

2021/22 UK Modern Slavery Act (2015) Statement



Building Society

2021/22 UK Modern Slavery Act (2015) Statement

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*The Modern Slavery Act 2015 (the **Act**) requires Nationwide Building Society outlines the steps taken in the previous financial year to mitigate the risk of slavery or human trafficking taking place in its business, operations, or supply chain.*

*This statement is made in accordance with section 54 of the Act and applies to Nationwide Building Society (**Nationwide**) and its subsidiaries for the financial year ended 4 April 2022. This is the seventh such statement Nationwide has published.*

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About Nationwide

Our Building Society was founded in 1884, as the Co-operative Permanent Building Society, to help our members achieve things together they couldn't achieve alone. Nearly 140 years on and we're still motivated by this social purpose, and our members are still at the very heart of everything we do. As a mutual, we are owned by and run for our 16.3 million members and they trust us to run their business responsibly, efficiently, and ethically.

We are focused on providing retail financial services to our members, primarily mortgages, current accounts, and savings. We are the UK's second largest mortgage provider, one in ten of the UK's current accounts are with us¹ and we look after almost £1 in every £10 saved in the UK.

We employ around 17,500 colleagues and have around 5,000 contingent workers (including our contractors and temporary workers). Our headquarters are in Swindon, we have around 650 branches nationwide, and 14 other operational sites (such as offices and contact centres) around the UK.

Nationwide works with approximately 1,100 third party suppliers, providing a range of goods and services. These include advertising, distribution, facilities management, insurance, IT hardware, software and support, print and mailing, professional services, recruitment, and more. We source most of these goods and services from companies based in the UK, but we have relationships across the globe.

Nationwide has several subsidiaries providing services as part of our wider business.

These include Derbyshire Home Loans Limited, E-Mex Home Funding Limited, Nationwide Syndications Limited, The Mortgage Works (UK) plc and UCB Home Loans Corporation Limited. A full list of our subsidiaries can be found in our Annual Report and Accounts. Our subsidiaries rely on us for the infrastructure and resources they need to operate, including the goods and services, resources, and workforce. Each subsidiary's supply chains are, effectively, Nationwide's supply chains. In very limited circumstances, we may allow a subsidiary to identify and onboard a third party supplier independently, but we maintain oversight of the subsidiary's policies and processes and ensure there is an equivalent level of protection and governance.

Our PRIDE framework represents the values, beliefs and behaviours that are at the heart of Nationwide, supporting our mutual heritage and how we work together, encourage, and support each other to ensure our members get the best possible service and outcomes. We are committed to being responsible with our members' money in the products and services we offer, in how we engage with our employees and other stakeholders, and in how we manage our wider social and environmental impact. We want people to experience our PRIDE values and to be part of the Nationwide community, whether as a colleague, a member, a supplier, an investor, a regulator, or a visitor to our Society.



You can find out more about Nationwide, our subsidiaries, and the structure of the Nationwide group in our Annual Report and Accounts. These are available online at [nationwide.co.uk/about/corporate-information/results-and-accounts](https://www.nationwide.co.uk/about/corporate-information/results-and-accounts)

¹Source: CACI's Current account and savings database (February 2022).

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A letter from Claire Tracey, our Chief Strategy and Sustainability Officer

Nationwide was founded with a strong underlying social purpose, to help people save and buy homes of their own. We are guided by this same social purpose today, which we express as building society, nationwide. In line with our social purpose, we do what we can to tackle the biggest social and environmental challenges facing our members of today and of tomorrow. With more people in slavery today than ever before in history², we are committed to doing what we can to protect our members, our people, and stakeholders across our value chain from exploitation. In this statement, our seventh under the UK Modern Slavery Act, we detail the steps we have taken during the 2021/22 year to combat modern slavery. This statement has full approval from our Board and the Nationwide Leadership Team.

Collaboration is critical in the fight against modern slavery, and we are pleased to see greater focus within the financial services sector. Our Chief Operating Officer (COO) has attended several roundtables with our peers, financial intelligence organisations and anti-trafficking co-ordinators this year to discuss how we can jointly make a difference. We signed a statement with the UK Independent Anti-Slavery Commissioner, the Finance Against Slavery and Trafficking Initiative and the Organization for Security and Co-operation in Europe on the critical role the finance sectors plays in tackling such crime. Over the year, we took further action to protect our own third party supply chain from the risks of exploitation, partnering with sustainability ratings provider EcoVadis to monitor suppliers' activities across areas including labour, human rights, and ethics.

In addition, we ran further training across our procurement team with anti-slavery charity Unseen and awarded TRIBE Freedom Foundation with a £10,000 grant to support survivors of modern slavery. I am pleased to take on this responsibility from our COO and pledge to continue to advocate for the buy-in of senior executives in addressing modern slavery. As Chief Strategy and Sustainability Officer, I continue to raise awareness of and embed sustainability into our approach.

I am also aware that in the face of crises, from Covid-19, to the implications of the rising cost of living, to conflict and climate change, the risk of modern slavery is heightened as vulnerability increases. Taking action to address modern slavery and human trafficking must not be forgotten when we respond to emergency situations, and I am proud that despite the challenges and uncertainty faced the last couple of years, we have continued to enhance our approach to mitigating the risk of exploitation. However, we recognise there is much more that needs to be done to stamp out slavery globally and we will continue to build on our controls each year.

A letter from Justine Currell, Executive Director at Unseen

I am personally delighted to be working with Nationwide to bring to life the realities of modern slavery and what it means for both individuals and businesses alike. The Covid-19 pandemic, significant UK labour shortages due to Brexit, and the displacement of many because of the Ukraine war, all create particular vulnerabilities that others are more than happy to exploit.

The leadership Nationwide is showing through its commitment and action to better understand and tackle modern slavery through strengthened due diligence processes and quality training is commendable.

Our strong collaboration ensures that colleagues can spot the signs of modern slavery and exploitation and seek appropriate advice and guidance, thus ensuring more people can be safeguarded and protected.



² Source: The 50 for Freedom Campaign led by the International Labour Organization, the International Trade Union Confederation, and the International Organization of Employers.

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Our commitment

As a building society, we exist to build a better society for the mutual good of everyone. We believe that everyone should have a place fit to call home, should have confidence in managing their money, and deserves to be treated with respect. Victims of modern slavery often do not have safe or secure homes, do not have control over their money, and are not treated with respect. It is, therefore, part of our social purpose that we continue to take steps to help end modern slavery.

Modern slavery is a crime, and any benefits people get from those actions are the proceeds of crime. Nationwide is committed to fighting any type of economic crime, including modern slavery, throughout our business, our operations and supply chain. We sever any ties with perpetrators as soon as victims are safe and law enforcement has been engaged. Within our supply chain, we check our suppliers have controls in place and where they are identified as insufficient, we work with them to strengthen these controls and reduce the risk of modern slavery. If a supplier does not take the necessary actions in the agreed timeframe, we are prepared to terminate the relationship.

We have three focus areas when it comes to our anti-slavery approach:

1. **Detect and disrupt** (pages 10 to 17)
2. **Raise awareness** (pages 18)
3. **Support survivors** (pages 19 to 20)

As a Society, we are committed to supporting the Ten Principles of the **United Nations (UN) Global Compact** in the areas of Human Rights, Labour, Environment and Anti-Corruption, which include the elimination of all forms of forced and compulsory labour and the effective abolition of child labour.

For more information on the Ten Principles, visit the UN Global Compact website: www.unglobalcompact.org/what-is-gc/mission/principles. Additionally, we are a signatory to the UN Environment Programme (UNEP) **Principles for Responsible Banking**, which provides a framework for aligning financial institutions strategies and practices with the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement. SDG 8, Decent Work and Economic Growth, includes taking immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking, and secure the prohibition and elimination of the worst forms of child labour.

In 2020, we partnered with the charity **Unseen** on our anti-slavery programme. Unseen runs the UK Modern Slavery Helpline, operates safe houses for victims and supports businesses to act in relation to their business and supply chains. Together, we have increased awareness of modern slavery across our organisation through tailored training, radio interviews and other engagement activities. In 2022, we became premium members of the Unseen Business Hub – a growing collective of likeminded businesses committed to strengthening their approach to tackling worker exploitation and modern slavery.

Additionally, we are active members of various industry groups. These include the **Joint Anti-Money Laundering Intelligence Taskforce (JMLIT)**, the **UN Global Compact UK Modern Slavery Act Working Group**, and the **Wiltshire and Swindon Anti-Slavery Partnership**.

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Our progress this year

	Our ambition last year	Our progress this year	Our plans for next year
Detect and disrupt	Further investing to strengthen our transaction monitoring capabilities in line with our roadmap for future transactional rule development	Invested in our Transaction Monitoring programme to seek to ensure our processes are as robust and efficient as possible and will ensure the best possible outcome for vulnerable customers and victims of economic crimes, such as modern slavery.	Continue to redefine our lines of defence to enable us to further strengthen our controls and our ability to identify the perpetrators of these crimes and their victims and provide safeguarding, support, and escalation to law enforcement.
	Review our Code of Conduct and wider people policies and processes that may have an impact on modern slavery	Published our Human Rights Statement which sets out our commitment to protect and support human rights throughout the entirety of our organisation, including the right to freedom from slavery. See page 10	Identify opportunities to promote anti-slavery within existing colleague support and escalation channels.
	Roll out the supplier sustainability monitoring tool EcoVadis to both existing and new third parties	Almost 100 third party suppliers, representing around 40% of our total procurement spend, have undergone EcoVadis assessment as of April 2022. By gaining access to this data, we have been able to prioritise third parties for improvement action.	Request all contracted third parties we spend over £100,000 per year with undergo EcoVadis assessment, with an ambition that 60% of those requested obtain a rating and share their scorecard.
Raise awareness	Continue to raise awareness of the issue of modern slavery internally through means such as Nationwide Radio	Ran an internal awareness raising campaign for Anti-Slavery Day on 18 October 2021 with an intranet article, Yammer posts and local team emails. See page 18	Investigate how we can use the new modern slavery training developed by Themis within the Society.
	Continue to raise awareness of the issue of modern slavery externally through means such as external podcasts	Signed a statement in December 2021 with the UK Independent Anti-Slavery Commissioner, the Finance Against Slavery and Trafficking Initiative, and the Organisation for Security and Co-operation in Europe on the critical role the finance sector plays in tackling modern slavery. Our Chief Procurement Officer spoke on mitigating modern slavery risk in supply chains for a Themis podcast. See page 18	As one of the first organisations to become a premium member of the Unseen Business Hub , we intend on engaging with the Hub events and tools to implement and promote best practice.
	Run refresher training for our Procurement colleagues and provide tailored training to third party supplier relationship managers in key departments with anti-slavery charity Unseen	Ran a training workshop for the entire Procurement team (90% attending or watching back). All attendees completing the feedback survey stated they understand what is expected of them relating to modern slavery. Collaborated with Unseen to provide training to the Property Services team and ran a workshop for around 13 third party suppliers. See page 18	Expand anti-slavery training to additional colleagues with supply chain responsibilities across the Society.
Support survivors	Understand what more we could do to support survivors of modern slavery with financial access	A group of colleagues took part in an internal innovation challenge to understand the barriers faced by survivors of modern slavery when opening an account and reintegrating into society, leading to Nationwide taking part in the TRIBE Survivor Financial Empowerment programme. See page 19	Continue to actively engage with the TRIBE Survivor Financial Empowerment programme.

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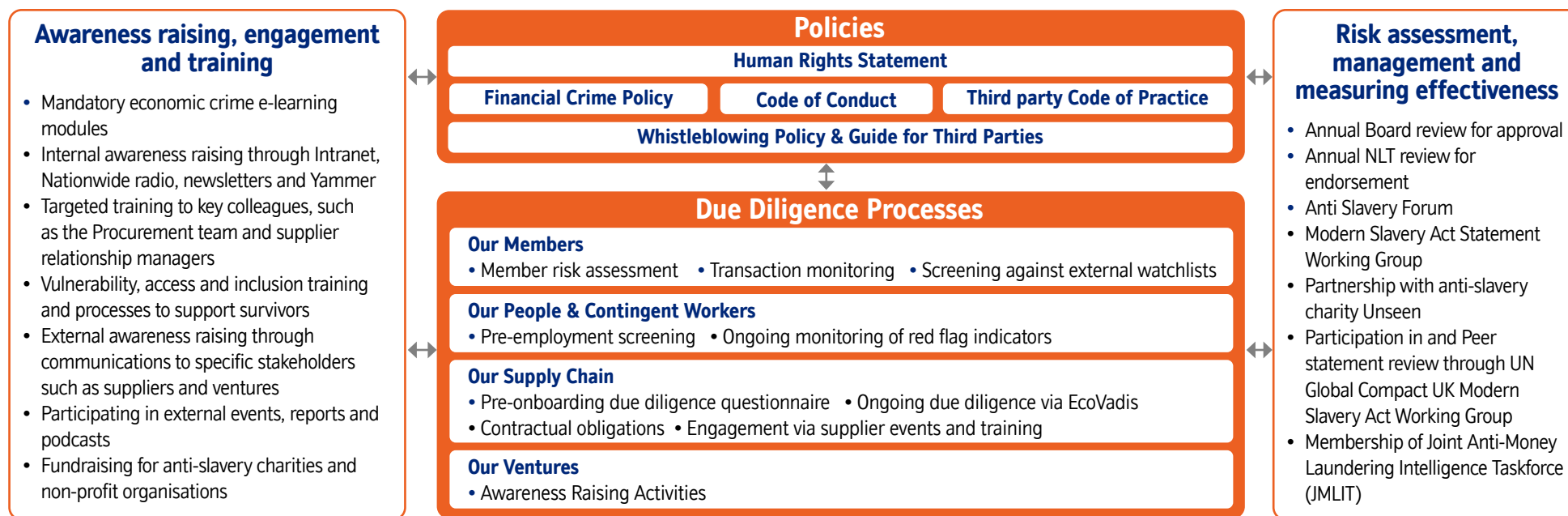
Our governance

The **Board** and **Nationwide Leadership Team** have oversight of the Society's approach to combatting modern slavery through the annual review and approval of our statement. During the 2021/22 financial year, our Chief Operating Officer (COO) & Leader of our Resilience and Agility Community was the senior accountable '**Owner**' of Nationwide's approach to modern slavery across the Society; responsible for setting and reviewing our risk appetite, supporting our Anti-Slavery Forum, and presenting our annual statement to the Board. As of April 2022, our Chief Strategy & Sustainability Officer has assumed this role.

Our cross-functional **Anti-Slavery Forum** coordinates our approach to addressing modern slavery across the Society. This working group is chaired by our Supply Chain Responsible Business Team and has representation from Business Services, Economic Crime, Hassle Free Money, Legal, Media Relations, People & Culture, Policy & Public Affairs, Procurement,

Risk, Responsible Business, and Social Investment. The purpose of the Forum is to drive, challenge and champion activity across the Society to combat modern slavery. The group meets at least once a quarter and provides updates to the Owner and the Director of Business Services as relevant. Updates are also shared with the Responsible Business Committee where appropriate.

As of early 2022, a separate **UK Modern Slavery Act Statement Working Group** was formed which met at least monthly during the first half of the calendar year to prepare this annual statement. When drafting the statement, the group considered feedback from relevant stakeholders, including peer recommendations gathered as part of our participation in the UN Global Compact UK Modern Slavery Act Working Group. The working group feeds into the Anti-Slavery Forum.



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External context

Modern slavery is defined as the severe exploitation of a person for personal or commercial gain. It takes many forms, including:

Bonded labour	when a person is forced to work to pay off a debt, often working for little or no pay with no control over their debt
Forced labour	work or service from a person under threat or penalty or where they have not offered themselves voluntarily
Child exploitation	This can include being trafficked, forced to become a soldier or marry, or being kept in domestic servitude
Forced and early marriage	someone married against their will and who can't leave
Criminal exploitation	someone who is forced into crimes such as carrying drugs, forced begging, theft, or fraud
Human trafficking	someone moved by force, fraud, coercion, or deception to be exploited
Domestic servitude	someone who is forced to work in someone else's home with little freedom or pay
Sexual exploitation	someone forced to perform sexual acts

It is estimated that...

40.3 million

People worldwide are in slavery³

136,000

People in the UK are in slavery





£120 billion

Made in illegal profits from modern slavery globally

³Source: Unseen.

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How other crises relate to modern slavery and how we're helping to reduce the impact

Issue	Link to modern slavery	The steps we're taking
<p>COVID-19</p> 	<p>Border closures and travel restrictions in some cases reduced access to safe and reliable work, as well as the ability to conduct on-site audits. Workplace shutdowns and cancelled orders resulted in loss of income, exacerbating poverty and vulnerability. Urgent orders increased risk of forced labour and labour exploitation conditions.</p>	<p>As a building society, we provide a critical service in a critical industry. We continued to support our members through this challenging period, while taking concrete steps to safeguard our colleagues and workers across our supply chain. This included providing payment holidays on mortgages and penalty-free early access to savings for our members, targeting quicker payments to small suppliers, and offering additional support for charity partners.</p>
<p>Conflict</p> 	<p>Unseen estimate that modern slavery is present in 90% of modern wars. Displacement increases the threat of trafficking and debt bondage, and there is also the risk of exploitation in the form of child soldiers.</p>	<p>Nationwide is committed to complying with the sanctions, laws and regulations of the United Kingdom, the United Nations, the European Union and the United States and any other applicable sanctions requirements for the local regimes in which Nationwide operates. Sanctions are important tools in changing the behaviour of those responsible for conflicts and supporting international peace and security. In response to the Afghan refugee crisis, we worked with Shelter and Manchester City Council to open new current accounts for over 200 Afghan refugees in Manchester. We supported them with education on managing their finances digitally and on how to recognise scams. We are also responding to the humanitarian crisis in Ukraine, encouraging our members and colleagues to donate to the British Red Cross Ukraine Crisis Appeal. We donated £250,000, and when added to our colleagues' and members' donations⁴, the total raised amounted to over £1,000,000.</p>
<p>Cost of living</p> 	<p>With the cost of living in the UK rising since early 2021 and inflation reaching its highest recorded level for 30 years in February 2022, there are serious concerns around the affordability of goods and services. People struggling to keep up with the rising costs may be vulnerable to exploitation when looking for work or finance, increasing the risk of modern slavery.</p>	<p>We continue to encourage our members to come to us in the first instance if they are experiencing money worries, so we can do our best to support them. We are investing in a range of services, including giving colleagues bespoke training, offering financial health checks, and providing education and support through trusted experts. Our central online support hub helps members with tips on managing their money and budgeting through the cost of living challenges. There, our members can also find information on independent debt support advisors and a benefits calculator to understand what additional external support they may be entitled to. Assistance will be available in branch, on a new freephone helpline, or video direct to members' devices.</p>
<p>Climate change</p> 	<p>The physical impacts of climate change, such as extreme weather events, are negatively impacting livelihoods and causing displacement, which increases the vulnerability of those impacted to exploitation.</p>	<p>Our purpose, <i>building society, nationwide</i>, aligns with the need to transition to a net-zero economy. As such, we continue to take steps to decarbonise our business, our operations, and our supply chain, to support our members and their communities to thrive, now and in the future. Read more about our approach to reducing environmental harm on our website, including our climate-related financial disclosures.</p>

⁴ Donations made by members and colleagues via Nationwide's branches, website, or intranet.

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Detect and disrupt

Policies

Financial Crime Policy	Sets out the overarching principles and requirements for creating a Society-wide anti-economic crime culture to detect, deter and, where possible, prevent economic crime – including modern slavery. This is underpinned by a series of Minimum Control Standards to manage our economic crime risks.
Code of Conduct Policy	Clearly states that anyone working directly or indirectly for Nationwide (including contingent workers, contractors, or service providers) must not take part in any modern slavery activity, do anything that encourages, supports, or enables modern slavery, and must report any suspicions or concerns at the earliest opportunity. Supporting the Policy is our Anti-Slavery Standard & Guidance which is refreshed annually to ensure it remains relevant and fit for purpose in an evolving environment.
Whistleblowing Policy	Tells individuals where to go for further guidance and support on the Whistleblowing process and how to raise concerns; whilst also providing reassurance that concerns can be raised without fear of negative consequences. It seeks to encourage any party with whom Nationwide has, or has had, some type of employment or business relationship to speak to us if they have a concern about possible wrongdoing within the Society. There is additional guidance available to suppliers through the Third party Whistleblowing Policy found on our Supplier Policy Portal .
Third party Code of Practice	Outlines the minimum standards we expect our third party suppliers to uphold, including requirements related to ethical working practices and anti-slavery approaches. The code can be found on our Supplier Policy Portal .

Human Rights Statement

This statement, published in 2021, and the policies that underpin it set out our commitment to protect and support human rights throughout the entirety of our organisation. Freedom from slavery and forced labour is a human right and this statement reaffirms our commitment to combatting this crime.

Read the full statement at: www.nationwide.co.uk/about-us/responsible-business/human-rights-statement/

We are a Real Living Wage Employer

We've been a Living Wage employer since 2014 and continue to be a principal partner with the Living Wage Foundation. We ensure we pay the Real Living Wage to everyone that works on behalf of Nationwide, that includes employees, contingent workers, and our on-site suppliers. We regularly review our pay levels, informed by external market movements and changes in living wage, and where necessary reflect any changes to the real living wage as soon as practicable.

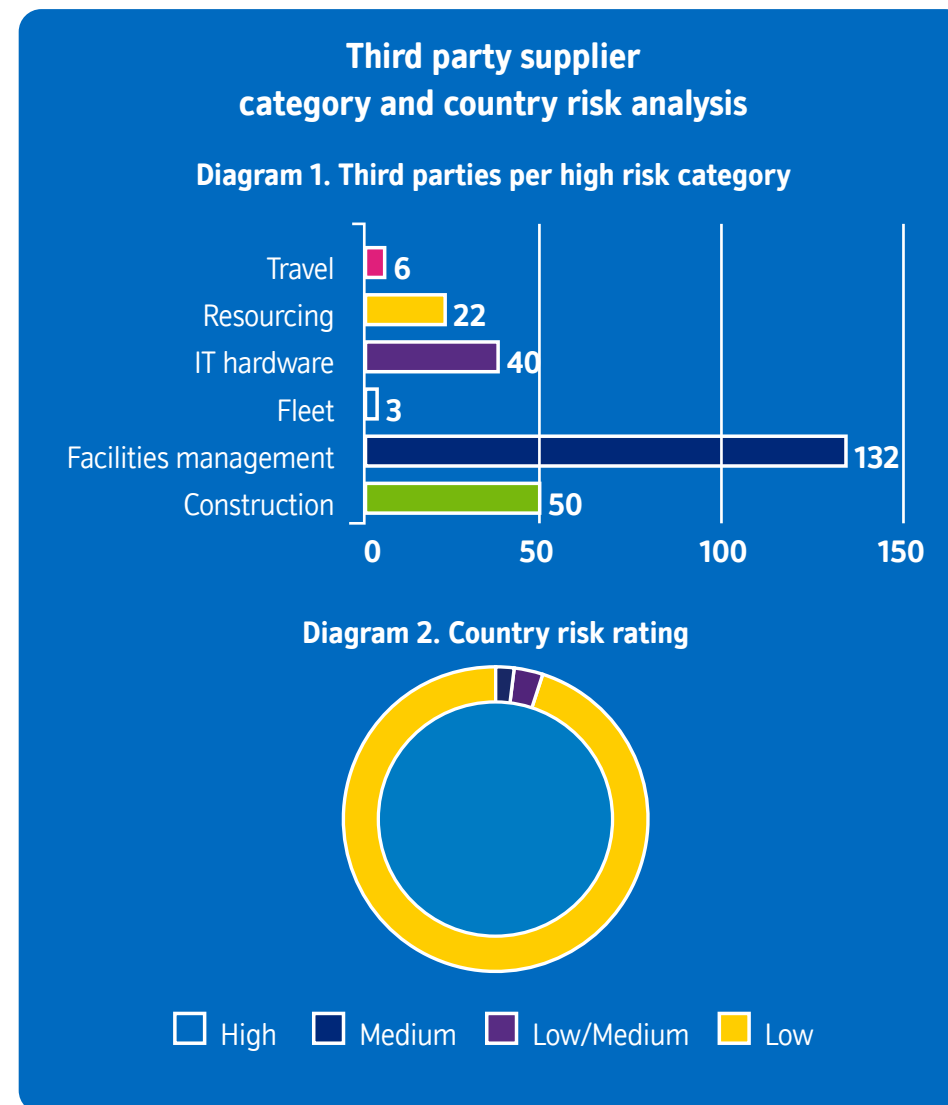
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Risk assessment and management

We do not tolerate modern slavery; however, we recognise the inherent risk we face by simply operating our business and working with third party suppliers, given the scale of the modern slavery problem in the UK and across the world.

For more information on our controls to mitigate and manage the risk of modern slavery, read the 'Due Diligence' and 'Training and Awareness Raising' sections of this statement, below.

Our members	As a financial services provider there is a risk that our members may be victims, perpetrators, or facilitators of modern slavery. We take this risk seriously and have a number of controls in place to mitigate this.
Our people	Given our location and sector of operation, the risk of modern slavery taking place within our own operations is deemed low. The risk that our people are involved in modern slavery as a victim, perpetrator, or facilitator is mitigated through further controls.
Our supply chain	<p>We assess the risk of modern slavery in relation to the location of our third party suppliers and the category of supply, as shown in diagrams 1 and 2. This risk assessment is informed by the Global Slavery Index (2018), Trafficking in Persons report (2021) and data from our anti-slavery partner Unseen. As 75% of the third parties in high risk categories are managed primarily by our Property Services team, this year we ran tailored training for this team and key third parties as described within the 'Raise awareness' section below.</p> <p>Complex supply chains where subcontracting takes place consequently present the greatest risk, due to the reduction in visibility, traceability, and transparency sometimes in play. For material third parties, we conduct due diligence on subcontractors, including screening for adverse media, sanctions, and politically exposed persons.</p>
Our ventures	Most of the portfolio companies in our portfolio are at an early stage in their lifecycle. In light of this, and the nature of the markets and industries within which they operate, we consider the risk of links to modern slavery and human trafficking to be low. However, we keep this risk and how it is best managed under review.



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Due Diligence

Our members

Our members are anyone with a current account, mortgage, or savings account with Nationwide⁵. As a mutual building society, we don't have shareholders in the same way that banks do. We're owned by our members and our future is shaped by what they want.

Economic crime

We use a combination of internal member risk assessment, targeted transaction monitoring and screening against external watch lists to identify members who present a higher risk of economic crime, including modern slavery. Our Anti-Money Laundering (AML) team applies enhanced due diligence measures to these members, including ongoing monitoring of the relationship. We terminate any relationships we consider outside of our risk appetite, subject to review and sign-off by senior management.

We complete risk assessments across our product range and channels of operation and consider the extent to which our members could use products to facilitate economic crime. Risk assessment activities include consideration of modern slavery, particularly the assessments we do of individuals in higher risk countries and industries. These assessments drive the implementation and operation of effective controls to prevent and detect economic crime. We update these annually to reflect any changes in the external environment and our risk position.

'Red flag' indicators are developed through a combination of in-house expertise and participation in external working groups. We participate in several external partnerships and working groups focusing on human trafficking, modern slavery, and organised immigration crime. This engagement enables us to better understand the various activities and behaviours which might suggest that members are involved in modern slavery or human trafficking, either as a perpetrator or victim. Engaging with others also deepens our understanding of the threat that modern slavery and human trafficking poses to us and our members.

⁵ Excludes products from subsidiaries. For more information on what Nationwide membership means, please visit this webpage: www.nationwide.co.uk/about-us/what-membership-means/

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Suspicious Activity Reports (SARs)

We have a clear escalation process for identifying and reporting suspicious activity, detailed within the mandatory economic crime e-learning modules. We provide guidance to all Nationwide employees to help them report any suspicions or knowledge of money laundering, terrorist financing and any suspected criminal offences that generate the proceeds of crime such as modern slavery and human trafficking. Any offences involving any perceived member vulnerability, including modern slavery offences, are prioritised.

We have identified and investigated a number of cases involving suspected modern slavery, and by working collaboratively, we have been able to help disrupt this activity through preventing account openings, terminating relationships, and escalating concerns where safeguarding may be needed. For example:

- Suspicious ATM activity indicating possible modern slavery was identified in Boston, Great Yarmouth, and Wisbech by retail colleagues in late 2020. These suspicious activity reports were investigated by both our ATM and Economic Crime teams over the following months, and escalations were made to law enforcement in Spring 2021, including the National Crime Agency and Gangmasters and Labour Abuse Authority. This resulted in a law enforcement investigation.
- Multiple suspicious activity reports were submitted by our retail network in the Bristol area relating to one member. Our Economic Crime team conducted enhanced due diligence and identified transactions exhibiting red flag indicators of modern slavery. The account was closed to prevent the illicit movement of criminal proceeds. Our investigation initiated a police investigation into the suspicions raised.
- One individual was found to be opening accounts for multiple members. An investigation into these members highlighted possible indicators of modern slavery and sexual exploitation. Escalations were made to law enforcement, including the National Crime Agency. This resulted in a police investigation and the identification of premises being used to facilitate modern slavery.

By joining working groups so that we can share knowledge with law enforcement agencies, financial institutions, and other organisations, we have contributed to numerous successes safeguarding people who have been victims of modern slavery and facilitating the arrest and conviction of criminal gangs.

Some of the changes we have implemented this year include:

- Establishing a process for our Economic Crime team to share sanitised intelligence with our Property Risk team, who view and value properties and therefore may spot 'red flag' indicators to be reported and investigated.
- We've enhanced our processes for account opening to help us identify potential human trafficking and modern slavery.

Combatting labour exploitation in Leicester

Over the last couple of years, there have been numerous reports from the media and non-governmental organisations on labour exploitation in Leicester. To protect our members in and around Leicester and support law enforcement in gathering intelligence to understand and address this further, we have been developing a profile of Leicester using insights from expert working groups. Our Economic Crime Intelligence Team use this profile to conduct targeted investigations and report any subsequent suspicions to law enforcement and the Gangmasters and Labour Abuse Authority (GLAA).

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Our people

Nationwide employs around 17,500 employees and utilises the services of over 5,000 contingent workers (including our contractors and temporary workers). We have a social purpose to build a stronger, kinder, and greener society where diversity can flourish, starting from within our own Society. Every colleague is encouraged to create an Inclusion & Diversity (I&D) goal, including our Board members, to support the embedding of I&D into everything we do. We are reimagining our world of work to enable us to help each other to develop, grow, and be the best we can be so that our members can depend on us getting it right no matter what they are going through. Our PRIDE framework (as shown on page 3) puts all members at the heart of our strategy, guiding our behaviours and decision making every day.

Employee vetting

As part of our due diligence, all our people go through a vetting process during recruitment which includes assurance that they have the right to work in the UK. We brought in virtual (online) Right to Work checks during the pandemic, to ensure safety and avoid any delays in our recruitment processes. As most of us continue to work remotely, we will continue with virtual interviews and virtual right to work checking until September 2022, when this process will be reviewed. All verbal and written offers of employment, plus confirmation of start dates, are subject to candidates providing all required permissions, information, and documentary evidence. Any discrepancies identified during the screening of our candidates are reviewed on an individual basis, with the relevant evidence required to make an informed and risk-based decision to ensure the successful

completion of all pre-employment screening checks. All pre-employment screening is conducted by Security Watchdog, our third party supplier. When engaging contingent workers, we require complete background checks prior to hire consistent with the approach taken for our employees, before access is provided to our sites, systems, or data.

Criminals involved in modern slavery often force victims to have their wages paid into a bank account which they control or oversee and therefore, a red flag indicator of modern slavery includes the same bank account being used for multiple individuals. As such, we have introduced internal reporting on this measure for both employees and contingent workers of Nationwide, to identify and investigate any such occurrences and further mitigate the risk of modern slavery taking place across our workforce.

Speak up

We actively encourage our colleagues to speak up and raise concerns, including suspicions of modern slavery, either informally through line management or more formally through our dispute resolution and whistleblowing processes. All employees and contingent workers complete a mandatory annual 'Speak Up' e-learning on our whistleblowing procedures. There is also an independent Trade Union, the [Nationwide Group Staff Union \(NGSU\)](#), which helps us make sure we're supporting and protecting our colleagues and provides additional ways for our colleagues to raise concerns.



Some of the changes we have implemented this year include:

- Working with our Resourcing Partners to introduce additional governance to identify modern slavery indicators amongst our contingent workforce.
- Launching a new 'Colleague Housing Support Package' to help colleagues in housing emergencies, who may therefore be more vulnerable to exploitation. The package enables them to take paid leave, access a 0% interest welfare loan and access specialist housing support and advice through our continued partnership with Shelter.
- Introducing a new reward and recognition platform for our people, excluding retailers rated as 'Avoid' by the GoodOnYou App which aims to make ethical and sustainable shopping easier for all.
- Requesting our pension fund managers complete an annual Stewardship Questionnaire on their approach to Environmental, Social, and Governance (ESG) issues to better understand where our colleagues' pensions are invested.

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Our supply chain

Our third party suppliers are organisations that support us in operating our business. They provide goods and services enabling us to serve our members' needs. We have around 1,100 third party suppliers, defined as those we have direct relationships with, located predominantly in the UK. We are committed to work with our third parties to eradicate and mitigate modern slavery risk.

Onboarding due diligence

As of summer 2021, we introduced a new procurement system to bring together processes previously conducted across numerous platforms. When a potential supplier registers within our procurement system, they are asked responsible business questions including whether they agree to comply with our [Third Party Code of Practice](#) and whether they have produced a compliant statement under the UK Modern Slavery Act. If either is answered negatively, a review by the Responsible Business Team is triggered. The most common reason for a review to be triggered is because the prospective supplier has answered a question incorrectly (for example, they have not correctly provided their company size or turnover information) or because they are a medium-sized organisation that has not yet set a greenhouse gas emissions reduction target. The Responsible Business Team will investigate the reason the review has been triggered with Procurement, who will then negotiate with the prospective supplier to see how they can close any gaps to enable them to work with us. Our Chief Procurement Officer will only grant a supplier a dispensation if there are material mitigating circumstances; for example, if the supplier will be used for a low-value one-time order or if there is no alternative supply option.

As of 29 March 2022, internal reporting shows 96% of suppliers that underwent onboarding due diligence have confirmed they comply with our Third party Code of Practice and 4% are still undergoing due diligence. One supplier (0.09%) was given an exemption by the Chief Procurement Officer. This was in relation to them not having set greenhouse gas emissions reduction targets or a documented policy that covers all requirements within the Ethical Trading Initiative Base Code. The dispensation was granted because the contract is for a short-term proof of concept. Additionally, 41% of suppliers attested to complying with the reporting requirements under the UK Modern Slavery Act and 48% reported they have an annual turnover below £36 million and therefore are not required to produce a statement. Of the remaining 11%, 2% either had a statement or were not required to produce one and the remaining 9% are still going through due diligence. No supplier reported to be non-compliant with the Act.

Prior to introduction of this new system, these pre-onboarding due diligence questions were asked manually as part of a Pre-Qualification Questionnaire (PQQ).



Supplier selection and contracting

We have a standard set of responsible business questions for use within tenders. These questions cover topics including, but not limited to, anti-slavery governance, anti-slavery training, real Living Wages, EcoVadis and the UN Global Compact. They are tailored depending on the company size. We are currently piloting a minimum evaluation weighting for this set of questions in numerous tenders, with the intention of making this mandatory during the next financial year.

Our standard form agreements include provisions relating to ethical trading and tackling modern slavery. The contractual terms that we seek to agree with our third party suppliers require that they comply with our Third Party Code of Practice, take steps to monitor their own operations and supplier networks for modern slavery, and to report as necessary. For large third party suppliers, this means meeting their own obligations under the UK Modern Slavery Act. Our terms provide that Nationwide will work in support of a third party in tackling instances of modern slavery that they may uncover, rather than simply ceasing to work with them. We believe that this approach, where companies are encouraged to actively seek out and resolve any instance of modern slavery in their business or supply chain without the fear of losing Nationwide's business, is consistent with the approach that the Act promotes.

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Ongoing monitoring

Nationwide works with [EcoVadis](#) to continually risk assess and manage third party supplier sustainability performance. The EcoVadis assessment includes a module on human and labour rights, with questions relating to modern slavery, as well as a module on sustainable procurement with questions relating to how social standards are checked throughout the supply chain. We have been onboarding existing third party suppliers onto the EcoVadis platform gradually since Spring 2021. As of 14 April 2022, 199 third party suppliers had been requested to join EcoVadis. 95 third parties, representing around 40% of total spend, had valid scorecards or had submitted their response for EcoVadis analysis, 28 were completing the assessment, and 76 had not yet started the assessment. The average performance of Nationwide's third parties was 14.1 points higher than the average performance across the 90,000+ companies that EcoVadis had assessed globally. Ten third parties had an overall score below Nationwide's performance benchmark of 45 and improvement and reassessment within 12 months has been requested. An additional six third parties had previously scored below 45 but had already improved and received updated EcoVadis ratings above this benchmark.

As of 14 April 2022:

	Overall	Human & Labour Rights	Sustainable Procurement
Average score for Nationwide third parties	58.5	59.4	50.7
Average score across the entire EcoVadis network	44.4	47.1	36.7

Our Branch Uniforms

We conduct enhanced due diligence on some higher risk services, such as the uniforms we provide to colleagues in our branches. We continue to look for ways to provide a more inclusive and sustainable uniform. In our current collection, we've used some recycled materials and technologies to support people experiencing the menopause.

As part of our contractual agreement with our third party uniform supplier, Sedex Members Ethical Trade Audits (SMETA) are conducted on the factories that produce our garments. The factories are not owned, operated, or controlled by our third party supplier. SMETA is Sedex's social auditing methodology that assesses a site and whether it meets the standards of the Ethical Trading Initiative's Base Code and local laws. An independent third party auditor conducts the audit to inspect the site, its processes, documentation, and systems, and produces a report noting any non-conformances and corrective action required. We continue to monitor corrective action taken and outstanding non-conformances as part of monthly reviews with our third party supplier.

At the end of 2021/22, we started the tender for our 2023 uniforms. In the first stage, a 45% weighting related to human and labour rights topics, with considerable focus on working practices and anti-slavery activity throughout the supply chain.

Some of our achievements this year include:

- Requesting almost 200 third party suppliers undergo the EcoVadis sustainability assessment, with almost 100 onboarded representing around 40% of our annual procurement spend.
- Piloting a set of standard responsible business questions and a minimum weighting of 10% within several tenders, including questions on anti-slavery governance and training.
- Refreshing our third party modern slavery risk analysis, utilising the 2021 Trafficking in Persons Report, Global Slavery Index, and analyses from the GLAA, KPMG and Unseen.
- Providing training to colleagues with procurement and third party management responsibilities, as well as to key third party suppliers, on mitigating modern slavery risk through due diligence.*
- Our Chief Procurement Officer took part in a Themis podcast on tackling modern slavery through procurement processes.*

*Further details can be found in the 'Raise awareness' section below

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Our ventures

Through our subsidiary, NBS Ventures Limited, we work to establish relationships with early stage fintech teams who are developing solutions that could benefit our members or society as a whole. Established in June 2018, NBS Ventures undertakes our investment activity and manages a limited portfolio of companies.

We conduct appropriate due diligence on potential fintech candidates for investment and work closely with our portfolio companies once the initial investment has been made. Where a portfolio company provides services to Nationwide, they become subject to the requirements incumbent upon the rest of Nationwide's supply chain.

This year we have focused on raising the awareness of modern slavery amongst our venture portfolio companies and the steps they can take to address and manage risk. To mark Anti-Slavery Day on 18 October 2021, we wrote to each of our venture portfolio companies to flag the steps we take to address modern slavery risk and some recent developments that will likely have some bearing on the fintech market and the implications for the portfolio companies. This was well received, and the resulting conversations suggested that the issue was clearly recognised though is not considered a significant direct risk given the venture portfolio companies' early-stage size and activities. We have provided support and advice to those venture portfolio companies seeking to further develop their own responses to modern slavery risk. In 2022/23, we will look to further the work we carry out with them.



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Raise awareness

Training and awareness raising

As modern slavery is a criminal offence of money laundering, modern slavery and human trafficking are part of our continual economic crime training framework. All colleagues complete two mandatory economic crime e-learning modules, which include how to identify and escalate suspicions of modern slavery. In 2020/21, we also rolled out tailored training for our member-facing teams which was completed by 95% of our frontline colleagues. In 2021/22, we reshared the training as a refresher.

To mark Anti-Slavery Day on 18 October 2021, we shared an intranet article on the modern slavery problem, signs to look out for, and how to report them. In this, our Chief Operating Officer and Leader of the Resilience & Agility community recorded a video on the importance of understanding modern slavery, the relevance within the UK finance industry, and the role we play.

We continued to partner with Unseen on training for colleagues with supply chain responsibilities. The Supply Chain Responsible Business team, together with Unseen, ran an interactive, virtual workshop for our Procurement team, with 90% of the team undergoing the training. Prior to the workshop, we asked attendees to what extent they agree with the statement “I understand what is expected of me in relation to modern slavery”. 23% selected ‘strongly agree’, 62% said ‘agree’, and 15% chose ‘disagree’. By the end of the session, 74% selected ‘strongly agree’, an increase of 51%, with the remaining 26% choosing ‘agree’.

Through our refreshed supply chain modern slavery risk analysis, we identified that 75% of third parties operating in categories considered high risk supported our Property Services team, including those involved in construction, facilities management, fleet, and travel. As such, Unseen and the Responsible Business team presented a town hall meeting

for the entire Property Services team, as well as running a workshop for key third party suppliers and relationship managers in this area. The workshop covered what modern slavery means, its prevalence in the UK and relevance to us and our supply chain, our processes and requirements, vulnerability factors and red flag indicators, and how to report suspicions. We also held break-out sessions where participants discussed what helps and what hinders our ability to address modern slavery across the supply chain, which stimulated insightful discussion from a buyer and a supplier perspective. 13 attendees completed the anonymous feedback survey with 100% saying the session increased their awareness of what modern slavery is, its relevance in the UK, categories of higher risk, the signs to spot and how to report them, and what is expected of them. The workshop was given an average rating of 4.77 stars out of 5 with feedback, including “I found the workshop extremely informative and engaging” and “A great reminder of this everyday issue”.

We also engaged our ventures as described on page 17.

Public and industry awareness raising

In early 2021, our Chief Executive Officer responded to a letter from the UK’s Independent Anti-Slavery Commissioner on modern slavery and the UK finance industry, sharing our commitment to combat this serious crime and the controls we have in place. We were pleased to be recognised in the [Commissioner’s report on CEO responses](#), released in September 2021, for our governance structure, partnerships and industry engagement, colleague training and awareness raising, economic crime controls, and vulnerable customer exception identity documentation procedures.

Further to this, our Chief Operating Officer and Leader of Resilience & Agility attended various senior roundtables with the Commissioner on the role the financial industry plays in tackling modern slavery. This included a roundtable with

Valiant Richey, the Organisation for Security and Co-operation in Europe’s Special Representative and Co-ordinator for Combating Trafficking in Human Beings, and Daniel Thelesklaf, Project Director of Finance Against Slavery and Trafficking (FAST) Initiative at United Nations University Centre for Policy Research. We signed [a statement](#) by organisers and attendees of the roundtable, which resolved to support buy-in of senior executives in financial institutions to raise awareness, as well as invest resources and effort, in addressing modern slavery by taking a proactive approach, informed by survivor experiences and intelligence sharing.

The Commissioner continued to work with economic crime thinktank Themis on modern slavery awareness raising, including developing a new training package free for financial institutions to use. We supported the development of this resource by providing feedback on an initial draft and are currently exploring how we can share it across the Society. Additionally, our Chief Procurement Officer (CPO) took part in a [Themis podcast](#) on tackling modern slavery through procurement, alongside the Executive Director at Unseen and Chairperson of Sancroft. A recording of our CPO from the podcast is used within the Themis training package.

Further to this, we have continued to engage with industry groups as detailed in the ‘Our commitment’ section on page 5.



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Support survivors

Vulnerability, Access & Inclusion (VA&I)

We understand that survivors of modern slavery may not always be able to open some accounts, have trust in financial institutions, or understand what banking services are available to them. This can inhibit their financial independence and leave them vulnerable to further exploitation. To combat this, we provide training to all our member-facing colleagues on customer vulnerability, including vulnerabilities that could be relevant for a survivor of modern slavery such as reduced financial resilience, confidence or capability, difficult circumstances, and poor health. The training includes how to identify vulnerability, respond to it with empathy and what they can do to help. We also have a VA&I library with various toolkits and guidance on supporting vulnerable customers and members, including example conversation starters, advice on tone of voice, and language for sensitive situations.

Additionally, we're aware that due to past experiences, not everyone will have the identity documentation to open one of our current accounts. This is why we offer a FlexBasic account, our basic bank account, which we launched following the introduction of the Payment Account Regulations in 2016 to enable everyone to access banking services and maintain financial independence. We're the second largest provider of such an account in the UK. Our list of documents people can use to prove their identity is one of the UK's most extensive. And in exceptional circumstances, we accept documents such as letters from local professionals or hostels.

As part of TRIBE Freedom Foundation's Survivor Financial Empowerment programme, they have interviewed survivors on their experience in getting support from financial institutions. One survivor shared the following in relation to setting up a FlexBasic account with us:

“Nationwide was very helpful... Someone just came to me, and they took me into a room [and] we had a one-on-one in-depth conversation... They were very helpful, so I went there like three times”

The 'Survivors Supported' Team

Each year, Nationwide hosts an internal innovation competition, the Arthur Webb Challenge Cup, where colleagues get together to make a positive difference for our members, colleagues, and society. 'Survivors Supported' was a cross-functional group of colleagues keen to raise awareness of modern slavery and the specialist support needed to ensure people who had escaped could access finance necessary for rebuilding their lives. The group identified the key barriers faced by survivors of modern slavery, such as lack of identity documentation, incomplete address history, low credit scores, low financial literacy, and a lack of trust. They also looked at what a survivor needs, including financial access and inclusion, support finding long-term housing, well-being support, employment, and access to technology. We are now engaging with TRIBE Freedom Foundation on their Survivor Financial Empowerment Programme to see how we can turn the learnings from the 'Survivors Supported' research into specialist support.

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Fundraising

We reinvest all of our profits into supporting our members by enhancing our services and contributing to causes that impact them and their communities. This includes donating at least 1% of our pre-tax profits to good causes. This money is split between our own social investment programmes focused on helping people to have a place fit to call home, and includes funding The Nationwide Foundation, whose vision is for everyone to have access to a decent home that they can afford. Significant components of the social investment agenda are the Community and Colleague Grant programmes and funding our long-term partnership with Shelter. For more than twenty years, we've been supporting Shelter in their fight to end the housing emergency in the UK. We recognise that homelessness and modern slavery are often interlinked. People experiencing homelessness are extremely vulnerable to modern slavery, with criminals targeting them for exploitation. In fact, research by Project TILI found the most common living situations before a person was exploited in England, Wales, or Northern Ireland were rough sleeping and sofa surfing. By supporting Shelter and through our grants programmes, we hope to combat both modern slavery and the housing crisis.

In addition, the Anti-Slavery Forum took part in Unseen's #BeAHelplineHero campaign for Anti-Slavery Day 2021. They raised awareness of the Modern Slavery Helpline number (08000 121 700) by walking 80,000 steps during the week, offering one-to-one sessions on modern slavery, and aiming to raise £700. Whilst the Forum didn't meet its fundraising target, they did raise a total of £373, which could pay for more than 120 meals for survivors at one of Unseen's safehouses.

Supporting TRIBE Freedom Foundation with a colleague grant

Each year, through our Colleague Grants programme, we ask our colleagues to nominate UK charities to award grants to, as we seek to support the communities that we operate in. This year, we asked for nominations of charities that address housing needs and help build communities post Covid-19, through innovative projects with long-lasting impact. We also increased the grant total to £500,000 (up from £200,000 in 2021) as we recognise even more support is needed in local communities following the pandemic.

Zara Williams, who co-chairs our Anti-Slavery Forum, nominated [TRIBE Freedom Foundation](#) – a charity building a community of people committed to fighting modern slavery and supporting the growing number of survivors identified.

We're proud to have awarded TRIBE a £10,000 grant. These funds will go towards expanding their community of anti-slavery advocates and helping them raise more funds to support the charity [Ella's](#) in opening a new survivor safehouse – aiming to increase their accommodation capacity by 50 percent.

“With funding from the Nationwide Colleague Grant, we can empower greater numbers of survivors with access to holistic long-term support, safe housing, and accommodation, providing the stability for them to rebuild their lives in safety and freedom. It's amazing to have the support from Nationwide to help amplify our impact and increase awareness of modern slavery. We're delighted to work together to engage Nationwide colleagues with this life-changing project.”

Laragh O'Malley

Head of Impact & Partnerships, TRIBE Freedom Foundation

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Measuring effectiveness

Key Performance Indicators	2021/22	2020/21	2019/20
Percentage of colleagues completing Anti-Bribery and Corruption e-learning	96%	96%	-
Percentage of colleagues completing Economic Crime e-learning	98%	98%	96%
Percentage of colleagues completing Speak Up e-learning	96%	93%	83%
Percentage of Procurement colleagues that completed modern slavery training with Unseen	90%	92%	N/A
No. of third party suppliers onboarded onto EcoVadis (valid scorecard or submitted response)	95	-	-
Average overall EcoVadis performance of onboarded third parties	58.5%	-	-
EcoVadis network average performance across 90,000+ companies assessed	44.4%	-	-

Statement review

This statement has been approved by the Board of Nationwide on behalf of Nationwide and each of its subsidiaries on 13 July 2022 and is signed by:



Debbie Crosbie (CEO)



Kevin Parry (Chairman)