



SUPPLY CHAIN CODE OF CONDUCT

FEBRUARY 2023



CONTENTS

Introduction

Our Right to Audit
Changing Regulatory Environment
Complete & Accurate Records
Good Industry Standards
New Homes Quality Code
Supply Chain Sustainability School
How to Report a Concern

Social Responsibility

Labour Practices
Modern Slavery
Diversity & Equality
Bribery & Corruption
Tax Evasion
Fair Competition
Conflicts of Interest

Information Security

Confidentiality
Data Protection

Environmental Responsibility

Environmental Impact
Climate Change Mitigation
Climate Change Adaptation
Biodiversity
Materials & Waste
Timber

Health, Safety and Wellbeing

Your Procedures & Training
Supervision
Certifications & Competency
Non-English Speakers on Site
Health & Safety Incidents
Alcohol & Drugs
Personal Protective Equipment (PPE)
Violence, Harassment & Bullying
Health, Safety & Wellbeing Concerns
& Feedback

Customers and Communities

Customer Service
Quality
Community Involvement
Developing Future Talent



Crest Nicholson's core purpose is to build great places for our customers, communities and the environment. We are committed to carrying out procurement activities in a responsible manner and to enter into agreements and contracts with supply chain partners that share our vision.

The Supply Chain Code of Conduct applies to all providers of goods and services to Crest Nicholson, including suppliers, contractors, sub-contractors, consultants, agents, professional service providers, and temporary staff.

All Supply Chain Partners are expected to fully adhere to the principles set out in this Code in addition to abiding by all relevant and applicable laws and regulations in the countries in which they operate.

Our Right to Audit

We reserve the right to monitor, inspect and audit each Supply Chain Partner's compliance with this Code. Supply Chain Partners must cooperate by providing relevant information that we request and by making individuals available for us to conduct a meaningful audit.

Supply Chain Partners are required to evaluate their own supply chain to ensure compliance with this Code and to conduct audits of their supply chain when requested by Crest Nicholson.

Any non-compliance must be effectively remedied in a timely manner and at no additional cost to Crest Nicholson.

Breaches of this Code may negatively impact upon the Supply Chain Partner's relationship with Crest Nicholson, including potential termination of services. Supply Chain Partners must notify Crest Nicholson immediately of any breach of compliance relating to its obligations under this Code and the principles set out within it.

Changing Regulatory Environment

While this Code sets out the minimum standards we expect from our Supply Chain Partners, those expectations will change as the law, regulation and good practice standards evolve.

We expect all our Supply Chain Partners to embrace changes in the law and good practice in a proportionate and timely manner. We will update this Code from time to time to reflect the changing regulatory environment and any additional standards we require from our Supply Chain Partners.

Complete & Accurate Records

Our books, records, and financial reporting must accurately reflect transactions that occur and the true state of our business. These records are an essential part of doing business correctly, honestly and openly. They protect us, our customers and our Supply Chain Partners.

Supply Chain Partners must ensure that all reports and records kept are complete and accurate, and not false or misleading in any way. All financial transactions must be recorded in accordance with accepted and applicable accounting standards.

Good Industry Standards

At all times, Supply Chain Partners are expected to adhere to good industry standards and practices. This means using standards, practices, methods and procedures in the provision of your services to us that are prudent, competent,

and of the high-quality expected for the type, size, scope, nature and complexity of the project you are working on.

New Homes Quality Code



Crest Nicholson are registered with the New Homes Quality Board. To help us deliver a consistently high standard of home quality and service, we require all our Supply Chain Partners to be familiar with, and adhere to the provisions of the New Homes Quality Board Code of Practice. Supply Chain Partners must ensure their workforce understand these requirements when working on Crest Nicholson developments.

Supply Chain Sustainability School



Crest Nicholson are partners of the Supply Chain Sustainability School. The School provides access to thousands of learning resources and CPD-accredited content including webinars, e-learning modules and guidance documents. Membership is free for our supply chain and we expect our Supply Chain Partners to register and utilise the School's resources. The School is accessed at www.supplychainschool.co.uk

How to Report a Concern

Crest Nicholson is committed to providing an open, honest, transparent and safe working environment where our employees, sub-contractors, consultants, suppliers and other agents can report any concerns or malpractice.

Anyone who raises issues of concern will be treated with respect and will be assured that the matter will be properly investigated, and the necessary steps taken.

There are two options for reporting concerns:

1. Your main point of contact within Crest Nicholson, or if that is not appropriate, with a more senior manager.
2. If, for whatever reason, you do not wish to raise an issue with local management you may call our whistleblowing hotline at **0800 068 9449**. This free, confidential and anonymous hotline is run by an independent organisation who are trained to handle disclosures of this nature.

Please refer to our **Whistleblowing Policy** for more information.

HEALTH, SAFETY & WELLBEING

Crest Nicholson takes the health, safety and wellbeing of employees, customers and people working and visiting our sites and offices very seriously. We are committed to achieving the highest standards of health, safety and wellbeing across our business.

Your Procedures & Training

You must have your own rigorous health and safety procedures in place within your organisation and provide your employees and other staff with adequate information, training and equipment.

This includes ensuring all non-English speaking employees are fully briefed in the appropriate language.

When requested, you must provide evidence of your health and safety procedures, including policies or certifications. A detailed step by step method statement clearly showing the proposed safe system of work must be prepared for all works.

The method statement must be backed up with a suitable risk assessment and must be reviewed by Crest Nicholson prior to the commencement of the activity.

You are responsible for ensuring all of your employees and other staff are adequately briefed in the safe system of work prior to starting work.

Supervision

You must ensure that you are providing an appropriate number of competent supervisors to oversee the work you are carrying out. The supervisors must have the authority and capability to safely oversee the work and ensure your safe system of work is implemented and that any Crest Nicholson site rules are followed. Crest Nicholson has trade specific minimum standards for supervision including numbers and qualifications. All designated Supervisors must wear a black hard hat on site.

Certifications & Competency

You must ensure that your employees hold the appropriate qualification, training and knowledge to be fully competent and safe. All site-based employees must have the appropriate industry competence card (e.g. CSCS, CPCS, CISRS, ECS) prior to starting work on our site. They will be asked to produce this card before their induction and we may ask to see it from time to time. Failure to produce the relevant card may result in individuals being removed from site until they have obtained it.

Non-English Speakers on Site

When on our sites, you must ensure that you have an adequate number of competent site-based interpreters to assist and support non-English speaking sub-contractors. At a minimum, we require one interpreter for every six non-English speaking employees where they all work in close proximity.

Where a non-English speaking employee works in isolated areas, a minimum of one-to-one is required.





HEALTH, SAFETY & WELLBEING

Health & Safety Incidents

Supply Chain Partners must fully adhere to our health and safety procedures and to ask for guidance when necessary.

If a health and safety incident takes place on our sites or in our offices, it must be reported immediately to the appropriate Crest Nicholson employee, such as a Site Manager, or the first aider in our offices.

Alcohol & Drugs

We prohibit the unlawful use, consumption, possession, distribution and sale of drugs and/or alcohol, both at the workplace or when conducting Company business. Everyone must report to work in a fit mental and physical condition. If there are any potential risks to employees, the public or anyone else from medication (over the counter or prescribed) being taken by individuals, this should be reported to Crest Nicholson.

Anyone found on-site or in our offices under the influence of medication, drugs or alcohol will be removed immediately. All Supply Chain Partners must comply fully with the requirements laid out in our **Drug and Alcohol Testing Policy**.

Personal Protective Equipment (PPE)

Supply Chain Partners are responsible for ensuring that all of their employees and other staff are provided with appropriate PPE for their work on-site in line with their method statement and risk assessment. Where PPE requires specific fitting and/or regular testing this is the responsibility of the Supply Chain Partner, not Crest Nicholson.

Violence, Harassment and Bullying

We are committed to creating a work environment where people behave professionally and everyone is treated with dignity and respect. Any form of harassment, bullying, verbal or physical abuse will not be tolerated. Supply Chain Partners must abide by the guidelines set out in both our **Harassment and Bullying Guidelines** and our **Violence at Work Guidelines**.

Within your own operations and in dealings with your supply chain, we expect that you will create a similarly professional and respectful work environment, free from any form of harassment, bullying or violence.

Health, Safety and Wellbeing concerns and feedback

We want to work with our Supply Chain Partners to ensure our sites and operations are run as safely as possible. Supply Chain Partners are encouraged to raise any health, safety and wellbeing feedback or concerns with their Crest Nicholson contact or with the Crest Nicholson Group SHE Team.





SOCIAL RESPONSIBILITY

We are committed to respecting and safeguarding the human rights of all our colleagues and those who are associated with our operations. We aim to provide a safe working environment, invest in skills and foster a diverse and inclusive culture. We expect the same commitment from our Supply Chain Partners.

Labour Practices

At a minimum, Supply Chain Partners must comply with all relevant legislation for employment, working hours, Real Living Wage and benefits in your country of operation. You are expected to recognise and respect employees' right to freedom of association and collective bargaining.

Working hours should comply with benchmark industry standards and not be excessive. Zero-contract hours should not enforce exclusivity clauses.

Supply Chain Partners must also meet and uphold the fundamental conventions set out by the International Labour Organisation. We encourage you to be proactive in offering local businesses the opportunity to compete for work with you at our sites.

We require our UK-based subcontractors to pay employees the Real Living Wage in accordance with the Living Wage Foundation's requirements. Information on the Real Living Wage can be found on the [Living Wage Foundation website](#).

Modern Slavery

You are expected to manage your business in a manner consistent with the principles set out in the Modern Slavery Act 2015, regardless of your size or turnover.

Modern Slavery statements must be prepared by supply chain partners in accordance with the relevant law.

This includes taking reasonable steps to reduce the risk of modern slavery occurring in any part of your business or supply chain, and having zero tolerance for any form of human trafficking, child, forced or compulsory labour.

Should you become aware of any actual or suspected modern slavery or other unethical labour practice relating to your work with Crest Nicholson, this must be reported immediately to us through one of the following:

1. Our HR department on **01932 580 555**, or
2. The Crest Nicholson whistleblowing hotline on **0800 068 9449**.





SOCIAL RESPONSIBILITY

Diversity & Equality

We value diversity and equality in employment and select and promote employees based on their aptitudes and abilities, not their sex, sexual orientation, marital status, race, nationality, religion, ethnic or national origin, age or disability.

Supply Chain Partners are expected to embrace and promote a similarly inclusive culture within your organisation, where diversity and equality are considered in decision-making, and everyone is treated fairly. Discrimination should not form any part of your business operations or culture.

Bribery & Corruption

We demand the highest standards from both our employees and Supply Chain Partners when it comes to combating bribery and corruption. At a minimum, everyone must comply with our comprehensive **Anti-Bribery & Corruption Policy**, as well as all obligations arising from the UK Bribery Act 2010.

We take care to ensure that the gifts and hospitality we receive are within reasonable limits and never allow them to influence our decisions.

Supply Chain Partners must do the same. If asked, you must provide copies of your policies and procedures relating to this area. You should never offer, promise, give, solicit, accept or receive any gift, payment or other benefits that would induce or reward improper conduct or illegitimately influence any decision.

Any offer or acceptance of business entertainment that would, or be perceived to, constitute corrupt activity is unacceptable.

Tax Evasion

We comply with all applicable tax laws and are mindful of our wider corporate responsibility and reputation when considering tax planning arrangements.

All arrangements with Supply Chain Partners must be consistent with these aims. The Criminal Finances Act 2017 introduced a new 'corporate criminal offence' whereby Crest Nicholson will be criminally liable if any of our associates (including suppliers, sub-contractors or agents) knowingly facilitate tax evasion whilst acting on our behalf.

This applies not just to our immediate Supply Chain Partners, but also to our second tier Supply Chain Partners and so on down the supply chain when those companies are acting on our behalf.

For that reason, you must:

1. Not commit tax evasion when working for Crest Nicholson
2. Not knowingly assist others to commit tax evasion when working for Crest Nicholson
3. Communicate clearly to your own supply chain that anyone working on Crest Nicholson's behalf should never commit, or be complicit in, tax evasion
4. Take reasonable and necessary steps to ensure that your own supply chain comply with steps 1. to 3.

Fair Competition

We expect our Supply Chain Partners to compete and negotiate for business with us in an ethical manner where openness, professionalism and honesty are applied to all our dealings. Crest Nicholson will do the same.

You should be able to demonstrate a track record for maintaining these high ethical standards, including the quality and cost of your work. Crest Nicholson may request information during the tender process to ensure compliance. We will not tolerate any violation of anti-trust or competition laws and related regulations or any form of bid-rigging that may limit fair competition in tender situations.

Conflicts of Interest

We strive to operate and carry out our duties conscientiously, including actively avoiding any potential conflicts of interest. We require the same of our Supply Chain Partners.

Should you become aware of any potential, actual, or perceived conflict of interest for your company, employees or supply chain before, during or after a working relationship, this must be disclosed to us.



CUSTOMERS AND COMMUNITIES

We are committed to delivering a positive impact for our customers, communities and partners by providing attractive and high quality new homes, delivering excellent customer service and investing in initiatives and infrastructure that bring a lasting beneficial impact.

Customer Service

Providing a great experience to our customers is essential to our success and we strive to ensure our customers feel special and valued at all times.

In any interactions with our customers, Supply Chain Partners are representing Crest Nicholson and you must ensure that your employees visiting or working on our sites are aware of and abide by the following customer service principles:

1. Delivering a home on schedule and free from defects or remedial works
2. Recognising that buying a new home is the biggest commitment the customer is ever likely to make
3. Listening to our customers and treating them with respect
4. Showing empathy and taking responsibility to put things right in a prompt manner
5. Responding quickly and delivering on our promises
6. Acknowledging that at times we may make mistakes
7. Appreciating customers and making them feel special.

Quality

We strive to attain the best build quality that we can throughout our design and construction processes. Everyone plays an important role in ensuring we achieve the level of quality we want.

We expect Supply Chain Partners to take pride in the work they undertake and to meet all defined regulatory and contractual standards. Where they fall short of this standard, we expect them to rectify issues in a timely manner as set out in our supplier contracts.

As signatories of the New Homes Quality Code, we are committed to achieving high levels of quality and customer service.

All Supply Chain Partners are required to familiarise themselves with the requirements set out in the New Homes Quality Code.

Community Involvement

As a Supply Chain Partner, you are expected to represent our business and our values in all situations, acting with integrity and with respect for the local community.

Developing Future Talent

One of the key challenges facing the industry is a lack of skills, knowledge and capacity to meet the demands for the new homes needed across the UK.

Crest Nicholson invests in programmes to support new talent in the industry and we seek to work with Supply Chain Partners that also support skills and capacity building through initiatives such as trainee recruitment, training and education.

We also expect our Supply Chain Partners working on our developments to offer appropriate and effective trade mentoring, coaching and support for our apprentices and trainees to support their ongoing learning and development.





INFORMATION SECURITY



We have stringent measures in place that respect and protect all personal and confidential information we manage. This is critical to our successful operations and to maintain confidence between us, the people we work with and our customers.

Confidentiality

In working with Crest Nicholson, we expect our Supply Chain Partners to never use or disclose any information belonging to us, our customers or other stakeholders, except as required by us. You will not act on confidential information received in error from Crest Nicholson, our customers or others.

Data Protection

All personal information collected as part of Crest Nicholson's day-to-day operations must be dealt with properly regardless of the means by which it is collected, recorded, used, stored and deleted. We expect full cooperation and information relating to the personal data that we reasonably request.

You must ensure that all uses of personal data take place in accordance with applicable laws and regulations. Any Crest Nicholson personal data must be processed only as necessary and in accordance with our written instructions.

No personal data should be processed outside of the European Economic Area without our prior written consent and all personal data should be deleted in its entirety when it is no longer needed for the purpose it was provided.

No personal data will be disclosed to any third party without our written consent, other than as required by any Regulator or court of law.

You must take appropriate procedural, technical and organisational security measures to prevent unlawful disclosure; unauthorised processing; or accidental loss, destruction, damage or alteration to Crest Nicholson's personal data. If there is any material change made to these measures, you must inform us immediately. From time to time, we may require a written description of these measures.

You must notify us immediately of any incident that has or may reasonably result in a breach of the protections relating to Crest Nicholson personal data by you, your employees or your supply chain.



ENVIRONMENTAL RESPONSIBILITY

The natural environment is under threat and we recognise the responsibility we have to tackle the areas where we have the greatest impact.

This includes reducing our greenhouse gas emissions and adapting our homes and developments in the fight against climate change, protecting and enhancing biodiversity in and around our sites, and managing our resources efficiently to reduce waste and resource consumption.

Environmental Impact

All Supply Chain Partners must comply with the ethos and objectives laid out in our **Sustainability Policy**. Supply Chain Partners must conduct their operations in an environmentally responsible manner and in accordance with applicable environmental laws.

You must take all reasonable measures to mitigate any adverse impacts that your products, services and supply chain may have on the environment. We maintain strict procedures for minimising and mitigating any environmental risks on our sites. All Supply Chain Partners who work or visit our sites must comply with these best practices and risk mitigation practices. If there are any doubts or questions regarding these procedures, you must consult the Site Manager.

Climate Change Mitigation

To mitigate our impact on climate change we are committed to the progressive reduction of our carbon footprint. This includes actively working to reduce our energy, water and fuel consumption throughout our value chain.

Supply Chain Partners must comply with the ethos and objectives laid out in our **Climate Change Policy**.

Where your work affects energy, water and fuel consumption in our offices or in our site activities, we expect you to operate in energy, water and fuel-efficient ways, and consider low-carbon and renewable technologies where possible.

We have set science-based greenhouse gas (GHG) emission reduction targets, including a commitment to be net zero by 2045. We expect our Supply Chain Partners to monitor, quantify and report GHG emissions while taking strong action to reduce them. The supply chain will play a crucial role in supporting the housebuilding sector to achieve net zero.

Climate Change Adaptation

The impacts of climate change are already being felt and the effects will be experienced throughout our value chain. We expect our Supply Chain Partners to review and manage climate-related risks and opportunities and mitigate risk appropriately.

Biodiversity

We are committed to delivering a biodiversity net gain (BNG) across our developments in line with the Environment Act 2021. This will include a BNG of at least 10%, which will be delivered through a mix of on-site and off-site solutions in accordance with the mitigation hierarchy. We aim to integrate ecology, landscaping and surface water management in a way that supports local and national biodiversity priorities and adds value to the area and our communities.

We expect our Supply Chain Partners to assist us in meeting this ambition, whether that's through involvement at the design stage to those working on-site during the build phase. For Supply Chain Partners working directly on site, we expect everyone to be careful and considerate of their actions – working to minimise the impact on local flora, green spaces and wildlife. You must notify the Site Manager immediately if you or your employees:

1. Find a protected species or nesting bird on site
2. Notice an invasive plant, such as Japanese Knotweed, within the work area
3. Break the conditions of our planning or licensing conditions.



ENVIRONMENTAL RESPONSIBILITY

Materials & Waste

We are committed to reducing our impact on natural resources through the efficient use of materials and reducing waste. Using and managing materials efficiently to build our homes reduces waste, helps maintain a safe and tidy site and minimises our environmental impact.

This commitment is underpinned by Crest Nicholson's **Sustainable Procurement** and **Sustainable Timber** Policies. All Supply Chain Partners must comply with the ethos and objectives set out within these policies.

Supply Chain Partners who work or visit our developments must comply with the site rules relating to resource efficiency, material use and storage and waste management. We follow the waste hierarchy and you are expected to adopt good practice standards, including reusing materials where possible, segregating waste at source, and using our marked waste management areas and storage facilities correctly. You must inform us if you operate a material take-back scheme.

If you are responsible for the disposal of your own waste on our sites, you are expected to report the nature and volume of the waste to us in an agreed format and in a timely fashion. You must not take waste off site without having a Waste Carriers Licence and receiving prior written agreement from us.

To support Crest Nicholson's ambition to reduce greenhouse gas emissions and our impact on natural resources, all Supply Chain Partners must consider on all projects:

- How to minimise the use of materials and the production of waste
- How to maximise the reuse, recycling and recovery of construction, demolition and excavation materials
- The use of reclaimed products and materials, and those with a high-recycled content where feasible
- The use of materials with a lower embodied carbon.

Where we specify a particular product and you are unable to comply, you should immediately inform your Crest Nicholson project contact for written approval for a swap prior to its use on site.

Timber

Supply Chain Partners who supply timber products, either permanent or temporary, must comply with our **Sustainable Timber Policy**. This includes providing all required certification documents to prove timber legality and provenance.

We undertake a detailed annual audit of our timber procurement and a number of Supply Chain Partners will be required to participate, even if you don't hold a Chain of Custody certificate for FSC and/or PEFC.

Guidance for Supply Chain Partners to comply with our policy and audit requirements is available at:

www.crestnicholson.com/supply-chain



www.crestnicholson.com

