



Nationwide

Building Society

Slavery and Human Trafficking Statement 2018

At Nationwide Building Society, we fully support the introduction of the Modern Slavery Act 2015 (the Act) and the way it encourages businesses to tackle issues around modern slavery.

This statement is made in accordance with the Act and outlines all the steps we've taken to make sure there's no slavery or human trafficking taking place anywhere within our Society, or within any of our supply chains.

About Nationwide Building Society

Our Building Society was born over 130 years ago so that our members could help each other achieve things together they couldn't achieve alone. For example, greater security, homes of their own and stronger communities.

Today, we're 15.5 million members strong. And to support them, we have almost 18,000 colleagues, more than 650 branches, our headquarters in Swindon and 20 other operational sites around the UK.

As a mutual, people are the very essence of our organisation. From our members to our colleagues, our suppliers to our communities, we want to do the right thing, and we want to do it in the right way.

For example, we're proud to be principal partner of the Living Wage Foundation and an accredited Living Wage Employer. The Living Wage is an average rate of pay which is calculated according to the basic cost of living in the UK and separate to the Government's national living wage. The Living Wage applies to all colleagues, contractors and suppliers who work on our sites. The current living wage set by the foundation is £10.20 in London and £8.75 for the rest of the UK which is well above the Government's national living wage of £7.83. We also offer our employee pension scheme which is among the best in the market.

We have an independent union for our colleagues called the Nationwide Group Staff Union (NGSU). It helps us make sure we're providing additional ways that our colleagues can be heard, and gives our colleagues advice, support and protection if they need it.

Nationwide and NGSU are committed to supporting a zero-tolerance approach to modern slavery, in any of its forms. As a result, we have agreed updates within our Code of Conduct policy, which details our employees, temporary workers and contractors obligations in relation to Modern Slavery and ensuring transparency in our business and supply chain arrangements.

We embrace human rights. We aim to value and respect all individuals, no matter where they live, where they're from or what they do. We make sure we keep to the laws and regulations of all the countries we work in, which includes following the United Nations Declaration of Human Rights and the International Labour Organisation Conventions.

You can find more about our Society and structure in our Annual Report and Accounts.

Our view on modern slavery and human trafficking

Nationwide was founded on very clear principles, and we strive to live by these principles every day. These principles guide our actions. We also have policies to make sure we only have relationships with suppliers who play no part in any slavery or human trafficking.

One of these policies is the Third Party Code of Practice, which we ask all of our 1200 suppliers to commit to. It encourages fairness and dignity for everyone involved in the Society, and asks our suppliers to:

- respect the values and human rights of their employees, and the employees of its supply chain
- comply with the relevant legislation in the countries and communities in which they work
- never use child labour
- never use forced or involuntary labour, through slavery, servitude, forced or compulsory labour, human trafficking or any other means
- make sure working hours are within local regulations and industry practices
- respect the legal rights of employees to join, or decide not to join, worker organisations and associations
- provide clear disciplinary and grievance procedures.

It is important to Nationwide that all our suppliers represent the society in a manner that enhances its reputation and relationships with its members, employees and stakeholders. We expect all our suppliers to do business in a fair and ethical way and where possible, we encourage them to have their own policies or principles on ethical working. If they make their own statements, we'll monitor the content.

Detecting slavery and human trafficking

Slavery and human trafficking are crimes. And any benefits people get from those actions are proceeds of crime.

At Nationwide, we have a responsibility to detect, discourage and prevent anybody using financial systems to launder these proceeds.

To help us do this, we're an active member of the Joint Money Laundering Intelligence Taskforce, one of whose main priorities is 'understanding and disrupting the funding flows linked to organised crime, human trafficking and modern slavery'.

We're also a member of the Expert Working Group on Human Trafficking and Organised Immigration Crime, and participate in other JMLIT working groups.

We also pay attention to a number of 'red flag' indicators which might suggest that customers are involved in modern slavery or human trafficking. Our Financial Crime Team consider these when they're conducting reviews and, if they see something suspicious, they report it to the relevant law enforcement agencies.

Our whistleblowing policy encourages an environment in which our colleagues can speak up confidentially about any concerns that they have, including modern slavery. We take these incidents seriously and investigate any reports we have.

How we manage risk

While we don't work in an industry that's at high risk of modern slavery, and 99% of our suppliers are based in countries with a low risk of modern slavery (Global Survey Index), we know that some of our suppliers work in higher-risk industries or countries, which is why our responsibilities are important to us.

We complete risk profile reviews of each service that our suppliers provide, so that we identify those third parties that represent the greatest potential risk to us and our members. We're committed to identifying these risks and making sure our supply chain is free of modern slavery and human trafficking. We complete enhanced due diligence where we feel necessary and we also ask for assurance from our suppliers that they can follow our Third Party Code of Practice.

We subscribe to the Financial Supplier Qualification System (FSQS), which is a risk management tool to assess potential supplier risks across a number of areas. As part of the FSQS, suppliers are asked to provide evidence of processes and procedures for assessing and complying with relevant human rights legislation and standards, including the Modern Slavery Act.

We're always looking to develop the way we work with our suppliers to identify any ethical issues and incidents of slavery or human trafficking. The contracts we look to agree with them ask that they monitor their own operations and supplier networks, and report back to us on how they identify and tackle modern slavery. For larger suppliers, this means meeting their own obligations under the Act.

If a supplier uncovers any modern slavery, we're committed to support them in tackling the problem, instead of simply stopping working with them. This approach, which encourages suppliers to actively find and resolve any modern slavery without the fear of losing our business, is consistent with the approach promoted by the Act.

We also have a group within our Society dedicated to tackling modern slavery. They monitor industry developments and champion innovation within Nationwide to minimise the risk of modern slavery and human trafficking, and are supported by our Executive Committee.

Training our people

We provide all of our colleagues with training that's relevant to them. We also ensure our managers have extra support which includes guidance to make sure our recruitment process is consistent; we manage suppliers correctly and we treat everyone fairly at work. We have given, and will continue to give, extra training to all supplier managers on the Modern Slavery Act 2015.

In 2017/18, we have further trained our Financial Crime employees and other key business areas in the indicators of modern slavery and human trafficking. We will continue to roll this out through 2018/19 for the rest of our employees.

Next steps

We are continually looking at new ways to leverage our approach to tackling modern slavery. This will help us engage with our suppliers to identify any ethical trading issues and incidents of modern slavery or human trafficking.

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

This statement was approved by the Board of Directors of Nationwide, and is signed by:



Joe Garner
Chief Executive



David Roberts
Chairman