

2020/21 UK Modern Slavery Act (2015) Statement



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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 2021. This is the sixth such statement Nationwide has published.

About Nationwide

Our Building Society was founded 137 years ago to help our members achieve things together they couldn't achieve alone. 137 years on and we're still motivated by this social purpose, 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.

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

We employ around 18,000 colleagues and have around 650 branches. Our headquarters are in Swindon and there are 14 other operational sites around the UK.

Nationwide works with approximately 1,100 third party suppliers, providing a range of goods and professional services. These goods and services are predominantly provided from the UK but with relationships across the globe.

Nationwide has several 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 the goods and services, resources, and workforce a subsidiary needs to run its business. Save for very limited circumstances where a dispensation has been granted, no subsidiary sources goods and services for itself. Instead, they rely on Nationwide; each subsidiary's supply chains are, effectively, Nationwide's supply chains. Where a dispensation has been granted, Nationwide maintains oversight of the subsidiary's policies and processes and ensures there is an equivalent level of protection to Nationwide in identifying and onboarding third party suppliers.

PRIDE 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, day in and day out. Nationwide is committed to being responsible with our members' money; in the products and services we offer, in how we engage with our employees and, in how we manage our wider social and environmental impact. We want people to experience PRIDE 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.

Our PRIDE values are:

Putting our members and their money first

Rising to the challenge

Inspiring trust

Doing the right thing in the right way

Empowering each other

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](https://www.nationwide.co.uk/about/corporate-information/results-and-accounts)

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Our commitment

Nationwide is committed to tackling modern slavery throughout our business, our operations and supply chain. 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.

Complex supply chains where subcontracting takes place consequently present the most salient risk, due to the reduction in visibility, traceability, and transparency sometimes in play. As a financial services provider, we also recognise we have an important role to play in identifying customers and members who may be victims or perpetrators of modern slavery. Through this statement, we have detailed our controls and practices to combat this serious crime.

Over the last year, we've continued to reinforce our purpose of building society, nationwide, by enhancing our governance and approach to responsible business. Our Responsible Business Committee focuses on the social and environmental impact we have, through the way we operate, the work and financial opportunities we offer, and the people and communities we touch.

We remain committed to supporting the Ten Principles of the United Nations Global Compact in the areas of Human Rights, Labour, Environment and Anti-Corruption and our newly formed alignment with the UN Global Compact and UN Sustainable Development Goals (SDGs), will help to make us an even stronger force for good.

Highlights from 2020/21

- Affirming our commitment to fighting slavery from the highest level of management, our CEO responded to the Independent Anti-Slavery Commissioner's letter on modern slavery and the UK finance industry.
- We joined the UN Global Compact UK Modern Slavery Act Working Group.
- We partnered with Unseen on Anti-Slavery Day awareness campaigns, including a radio interview and LinkedIn post.
- We delivered tailored training to our frontline colleagues.
- Our Anti-Slavery Working Group and colleagues across all three lines of defence completed the new Anti-Slavery Certificate by ACAMS and FAST.
- We provided anti-slavery training to our Procurement function, with 100% of participants saying it enhanced their understanding and they would recommend it to a colleague.
- We strengthened third party due diligence through additional questions at pre-onboarding and partnered with EcoVadis to monitor sustainability performance on an ongoing basis, across human and labour rights, ethics, environment, and sustainable procurement topics.

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Our ambitions for 2021/22

- Continue to raise awareness of the issue of modern slavery, the latest insight and intelligence, and the steps we're taking to address it both internally and externally, through means such as Nationwide Radio and external podcasts.
- Further investing to strengthen our Transaction Monitoring capabilities in line with our roadmap for future transactional rule development.
- Review our Code of Conduct and wider people policies and processes that may have an impact on modern slavery; gaining external insight and benchmarking to understand and adopt best practice.
- Run refresher training for our Procurement colleagues.
- Provide tailored training to third party supplier relationship managers in key departments with anti-slavery charity Unseen.
- Roll out the supplier sustainability monitoring tool EcoVadis to both existing and new third parties.

Our partnerships and participation

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.

Nationwide also participated in the study commissioned by the UK's Independent Anti-Slavery Commissioner on modern slavery and the UK finance industry. This study, led by thinktank Themis and the TRIBE Freedom Foundation, surveyed finance industry professionals' awareness of modern slavery and collated recommendations and best practices related to modern slavery action. Nationwide was identified as an example of an organisation using creative technologies to deliver anti-slavery messages and working in partnership with national charities to increase awareness.

The Independent Anti-Slavery Commissioner wrote out to major UK financial institutions following this report, calling for recognition of modern slavery by senior leaders and asking what controls and practices we had in place. Our Chief Operating Officer attended a roundtable with the Commissioner to discuss the report findings and the actions being taken. Our Chief Executive Officer also responded to the Commissioner to share more information on our approach as it related to the questions within the report, which will be published on Commissioner's website as part of her annual report.

Additionally, we are active members of various industry groups. These include:

- Joint Anti-Money Laundering Intelligence Taskforce (JMLIT)
- UN Global Compact UK Modern Slavery Act Working Group
- Wiltshire and Swindon Anti-Slavery Partnership

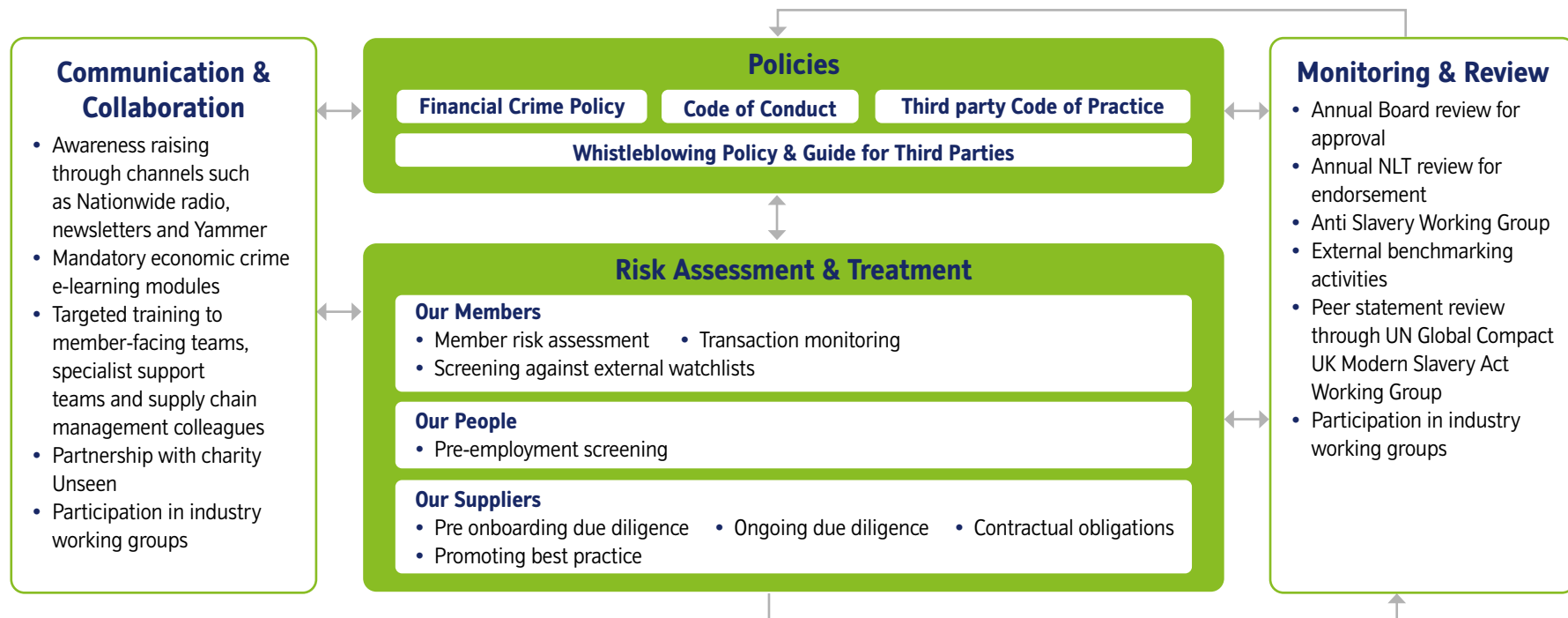
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Our governance

We have a cross-functional Anti-Slavery Working Group which 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 Economic Crime, Legal, Procurement, Risk and Responsible Business. In July 2020, we also welcomed new members from Internal Communications, Media Relations, People & Culture, and Policy & Public Affairs. The working group meets approximately once a month and feeds into the Responsible Business Committee via our Director of Shared Services.

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. In 2020, we updated the role of our Chief Operating Officer (COO) and Leader of our Resilience and Agility Community from 'Sponsor' of the Anti-Slavery Working Group to 'Owner' of Nationwide's approach to modern slavery across our members, our people, and our suppliers. This means in addition to supporting the working group and presenting our annual statement to our Board for approval, our COO is additionally responsible for setting and reviewing our risk appetite for modern slavery.

Each member of the Anti-Slavery Working Group is responsible for developing and maintaining, or feeding into, annual action plans to improve our approach to modern slavery continuously. Last year, these plans were informed by a benchmarking review the working group conducted over January to September 2020. We also took part in a peer statement review with three other organisations as part of the UN Global Compact UK Modern Slavery Act Working Group, to gather constructive feedback on our statement. This has informed the development of our statement and our action plans.



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Responding to COVID-19

As a Building Society, we provide a critical service, in a critical industry. We're committed to continuing to support our members through this challenging period, while doing everything possible to safeguard colleagues.

We recognise that reduced cash flow can lead to an increasing vulnerability to exploitation, such as modern slavery. We implemented several initiatives throughout 2020 to support those financially impacted, which include:

- **Payment holidays** on mortgages (including landlord-owned properties), loans, credit cards and interest-free holiday period on overdrafts;
- **An automated payment holiday request process**, making it easier for our members to apply and to minimise service disruption;
- **Penalty-free early access to savings** from fixed term accounts;
- **Our commitment not to repossess homes until at least May 2021** as a result of coronavirus;
- **Encouraging landlords to pass on payment breaks to tenants** to make sure benefits are passed on in a way that's fair and helpful to both landlords and tenants;
- **Additional support for our charity partners**, by donating our TV advertising space to Shelter, paying our normal monthly charity donations as a single lump sum, and increasing our donations;
- **Restrictions removed from community grants** so recipients could make local decisions on where best to focus spending, accepting it may not be on the project originally specified; and
- **New online site to support members** looking to make travel insurance claims.

We maintained our emergency line to ensure members could continue to report lost or stolen cards, fraud or any other security issues at any time, and our Specialist Support team has dedicated services to help vulnerable members.

As a temporary measure to relieve pressure in our Micro, Small and Medium Enterprise (MSME) supply base, we set an operational target to make payment to our SME suppliers within ten working days, to support their cash flow. Between July and December 2020, we paid on average within nine working days, approximately two weeks quicker than the average payment time between January and March 2020 before we set this target. We spend approximately £81 million with around 500 MSME suppliers each year and we're proud to have feedback from many for whom quicker payments has made a difference. As a result of this, we have decided to continue this target for the foreseeable future, to support the cashflow and survival of the small business sector.

In response to the pandemic, Nationwide committed to protecting jobs for all our permanent employees, with no compulsory redundancies between March and December 2020. We made sure that employees who, for coronavirus related reasons, couldn't attend the workplace and couldn't work from home continued to receive their normal salary. Our most vulnerable colleagues were supported financially by remaining on full pay throughout the pandemic when they were unable to work.

Our colleague support service, Ask HR, has remained open throughout the outbreak and employees have been able to raise concerns or grievances through either Ask HR or the Speak Up helpline and/or app. We've also worked closely with the Nationwide Group Staff Union representatives to ensure we identify and resolve any issues that need addressing.

Further information on our response to COVID-19 can be found on in our [Annual Report and Accounts 2021](#)

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Our members

Our members are anyone with a current account, mortgage, or savings account with us. As a mutual building society, we don't have shareholders. We're owned by our members and our future is shaped by what they want. We're committed to combatting financial crime, including modern slavery, as it relates to our members. As such, consideration to modern slavery is embedded within our member policies, due diligence processes, and risk assessment and management as set out below:

Policies:

Financial Crime Policy

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 financial crime, including modern slavery. We have a Financial Crime Policy which sets out the overarching principles and requirements for creating a Society-wide anti-financial crime culture to detect, deter and, where possible, prevent financial crime. This is underpinned by series of Minimum Control Standards to manage our economic crime risks. This Financial Crime Policy is reviewed and approved by the Money Laundering Reporting Officer on an annual basis.

Due diligence processes:

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 AML team applies Enhanced Due Diligence measures to these members, including ongoing monitoring of the relationship. Relationships deemed outside Nationwide's risk appetite to maintain are exited subject to review and sign-off by senior management.

Nationwide have a clear escalation process for identifying and reporting suspicious activity. Guidance is provided to Nationwide colleagues to allow all employees to report any suspicions or knowledge of money laundering, terrorist financing and any suspected predicate offences such as modern slavery and human trafficking. Any offences involving any perceived member vulnerability including modern slavery offences are prioritised.

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Risk assessment and management:

Risk assessments are completed across Nationwide's product range and channels of operation and consider the extent to which our members could use products to facilitate financial crime. Risk assessment activities incorporate consideration of modern slavery, particularly in regard to the assessment of higher risk countries and industries. These assessments drive the implementation and operation of effective controls to prevent and detect financial crime. These are updated 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 and furthers our understanding of the threat that modern slavery and human trafficking poses to us and our members.

Nationwide has identified and investigated a number of cases involving suspected modern slavery, and as a result of our colleagues 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. Examples include:

- Suspicious ATM activity indicating possible modern slavery was identified by retail colleagues and investigated by our Economic Crime team. Escalations were made to the law enforcement, including the National Crime Agency, and as a result an arrest was made and an account closed.
- A suspicion of modern slavery was reported through our retail network resulting in enhanced due diligence on a member and a suspicious activity report submitted. The account was closed to prevent the illicit movement of criminal proceeds. Our investigation supported the police in arresting and charging the perpetrator with human trafficking and prostitution offences.
- Our red flag indicators identified a network of eleven members suspected of facilitating modern slavery and human trafficking. As a result of our investigations and the sharing of information with law enforcement, a Freezing Order was complied with regarding these members accounts to prevent all transactional activity whilst under law enforcement investigation.

By sharing knowledge across law enforcement, financial institutions, and other organisations through participation in working groups, we have contributed to numerous successes, including the arrest and conviction of criminal gangs and safeguarding people who have been victims of modern slavery. We have recently commenced work with internal and external analytics functions to identify organised crime groups potentially involved in modern slavery, where bank accounts are opened by foreign nationals seemingly under the control of an interpreter.

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Our people

Nationwide employs around 18,000 employees and utilises the services of over 4,500 contingent workers. Our people provide the skills, experience and knowledge needed to ensure our organisation operates efficiently and can meet the current and future needs of our members. Everyone working on behalf of Nationwide is expected to act in line with our PRIDE values which set out our values, beliefs, and behaviours. Together with our strategic Cornerstones, these values guide us to make the right decisions for our People, our members, and our communities. To demonstrate our commitment to fairer society, in 2014 we made a commitment to real living wages. In addition to this commitment, consideration to modern slavery is embedded through our people policies, due diligence processes, training and awareness raising, and risk assessment and management as set out below:

Our commitment to real living wages:

We're proud to have been a principle partner of the Living Wage Foundation and an accredited Living Wage Employer since 2014, taking a leading role in the campaign for fairer pay.

The real 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. At Nationwide, the real Living Wage applies to all colleagues, contractors and suppliers who work on our sites, to ensure pay parity across the Society.

Policies:

Code of Conduct Policy

Our Code of Conduct Policy includes obligations on people relating to modern slavery. This sets out our commitment to tackling modern slavery throughout our business and supply chains, in particular the expectations that our people will not to take part in or facilitate modern slavery and that they will be vigilant of the warning signs and report suspicions through the relevant channels. We refer to this part of the Code of Conduct Policy as our obligations in relation to modern slavery. It is supported by an Anti-Slavery Standard & Guidance document which provides further details on standards of behaviour and the actions our people should take, or refrain from taking, to comply with these obligations.

The Code of Conduct Policy is reviewed on a bi-annual basis and was last updated in January 2020. It's owned and approved by our Director of People Policy, Reward and Governance.

Whistleblowing Policy

Nationwide actively encourages people to use their voice, providing ways to escalate concerns that are not aligned with our values, breach our policies/regulations or are criminal. For those wanting to raise a concern in complete confidence or anonymously, they can contact Nationwide's whistleblowing team or go directly to our Regulators if they so wish. We take these incidents seriously, investigating concerns raised and where necessary taking the appropriate disciplinary action.

Our Whistleblowing Policy applies to employees, contingent workers and students on work-placements at Nationwide. It also seeks to encourage any other party with whom Nationwide has, or has had, some type of business relationship to speak to us if they have a concern about possible wrongdoing within the Society. Whistleblowing can be used to raise genuine concerns about potential or actual wrongdoing or misconduct. This may concern the conduct or inappropriate behaviours of Nationwide's employees, contingent workers or its third parties. The Whistleblowing Policy signposts to where an individual can find further guidance and support on the Whistleblowing process and how to raise concerns; also providing reassurance to them their concerns can be raised without fear of negative consequences, even if concerns turn out to be unsubstantiated.

The Whistleblowing Policy is reviewed on an annual basis, or when required due to legislative or regulatory updates. The Whistleblowing Policy was last updated in December 2020. It's owned and approved by our Whistleblowing Officer and Whistleblowing Committee.

In addition, the Nationwide Group Staff Union (NGSU) is an independent Trade Union and represents a significant number of Nationwide employees, providing further ways for individuals to be heard whilst giving advice, support and protecting identities if needed. NGSU's representatives are in each area of the business for employees to raise concerns with when necessary.

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Due diligence processes:

All our people are required to go through a vetting process during recruitment which includes assurance that they have the right to work in the UK. All verbal and written offers of employment, plus confirmation of start dates, are subject to the candidate providing all required permissions, information and documentary evidence, and the successful completion of all pre-employment screening checks. All pre-employment screening will be conducted by Security Watchdog, our third party supplier. When working with employment agencies, we require complete background checks prior to hire, before access is provided to our sites, systems, or data.

Training and awareness raising:

We recognise the importance of raising awareness of the modern slavery problem in combatting this serious crime for the mutual good of society. So we're committed to engaging and training our workforce and others who work for or with us.

As modern slavery is a predicate offence of money laundering, modern slavery and human trafficking are part of our continual financial crime training framework. All colleagues complete two mandatory financial crime e-learning modules, which include how to identify and escalate suspicions of modern slavery. We also engaged our entire workforce on modern slavery and human trafficking through intranet articles, internal social media posts and an interview on our own radio station with anti-slavery charity Unseen, including on key international awareness days such as Anti-Slavery Day.

During the 2019/20 financial year, we set out a plan to develop modern slavery awareness training for our member-facing teams. During 2020, we engaged with each member-facing business area and created a pack for leaders on how to identify concerns and report suspicions. We also gave them materials to deliver an engaging training session, which led to over 95% of member-facing colleagues completing the training.

Additionally, we delivered more in-depth training to colleagues considered 'higher priority' due to their interaction with vulnerable members, for example, colleagues in our Specialist Support Teams. The training was delivered virtually by our Financial Crime Risk Team across several sessions, to allow open discussions using real life examples to bring the training to life.

Our Anti-Slavery Working Group and several colleagues across our Audit and Compliance Teams completed the new Anti-Slavery Certificate by the Association of Certified Anti-Money Laundering Specialists (ACAMS) and the Liechtenstein Initiative for Finance Against Slavery and Trafficking (FAST).

We worked in partnership with Unseen to develop a tailored training workshop to our Procurement teams. We ran three sessions, introduced by our Chief Procurement Officer, and co-delivered with Unseen. We also piloted a training workshop for relationship managers of third parties who provide communications, delivery, and logistics services. Through these workshops, we built greater awareness of modern slavery and the scale of this problem both globally and in the UK, the relevance for organisations such as Nationwide and our supply chain, higher risk industries, red flag indicators on an organisational and an individual level and what best practice looks like. We also used this session to recap on Nationwide's controls, including our supplier policies, due diligence practices and contractual clauses, as well as how to report suspicions.

Additionally, we engaged with our member-facing third parties on providing their own in-house training.

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Risk assessment and management:

As an established UK financial services organisation with a highly skilled workforce, the people risks relating to modern slavery could be considered to be relatively low. However, we remain focussed on prioritising our people response to modern slavery by taking steps to further mitigate the following potential risk areas:

1. *Coercion and control impacting our people:*

There is a risk that our people are directly impacted by modern slavery to the extent that there could be individuals within our workforce that are being coerced, controlled, or forced into work. Evidence suggests that this is more likely to manifest itself within our contingent workforces, particularly in more junior level and ancillary roles. We believe our controls and practices significantly reduce this potential risk within Nationwide.

As noted above, our screening and vetting controls are designed to highlight any red flags, such as credit checking and right to work. In addition, Nationwide work with an agreed set of agencies and suppliers for contingent workers, all of which are subject to due diligence.

As highlighted earlier, we have made a commitment to pay above the annual living wage; in addition the inclusion of anti-modern slavery is included within our Code of Conduct Policy and we have an established Whistleblowing Policy and process, both of which support our people in understanding and being able to raise concerns of modern slavery in the workplace.

2. *Lack of understanding of modern slavery impacting our members and communities:*

As a financial services organisation, there is a risk that Nationwide may be used as an avenue for laundering the profits of modern slavery, or that our members are victims or perpetrators of modern slavery. In addition, there is a risk that, should our people be facing financial hardship, they may be coerced into action that may enable modern slavery. Although this risk is low, some commentators have noted that COVID-19 has increased this risk.

It has previously been reported that there is a lack of awareness in relation to modern slavery across the financial services industry. Nationwide is committed to raising awareness of modern slavery through our all colleague training and specific training for people in roles more likely to be exposed to modern slavery, such as member-facing roles, detailed within the 'Training and awareness raising' section above. We believe it's important that we all understand what modern slavery is and how it can impact us, our members, and our communities.

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Our suppliers

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 over 1,100 third party suppliers, defined as those we have direct relationships with, located predominantly in the UK. We do not tolerate modern slavery throughout our supply chain and are committed to work with our third parties to eradicate and mitigate modern slavery. As such, consideration to modern slavery is embedded within our third party policies, due diligence processes, and risk assessment and management as set out below:

Policies:

Third Party Code of Practice

We have a Third Party Code of Practice which outlines the minimum standards we expect our third party suppliers to uphold, including requirements related to modern slavery. We updated this Third Party Code of Practice in December 2020 following internal consultations, guidance from Unseen and a benchmarking review. We split our requirements depending on the size of the organisation, for a reasonable and proportionate approach. We also introduced aspirational standards that we encourage, to champion best practice across our supply chain.

The Third Party Code of Practice is owned by our Supply Chain Responsible Business Team and is approved by our Chief Procurement Officer and our Director of Shared Services.

Third Party Whistleblowing Policy Guide

Nationwide has a Whistleblowing Policy which sets out the process through which genuine concerns about potential or actual wrongdoing or misconduct by Nationwide's employees or its third parties can be raised. The policy guide for third parties sets out requirements which must be met by third parties to ensure that all those engaged to work with Nationwide are clear they are able to whistle blow and do not feel deterred from doing so. It details whistleblowing channels available to enable stakeholders to raise concerns and the responsibilities of Nationwide's third party senior relationship owners.

The Third Party Whistleblowing Policy Guide is owned by The Whistleblowing Team and is approved by the Director of Compliance.

The Third Party Code of Practice and Third Party Whistleblowing Policy Guide are available publicly on our Supplier Portal: <https://www.nationwide.co.uk/suppliers/policies>

Due diligence processes:

The Procurement Team request all our third parties agree to comply with our Third Party Code of Practice through our Third Party Registration Form and our Pre-Qualification Questionnaire (PQQ). The PQQ is repeated for contracted third parties at one to three year intervals, depending on the financial risk rating, to ensure continued commitment to meet our requirements. By the end of March 2021, 92% of third party suppliers onboarded, renewed, or reviewed agreed to comply with our Third Party Code of Practice via our PQQ through this enhanced process. Of the remaining, 2% were unable to agree to our Third Party Code of Practice but provided sufficient evidence to demonstrate our standards were aligned, 1% were removed from the tender, 1% were exceptions due to the nature of the service/relationship and 4% are ongoing conversations.

As of July 2020, we also introduced a specific question within the PQQ to check compliance with the UK Modern Slavery Act. By the end of March 2021, 41% of third party suppliers onboarded, renewed, or reviewed stated they published an annual statement in compliance with obligations under the UK Modern Slavery Act. A further 58% stated they are not obligated to publish a statement, with the most common reason due to an annual turnover under the £36 million threshold. One organisation, representing the final 1%, stated it is obligated but has not yet complied. This is due to the new requirements for public bodies with a spending budget over £36 million. The organisation is funded by such a body due to publish its first statement in September 2021, and therefore it plans to be compliant when the legislation comes into force. We will continue to monitor this situation.

We are currently in the process of transitioning these questions into a new procurement platform which will enable more automated approval flows. Where a potential suppliers cannot agree to comply with our Third Party Code of Practice or does not comply with the reporting requirements of the Act when obligated, our Chief Procurement Officer will be notified.

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Our standard form supplier 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 Act. Our terms provide that Nationwide will work in support of a supplier in tackling instances of modern slavery that they may uncover, rather than simply ceasing to work with that supplier. We believe that this approach, where suppliers 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.

Risk assessment and management:

In April 2020, we partnered with Unseen to systematically assess approximately 900 of our third party suppliers based on location, category, materiality and spend band. These 900 of our total c.1,100 third parties were selected for review as they had active contracts during the 2019/20 financial year.

Unseen created a risk assessment matrix to apply to our third party suppliers, using country-level research by the Global Slavery Index, Verisk, Maplecroft, UN Human Rights Council and Trafficking in Persons Report 2019, as well as sector analysis by the UK Government, Organization for Security and Co-operation in Europe, KPMG and United Nations Office on Drugs and Crime. Additional risk factors, such as political instability and social or civil unrest, were also taken into consideration.

4% of the third party suppliers assessed have primary operations identified as high risk.

13.2% of the third party suppliers assessed are in categories were identified as high risk. These included construction, facilities, IT hardware and resourcing.

Our Procurement, Third Party Risk and Supply Chain Responsible Business Teams came together with Unseen to identify third parties to prioritise for enhanced due diligence. These were third parties with primary operations or categories identified as high risk or were strategic suppliers to our organisation. With Unseen, we developed an enhanced due diligence questionnaire to gain a greater understanding of the third parties' approaches to combatting modern slavery. For example, their leadership, employment and recruitment practices, training, procurement practices, monitoring and reporting. This questionnaire was due to be rolled out during the 2020/21 financial year; however, as a result of the pandemic, we focused our efforts on operational, financial and health and safety performance monitoring and speeding payment to support small third party suppliers.

We have since partnered with EcoVadis to rate, monitor and collaborate with our third party suppliers to enhance our collective sustainability performance. The EcoVadis assessment includes a module on human and labour rights, with questions relating to modern slavery. We plan to utilise this tool to continually improve our suppliers' sustainability performance across topics, such as modern slavery, that are important to Nationwide. The questionnaire we developed with Unseen will therefore be used for enhanced due diligence where appropriate following review of performance within the EcoVadis assessment.

Our investments

Our relationship with third parties extends beyond our supply chains. 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.

The majority of the portfolio companies 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, this risk and how it is best managed through our engagement with our portfolio companies is kept under review. In the coming year we will look to develop further the work we carry out with our portfolio companies.

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Measuring effectiveness and key performance indicators

Indicator	2020/21 Result
% colleagues completing Anti-Bribery and Corruption e-learning	96%
% colleagues completing Financial Crime e-learning	98%
% colleagues completing Speak Up e-learning	93%
% frontline colleagues that completed modern slavery training	95%
% procurement colleagues that completed modern slavery training with Unseen	92%

Measuring the effectiveness of our Procurement training with Unseen

We're really proud of the positive feedback we gained from our Procurement Team following the tailored sessions we co-created and delivered in partnership with Unseen. Of those responding to the post-workshop surveys...

- 100% agreed the training enhanced their understanding of modern slavery, relevance to Nationwide and to their role
- 100% would recommend the training to a colleague
- 81% rating the quality excellent and the remaining 19% rating it as good

"This was an excellent session and an eye opener to what goes on around the world and in particular in UK regarding slavery and exploitation. It was a valuable and useful session."

"Very informative and thought provoking and can see how my role has a direct part to play in this topic."

"The session was very informative with good opportunity for discussion. Unseen's presentation brought to the fore the challenges of modern slavery faced the wider industry."

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Statement review

This statement has been approved by the Board of Nationwide on behalf of Nationwide and each of its subsidiaries on 21 July 2021 and is signed by:



Joe Garner (CEO)



David Roberts (Chairman)