is to require all our suppliers to comply with applicable legal requirements, including in relation to modern slavery and human trafficking. The Society's Procurement Policy states:

Modern Slavery – Suppliers will ensure that employees are treated fairly and ethically, and that there is no slavery, servitude, forced/compulsory labour, or human trafficking.

Forced Labour – Suppliers will not use any forced labour, which means any work or service performed involuntarily under threat of physical or other penalty. Suppliers shall respect the freedom of movement of its workers and not restrict their movement by controlling identity papers, holding money deposits, or taking any other action to prevent workers from terminating their employment.

Child Labour – Suppliers will not directly (or indirectly through the use of its subcontractors) employ any children under the age of 16.

Diversity and Inclusion – Suppliers will hire, compensate, promote, discipline, and provide other conditions of employment based solely on an individual's performance and ability to do the job. Suppliers will not discriminate based on a person's race, gender, age, nationality, marital status, ethnic origin, or any legally protected status”.

When bidding for new appointments, suppliers are required to confirm their compliance with these requirements.

Following appointment, we operate a programme of supplier relationship management activities. Where any concerns arise, a full assessment is made and appropriate actions are taken to address those concerns.

We see our approach to Procurement and Supplier Relationship Management as an effective measure in carrying out our zero tolerance approach to slavery and human trafficking.

TRAINING OUR COLLEAGUES

We provide all of our colleagues with training that's relevant to them. We also ensure our management teams have additional support which includes guidance to make sure our recruitment process is consistent and our approach to managing suppliers is effective. We have given, and will continue to give, extra training to colleagues who regularly work with and have a level of operational responsibility for managing our third party suppliers on the Modern Slavery Act 2015.

WHAT WE INTRODUCED THROUGHOUT 2018

The 2018 Procurement Strategy outlined the increased commitment to socially responsible sourcing. The following steps have been applied throughout 2018, and will continue to be enhanced throughout 2019:

Supplier Selection

- Before we engage with a third party supplier we ask a series of “Gateway questions” which formally confirm compliance with modern day slavery requirements during the Procurement process. In particular, the new third party supplier is asked to confirm that neither it nor any of its suppliers use, or are in any way connected with, slave labour, human trafficking or exploitation, or any other activity which would constitute an abuse of human rights.
- Corporate Social Responsibility (CSR) now comprise an element of the supplier assessment process undertaken by Procurement.
- An initiative to streamline our supplier due diligence process has begun. Part of this initiative will include a higher assessment on CSR requirements when on boarding suppliers. This initiative is scheduled to take place throughout July 2019.

Contracting

- Society's template contract includes supplier obligations for modern day slavery compliance.

Monitoring

- Monitoring of the "Gateway questions" has taken place throughout 2018 and all required suppliers have accepted our CSR terms. No concerns or issues have been identified within the Society's supplier base throughout 2018.

Next Steps

We regularly review our approach to tackling modern slavery. This helps us engage with suppliers to identify any ethical trading issues and incidents of modern slavery or human trafficking and take appropriate action.

This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015 and constitutes the Society's slavery and human trafficking statement for the financial year ending 31 December 2018.

Thank you for taking the time to read the Coventry Building Society's statement.

For and on behalf of:

Coventry Building Society

Chief Executive



Godiva Mortgages Limited

Director



ITL Mortgages Limited

Director



Date 10th May 2019

