Nationwide
Building Society

Slavery and Human Trafficking Statement
FY 2018/2019
Nationwide Building Society MSA
s.54 Statement FY2018 – 2019

The Modern Slavery Act 2015 (the Act) requires certain businesses to outline the steps they have taken in the previous financial year to make sure that no slavery or human trafficking is taking place in their business or in their 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 ending in 2019. This is the fourth such statement Nationwide has published.

About Nationwide

Our Building Society was founded 135 years ago with a social purpose - to help our members achieve things together they couldn’t achieve alone. Motivated by our social purpose, people remain at the very heart of everything we do. As a mutual, we are owned by and run for our 15.9 million members and they trust us to run their business responsibly, efficiently and ethically.

Nationwide’s principle business activities are [in providing mortgages, savings and retail banking services to our members].

Nationwide employs almost 18,000 colleagues and we have more than 650 branches. Our headquarters are in Swindon and there are 20 other operational sites around the UK.

Nationwide works with approximately 1200 suppliers, providing a range of goods and professional services. These goods and services are mainly provided from the UK, Europe and North America.

Nationwide has a number of subsidiaries providing services as part of its 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 Nationwide’s subsidiaries can be found in our Annual Report and Accounts.

As a member of Nationwide’s group, each subsidiary relies on its parent, Nationwide, for the infrastructure and resources it needs to carry on its business. This includes providing or acquiring all the goods and services, IT and other technology a subsidiary needs to run its business. It also includes providing staff. Nationwide does this for each member of the Nationwide group. No subsidiary sources goods and services for itself. Instead they rely on Nationwide’s activities for the wider group. Each subsidiary’s supply chains are, effectively, Nationwide’s supply chains.
Nationwide has an inherent duty to be responsible with our members’ money, in the products and services we offer, in how we engage with our employees, in how we manage our wider social and environmental impact. PRIDE is a statement of the culture, values and principles we strive to live by. It’s about how we treat our members and each other. We want people to experience being a part of the community at Nationwide, whether as a colleague, a member, a supplier, an investor, a regulator or a visitor to our Society.

Our PRIDE statements are:

- putting our members and their money first
- rising to the challenge
- inspiring trust
- doing the right thing in the right way
- excelling at relationships

You can find out more about Nationwide, its subsidiaries and the structure of the Nationwide group in Nationwide’s Annual Report and Accounts. These are available online at nationwide.co.uk/about/corporate-information/results-and-accounts.

Modern slavery and human trafficking

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.

Earlier this year we created an Executive Committee for Responsible Business chaired by our deputy CEO. This Committee has been charged by the Board with furthering the Society’s responsible business agenda. In addition, this year we became a signatory to the United Nations Global Compact and committed to upholding the ten principles which aim to positively transform society by 2030. This includes tackling all forms of modern slavery and human trafficking in our business and our supply chain.

Policies and practices in relation to slavery and human trafficking

We have internal policies and procedures in place, to ensure that we operate responsibly, ethically and in compliance with UK legislation and regulation.

Our employees

Nationwide is committed to supporting a zero-tolerance approach to modern slavery, in any of its forms. As a result, our Code of Conduct policy includes obligations that our employees, temporary workers and contractors must meet in relation to modern slavery.

We’re proud to be a 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 £10.55 in London and £9.00 for the rest of the UK, which is well above the Government’s national living wage of £8.21. 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 for our colleagues to be heard and gives advice, support and protection if they need it.
Our members
We have the necessary systems and controls in place to mitigate the risk of Nationwide being used to facilitate financial crime. These include Financial Crime, Anti Bribery & Corruption and Internal Fraud policies which require each community to complete mandatory training and establish their own processes to meet our policy requirements.

Our suppliers
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 Supplier Code of Practice, which we ask our contracted 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. Suppliers are expected to familiarise themselves with Nationwide’s policies as they give a good overview of what Nationwide expects from our suppliers. These are held on the supplier portal nationwide.co.uk/suppliers and these policies will be updated from time to time.

Speaking up
Nationwide actively encourages employees to use their voice and provides them with ways to escalate concerns that goes against our values, breach of policies or is criminal. If they feel that they would like to raise a concern in complete confidence or anonymously, they can contact Nationwide’s whistleblowing team or one of our external partners. We take these incidents seriously, investigate any concerns raised and where necessary take the appropriate disciplinary action.
Assessing and managing the risk of slavery

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 subscribe to the Financial Supplier Qualification System (FSQS), a tool used to assess potential suppliers 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. We updated our standard supplier contractual terms for new suppliers in 2016 to include obligations on Modern Slavery Act. The contracts we look to agree with them ask that they monitor their own operations and supply chain, 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 incidents of 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.

Tackling financial crime

Slavery and human trafficking are crimes. And any benefits people get from those actions are the 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 are a founding member of, and active contributor to, 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’. In 2018, we continued to collaborate with JMLIT and law enforcement across the UK in investigating modern slavery. This has led to successes, including the arrest and conviction of criminal gangs engaged in this criminality, which led to identifying and safeguarding the victims.

We’re also a member of the Expert Working Group on Human Trafficking and Organised Immigration Crime and participate in other JMLIT working groups. This engagement enables us to better understand the various activities and behaviours of the ‘red flag’ indicators which might suggest that customers are involved in modern slavery or human trafficking, either as a perpetrator or victim.

This knowledge allows our Financial Crime Intelligence Unit to develop automated transaction monitoring alerts for our financial crime teams to review and to consider these when they are conducting Enhanced Due Diligence reviews. Where they see something suspicious, they will report it to the relevant law enforcement agencies.
Training and raising awareness

Nationwide is committed to ensuring that our colleagues build their knowledge of the risks of modern slavery and the actions they can take to combat it.

In 2018 these included:

- hosting the National Crime Agency’s Invisible People exhibition at our Head Office in Swindon, Wiltshire. The exhibition comprises a series of large standing cubes displaying images capturing snapshots of life in modern slavery, as well as guidance on how to spot the signs of modern slavery and how to report it. This was supported by key messages displayed on our intranet system for all colleagues.
- modern slavery related training has been provided to key communities in the form of bulletin newsletters, presentations by both external speakers (National Crime Agency & Law Enforcement) and Financial Crime team members.
- working with a national charity to raise awareness of the charity and to raise funds to help them provide support and safe houses for the victims of human trafficking.

Our plans for 2019 - 2020

In the next 12 months we will look for new ways to reinforce our approach to tackling modern slavery, both within our business and working with our supply chain. In particular, we will continue to develop our training at local and group level. This will include:

- utilising technology to deliver the message, with Podcast’s and internal social media platforms being used to share red flags, case studies, industry news and the outcome of investigations.
- working with our member facing teams to develop generic modern slavery awareness training and more targeted training for areas experiencing specific modern slavery.
- continuing to work with charities and seeing how we can do more to support them working against the evils of modern slavery.
- delivering further training to Procurement and Supply Chain Management colleagues.

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

Joe Garner
Chief Executive Officer

David Roberts
Chairman