

# SUPPLY CHAIN CODE OF CONDUCT

July 2018



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**Crest Nicholson's driving ambition is to be the market leader in the design and delivery of sustainable housing and mixed-used communities. We are committed to operating our business in a responsible, ethical, transparent way, and with integrity. We expect the same from the businesses and people we work with.**

The Supply Chain Code of Conduct applies to all providers of goods and services and their employees 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 or complaint 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 or enquiries 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.

## How to Report a Concern

If you see any activity or behaviour that falls short of the standards set within this Code of Conduct, we strongly encourage you to report your concerns.

We are committed to ensuring that our Supply Chain Partners feel comfortable to report any concerns and we welcome information being brought to our attention.

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 374 199**. This free, confidential and anonymous hotline is run by an independent organisation and trained to handle disclosures of this nature.

Please refer to our [Whistleblowing FAQ](#) for more information.





# Health and Welfare

Crest Nicholson takes the health and safety 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 welfare 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.

## 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 and Welfare

## 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 reported to the appropriate Crest Nicholson employee, such as a Site Manager, or a 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.

## 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 Guidance](#) and our [Violence at Work Guidance](#).

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





## Social Responsibility

Being a socially responsible business is a non-negotiable value for Crest Nicholson. At every level of our business we make sure to apply a strong set of principles to ensure we act in an ethical and responsible manner, and with respect for people. We expect the same from our Supply Chain Partners.

### Labour Practices

At a minimum, Supply Chain Partners must comply with all relevant legislation for employment, working hours, minimum wage and benefits in your country of operation.

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.

### 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.

This includes taking reasonable steps to ensure that there is no modern slavery in any part of your business or supply chain.

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. The Crest Nicholson whistleblowing hotline on **0800 374 199** or
2. Our HR department on **01932 580 555**.





# Social Responsibility

## Diversity & Equality

We value equality and diversity 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.

We do not expect you to give or receive gifts and hospitality on our behalf. You should never offer, promise, give, solicit, accept or receive any gift, payment or other benefit 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 totally 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 2nd tier supply chain partners and so on down the supply chain when those companies are acting on our behalf.

For that reason, you must:

- i. not commit tax evasion when working for Crest Nicholson
- ii. not knowingly assist others to commit tax evasion when working for Crest Nicholson
- iii. communicate clearly to your own supply chain that anyone working on Crest Nicholson's behalf should never commit, or be complicit in, tax evasion
- iv. take reasonable and necessary steps to ensure that your own supply chain comply with steps i) to iii).

## 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.





# Community

We aim to improve the quality of life for individuals and communities, both now and in the future. This includes creating beautiful and high-quality homes and developments, providing excellent customer service and employment opportunities, as well as being a good neighbour in the communities where we work.

## 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 and abide by our seven Customer Service Principles.

1. Delivering a home on schedule and free from defects or any 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, quickly
5. Responding promptly and doing what we say we will, when we say we will
6. Acknowledging that at times we may make mistakes
7. And above all, appreciating customers and making them feel special.

## Quality

We strive not only to be a 5-star housebuilder, but 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.

All Supply Chain Partners working on site must adhere to the quality standards set out in our Quality Manual, Build Stage Inspections, Customer Services Inspections and any other project-specific Inspections and approval processes requested at Tender and Pre-Start stages.

## 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 has invested heavily in programmes to support new talent into the industry and we seek to work with Supply Chain Partners that also support skills and capacity building through initiatives such as apprenticeships, training and education.

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

## 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 locals.

Every active Crest Nicholson site is registered with the Considerate Constructor scheme. All Supply Chain Partners working on our sites must be made aware of the scheme and adhere to its code of considerate practice. Failure to comply with the scheme may result in operatives being asked to leave site.





# 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 maintaining 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 is 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 the unlawful disclosure; unauthorised processing; or accidental loss, destruction, damage or alteration to Crest Nicholson 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

We want to ensure that we minimise the potential negative impacts our operations may have on the environment, and where possible, enhance the positive contributions we can make.

## Environmental Impact

All Supply Chain Partners must comply fully 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.

## Energy, Water & Diesel Use

In recognising the importance of understanding and addressing the immediate and longer-term challenges posed by climate change, we are committed to the progressive reduction of our carbon footprint. This includes actively working to reduce our use of energy, water and diesel across our operations.

Supply Chain Partners must fully comply with the ethos and objectives laid out in our [Climate Change Policy](#).

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

## Biodiversity

We have set an ambition to ensure that all our developments – big or small, urban or rural – bring together ecology, landscaping and surface water management in a way that supports local and national biodiversity priorities and adds value to the area, building on what was already there or creating new opportunities for wildlife and biodiversity to thrive.

We expect our Supply Chain Partners to assist us in meeting this ambition. For those who work with us to design our developments, you are expected to abide by our Ecology Minimum Standards Framework and Ecologists' Scope of Services.

For those Supply Chain Partners working directly on site, we expect everyone to be careful and considerate of their actions – working to minimise the impact that these actions may have on local flora, green spaces, and wildlife. You must notify the Site Manager immediately if you or your employees:

- find a protected species or nesting bird on site
- notice an invasive plant, such as Japanese Knotweed, within the work area or
- break the conditions of our planning or licensing conditions.



# Environmental Responsibility

## Materials & Waste

We have a long-term strategic programme in place called Make Waste History that aims to improve material resource efficiency across our operations and to reduce the waste we create. Using and managing materials efficiently to build our homes not only helps to reduce our waste, it helps to maintain a safe and tidy site and minimise our environmental impact.

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

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

Where a Supply Chain Partner has responsibility within the design process, or for materials selection or construction techniques, you are expected to consider and take into account:

- how to minimise the use of materials and the production of waste
- how to maximise the re-use, recycling and recovery of construction, demolition and excavation materials
- the use of reclaimed products and materials, and those with a high-recycle content where feasible
- the Crest Nicholson Standard Specification of Workmanship and Materials.

Where we specify a particular product or a product with a certain amount of recycled content and you're unable to comply, you should immediately inform your Crest Nicholson Line Manager for written approval for a swap prior to its use on site.

## Timber

Supply Chain Partners who supply timber-based products, either permanent or temporary, must comply with our Sustainable Timber Procurement Policy; this includes providing all required certification documents to prove their legality and provenance. Every year, we undertake a detailed 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/legal-information/supply-chain](http://www.crestnicholson.com/legal-information/supply-chain).

