

# Third Party Code of Practice

2020

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# Working with Nationwide

## Foreword

“Building society, nationwide” is our core purpose. As a mutual, we are led by this purpose and our commitment to building a better society for the mutual good of all. This means establishing meaningful relationships that demonstrate mutual value and continually working to be better for society.

Sourcing goods and services responsibly and ethically is integral to Nationwide, which is why we established our “Procurement for Mutual Good” programme. It is important that we work with our third parties for a green, diverse and ethical supply chain, and that our third parties operate in a manner that reflects our values and ambitions.

This Third Party Code of Practice (the **Code**) outlines our expectations of current and potential third parties related to three pillars: Ethical, Diverse, Green. It also promotes positive behaviours we encourage throughout our supply chain, for positive outcomes for our third parties, our business, our members and society.

We expect you, as a responsible third party to Nationwide, to ensure that your employees, subcontractors and suppliers are familiar with the expectations laid out within our Code and can comply with our minimum requirements.

We aim to support our third parties to meet and exceed these standards through mutual respect and collaboration for a common goal – to protect people and planet, now and in the future. If you need any help, please contact us so that we can work with you to support our responsible business commitment.

**Imran Rasul**  
Chief Procurement Officer



# Responsible Business at Nationwide

As a business originating from social purpose and run with mutuality at its heart, responsible governance and a focus on social and environmental betterment are embedded in our core purpose. The responsible business agenda supports our Society priorities and Nationwide's PRIDE values: putting our members and their money first, rising to the challenge, inspiring trust, doing the right thing in the right way and excelling at relationships.

Nationwide is a signatory to the United Nations Global Compact, a Principle Partner of the Living Wage Foundation and is accredited with the Carbon Trust Triple Standard. We are also an active member of Social Enterprise UK's Buy Social Corporate Challenge, participate in the UK Prompt Payment Code and are a signatory to Business in the Community's Race at Work Charter.

Under our Procurement for Mutual Good programme, we're continually working towards a greener and more diverse supply chain that upholds our ethical standards. We strive to continually improve our performance, champion our internal Responsible Purchasing Principles and promote best practice standards to our third parties.

We expect all third parties working with us to operate in line with our values, commitments and goals, and the requirements laid out within this Code, for the mutual good of all.

To support third parties in adhering to this Code, Nationwide will:

- Provide guidance to relevant colleagues to ensure that they are familiar with our policies;
- Communicate the requirements of our Code and related policies to our third parties; and
- Review this Code on an annual basis and update where relevant.

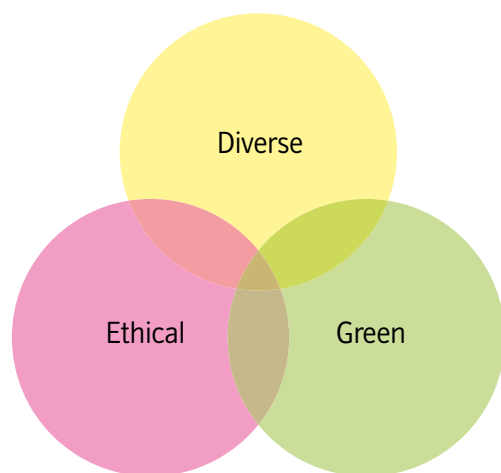
This Code will be held on our online supplier portal at [nationwide.co.uk/suppliers](https://nationwide.co.uk/suppliers).

# About this Code

In this Code, when we refer to **third parties**, we mean any third party organisations that provide goods or services to Nationwide or its subsidiary undertakings. When we refer to a **large third party**, we mean a third party with 250 or more employees, an annual turnover in excess of €50million or an annual balance sheet in excess of €43million.

The requirements of the Code are set out under three key pillars:

## Championing supply chain diversity



Ensuring ethical governance and respecting human and labour rights

Taking action against climate change and moving towards a circular economy

In turn, the requirements of the Code are set at one of three levels:

- **Minimum Standards** – the standards that we expect all third parties to meet;
- **Additional Standards** – the additional standards that we expect all large third parties to meet, in addition to the Minimum Standards;
- **Aspirational Measures** - the aspirational measures that we encourage third parties to adopt.

We expect third parties to meet the Minimum Standards and, where relevant, the Additional **Standards** (together the Standards) and to be able to demonstrate to Nationwide how they meet those standards upon request. Third parties will be asked to confirm that they will comply with this Code. We also expect third parties to:

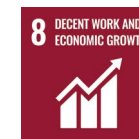
- make this Code available to all workers engaged on Nationwide business;
- ensure that each of their sub-contractors complies with the Code;
- provide copies of policies, procedures or documents that relate to the Code or its objectives where requested; and
- inform Nationwide of any actions or issues that may contravene the Code.

If a third party is unable to meet a Minimum Standard or, where relevant, an Additional Standard then we expect them to let us know as soon as possible (see 'Contact Us'). Nationwide will work with those third parties where possible to help them reach the necessary Standards. If it is a serious issue or one that cannot be resolved quickly, it may have a material impact on the relationship between Nationwide and the third party.

The provisions in this Code are in addition to and not in the place of any legal agreement or contract.

# Ethical

## Ensuring ethical governance and respecting human and labour rights



### Minimum Standards

#### *the standards that we expect all third parties to meet:*

- Respect the human rights of all workers and other stakeholders throughout the supply chain and the communities we operate in.
- Comply with all applicable employment, working hours, wage and human rights legislation and regulations in the countries in which they operate.
- Comply with all applicable anti-corruption legislation and regulations in the countries in which they operate.
- Adopt employment policies that requires all employment to be voluntary and free from discrimination and harassment.
- Prohibit the use of forced or involuntary labour, through slavery, servitude, forced or compulsory labour, human trafficking or other means, in its business or supply chain.
- Not use child labour and ensure young workers' employment meets local regulations.
- Respect the legal rights of employees to join, or to refrain from joining, worker organisations and associations including trade unions.
- Not discriminate on grounds of race, religion or belief, age, sexual orientation, sex, gender reassignment, marital or civil partnership status, pregnancy and maternity or disability in its employment practices.
- Provide a safe environment for all employees and visitors, by complying with all local health and safety laws and regulations.
- Adopt clear disciplinary and grievance policies and procedures that are uniformly applied and tackle bullying, harassment, mental, physical or verbal abuse.

### Additional Standards

#### *the additional standards that we expect all large third parties to meet:*

- Adopt employment policies that meet or exceed the Ethical Trading Initiative Base Code (see appendix).
- Make a public a commitment to tackle modern slavery within the third party's business and supply chain.
- Adopt an anti-bribery and anti-corruption policy or statements, and appropriate systems and controls that encompasses fraud, bribery, and corruption, conflicts of interest, gifts and hospitality, data protection and intellectual property.

### Aspirational Measures

#### *the aspirational measures that we encourage third parties to adopt:*

- Become a signatory to the [UN Global Compact](#) and support the Sustainable Development Goals.
- Adopt the [Ethical Trading Initiative Base Code](#).
- Publicly commit to upholding the Employer Pays Principle by ensuring no worker pays for a job and all recruitment fees are borne by the employer, not the worker.
- Obtain accreditation to the [Living Wage Foundation's Employers Mark](#) for paying living wages to employees.
- Adopt a Wellbeing policy, strategy or statement including mental health.
- Become a signatory to the UK's Prompt Payment Code, the Mindful Business Charter and other ethical standards.
- Donate a proportion of profits, for example 1%, to good causes and provide volunteering opportunities for workers to give back to the local community.

# Diverse

## Championing supply chain diversity



### Minimum Standards

#### *the standards that we expect all third parties to meet:*

- Actively support the development of an inclusive and diverse workforce, including fair representation of employees with disabilities, ethnic minority, LGBTQ+, veteran and women.
- Provide opportunities for small businesses to win work.

### Additional Standards

#### *the additional standards that we expect all large third parties to meet:*

- Adopt employment policies or statements that promote inclusion and diversity in the workplace and supply chain.

### Aspirational Measures

#### *the aspirational measures that we encourage third parties to adopt:*

- Become a signatory to Business in the Community's [Race at Work Charter](#).
- Actively seek partnerships with businesses owned by individuals from underrepresented groups (such as people with disabilities, ethnic minority, LGBTQ+, veteran, women).
- Seek out partnerships with social enterprises; for example, by engaging with [Social Enterprise UK](#) and/or participating in the [Buy Social Corporate Challenge](#).

# Green

## Taking action against climate change and moving towards a circular economy



### Minimum Standards

#### *the standards that we expect all third parties to meet:*

- Comply with all applicable environmental laws, regulations and standards.
- Actively seek out opportunities to reduce the environmental impact of the goods and services provided to Nationwide.
- Disclose greenhouse gas emissions and any further environmental information Nationwide may reasonably request within an agreed time period.
- Set a greenhouse gas emissions reduction target.
- Eliminate or take-back all non-recyclable or single-use plastic packaging.
- Minimise the use using dangerous and hazardous materials and maintaining appropriate safety records where applicable.

### Additional Standards

#### *the additional standards that we expect all large third parties to meet:*

- Adopt an environmental policy or statement with a clear commitment to continually reduce the environmental impact of its operations, including greenhouse gas emissions; energy, water and resource use; pollution and waste.
- Propose more environmentally responsible alternatives to Nationwide on a regular basis.

### Aspirational Measures

#### *the aspirational measures that we encourage third parties to adopt:*

- Provide a carbon neutral service, supporting Nationwide's target to be carbon neutral for our supply chain by 2030.
- Use 100% renewable electricity.
- Ensure climate change risks and opportunities are considered when setting the organisational strategy.
- Assign climate action responsibility at the most senior level.
- Set a science-based greenhouse gas emissions reduction target.
- Calculate the greenhouse gas emissions footprint of a service through from creation, to use, to end of use through a lifecycle assessment and disclose this footprint to Nationwide.
- Hold an active environmental management system, certified to ISO 14001 or similar.
- Establish policies and procedures to protect biodiversity and animal welfare.
- Minimise packaging and use fully recyclable options, with maximum recycled content.
- Consider the principles of Circular Economy in design, manufacture and end of use. For example, developing goods for disassembly and reuse or recycling.



# Due Diligence

Nationwide conducts due diligence before entering and during relationships with third parties, which may include screening companies based on policies and performance information. Third parties are expected to comply with Nationwide's Third Party Code of Practice, agreeing compliance within the Third Party Registration Form, Pre-Qualification Questionnaire (PQQ), FSQS by Hellios and/or contract terms. Third parties are expected to monitor their own and their subcontractor and supplier compliance with the Code and to inform Nationwide of any non-compliances. Nationwide may also request third parties, their sub-contractors or suppliers' complete questionnaires, or Nationwide may complete site visits or audits in line with agreed audit terms, to ensure compliance. Third parties are expected to complete any reasonable information requests within the given time period and facilitate site visits or audits.

## EcoVadis

Nationwide encourages potential and existing third parties to participate in the supplier sustainability rating system, EcoVadis, and may request ratings during sourcing and in performance management. Industry-wide sustainability rating systems allow companies to complete one questionnaire for use by multiple clients, reducing questionnaire fatigue and enhancing the efficiency of assessments. Nationwide promotes participation in EcoVadis and aims to place a preference on companies with higher ratings in the future.

## FSQS by Hellios

Nationwide participates in the Financial Services Qualification System, a third party risk management and compliance tool. It is used by a community of financial institutions to gather third party information needed to demonstrate compliance to regulators, internal policies and governance controls. Nationwide encourages third parties to participate in FSQS by Hellios for a simpler route to demonstrating compliance, as information can be shared with multiple clients at the same time. FSQS by Hellios covers topics including but not limited to company information, financial and legal, products and services, locations, certifications, customer treatment, security, business continuity, policy compliance, anti-corruption, information security and responsible business.

# Contact Us

Get in touch to collaborate with us on a responsible business project or to share feedback on our Third Party Code of Practice by emailing our Supply Chain Responsible Business Team.

**Supply Chain Responsible Business Team**

**[Email: shareservicesresponsiblebusiness@nationwide.co.uk](mailto:shareservicesresponsiblebusiness@nationwide.co.uk)**

If you are concerned that any actions or decisions contravene the minimum requirements set out in this Code, please contact your Relationship Manager or business contact. When wishing to raise a concern anonymously, contact our Whistleblowing Team.

**Nationwide Whistleblowing Team**

Telephone: 01793 654 165 (9am-5pm)

**[Email: whistleblowingofficer@nationwide.co.uk](mailto:whistleblowingofficer@nationwide.co.uk)**

Nationwide's whistleblowing policy ensures that concerns are appropriately investigated and responded to, to ensure individuals can raise concerns without fear of negative repercussion and with the confidence they will be fully investigated. Nationwide's whistleblowing mechanism meets the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA) requirements.

# Ethical Trading Initiative (ETI) Base Code

The ETI Base Code was founded on the conventions of the International Labour Organisation (ILO) and is an internationally recognised code of good labour practice. Companies are expected to comply with national and other applicable law at all times and, where the provisions of law and the ETI Base Code address the same subject, to apply that provision which affords the greater protection to the worker.

## 1. Employment is freely chosen.

- 1.1 There is no forced, bonded or involuntary prison labour.
- 1.2 Workers are not required to lodge “deposits” or their identity papers with their employer and are free to leave their employer after reasonable notice.

## 2. Freedom of association and the right to collective bargaining are respected.

- 2.1 Workers, without distinction, have the right to join or form trade unions of their own choosing and to bargain collectively.
- 2.2 The employer adopts an open attitude towards the activities of trade unions and their organisational activities.
- 2.3 Workers representatives are not discriminated against and have access to carry out their representative functions in the workplace.
- 2.4 Where the right to freedom of association and collective bargaining is restricted under law, the employer facilitates, and does not hinder, the development of parallel means for independent and free association and bargaining.

## 3. Working conditions are safe and hygienic.

- 3.1 A safe and hygienic working environment shall be provided, bearing in mind the prevailing knowledge of the industry and of any specific hazards. Adequate steps shall be taken to prevent accidents and injury to health arising out of, associated with, or occurring in the course of work, by minimising, so far as is reasonably practicable, the causes of hazards inherent in the working environment.
- 3.2 Workers shall receive regular and recorded health and safety training, and

such training shall be repeated for new or reassigned workers.

- 3.3 Access to clean toilet facilities and to potable water, and, if appropriate, sanitary facilities for food storage shall be provided.
- 3.4 Accommodation, where provided, shall be clean, safe, and meet the basic needs of the workers.
- 3.5 The company observing the code shall assign responsibility for health and safety to a senior management representative.

## 4. Child labour shall not be used.

- 4.1 There shall be no new recruitment of child labour.
- 4.2 Companies shall develop or participate in and contribute to policies and programmes which provide for the transition of any child found to be performing child labour to enable her or him to attend and remain in quality education until no longer a child; “child” and “child labour” being defined in the appendices.
- 4.3 Children and young persons under 18 shall not be employed at night or in hazardous conditions.
- 4.4 These policies and procedures shall conform to the provisions of the relevant ILO standards.

## 5. Living wages are paid.

- 5.1 Wages and benefits paid for a standard working week meet, at a minimum, national legal standards or industry benchmark standards, whichever is higher. In any event wages should always be enough to meet basic needs and to provide some discretionary income.
- 5.2 All workers shall be provided with written and understandable information about their employment conditions in respect to wages before they enter employment and about the particulars of their wages for the pay period concerned each time that they are paid.
- 5.3 Deductions from wages as a disciplinary measure shall not be permitted nor shall any deductions from wages not provided for by national law be

permitted without the expressed permission of the worker concerned. All disciplinary measures should be recorded.

**6. Working hours are not excessive.**

- 6.1 Working hours must comply with national laws, collective agreements, and the provisions of 6.2 to 6.6 below, whichever affords the greater protection for workers.
- 6.2 Working hours, excluding overtime, shall be defined by contract, and shall not exceed 48 hours per week. International standards recommend the progressive reduction of normal hours of work, when appropriate, to 40 hours per week, without any reduction in workers' wages as hours are reduced.
- 6.3 All overtime shall be voluntary. Overtime shall be used responsibly, taking into account all the following: the extent, frequency and hours worked by individual workers and the workforce as a whole. It shall not be used to replace regular employment. Overtime shall always be compensated at a premium rate, which is recommended to be not less than 125% of the regular rate of pay.
- 6.4 The total hours worked in any seven-day period shall not exceed 60 hours, except where covered by clause 6.5 below.
- 6.5 Working hours may exceed 60 hours in any seven-day period only in exceptional circumstances where all of the following are met:
  - This is allowed by national law;
  - This is allowed by a collective agreement freely negotiated with a workers' organisation representing a significant portion of the workforce;
  - Appropriate safeguards are taken to protect the workers' health and safety; and
  - The employer can demonstrate that exceptional circumstances apply such as unexpected production peaks, accidents or emergencies.
- 6.6 Workers shall be provided with at least one day off in every seven-day period or, where allowed by national law, two days off in every 14-day period.

**7. No discrimination is practiced.**

- 7.1 There is no discrimination in hiring, compensation, access to training, promotion, termination or retirement based on race, caste, national origin, religion, age, disability, gender, marital status, sexual orientation, union membership or political affiliation.

**8. Regular employment is provided.**

- 8.1 To every extent possible work performed must be on the basis of recognised employment relationship established through national law and practice.
- 8.2 Obligations to employees under labour or social security laws and regulations arising from the regular employment relationship shall not be avoided through the use of labour-only contracting, sub-contracting, or homeworking arrangements, or through apprenticeship schemes where there is no real intent to impart skills or provide regular employment, nor shall any such obligations be avoided through the excessive use of fixed-term contracts of employment.

**9. No harsh or inhumane treatment is allowed.**

- 9.1 Physical abuse or discipline, the threat of physical abuse, sexual or other harassment and verbal abuse or other forms of intimidation shall be prohibited.