

ESG Webcast

17 January 2024



Agenda



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02 Our Mutual Good Commitments

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03 Our Mutual Good Commitments

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Our business model is our mutual difference

Nationwide holds a unique position in UK financial services. As the largest building society, we can deliver the value, service and mutual good to our customers and members that others cannot

Our Purpose

As a modern mutual, we make a positive difference for our members and customers, our communities and society as a whole.

Banking – but *fairer*, more *rewarding*, and for the good of *society*.

Our Strategy

We have four strategic drivers. We focus our time and money on them, so that we can fulfil our purpose:

- More rewarding relationships
- Simply brilliant service
- Continuous improvement
- Beacon for mutual good

Mutual Good Commitments

Set in areas where we believe we can make the most significant, positive impact for members and communities.

Demonstrate strategic alignment with the UN Sustainable Development Goals and our net-zero ambition.

Being a beacon for mutual good




Helping to achieve safe and secure homes for all



We are the second largest mortgage provider in the UK. We have the capability, scale and influence to drive positive change and help more people into safe and secure homes.

We have an ambition to increase access to quality homes.

We also support those in housing need through our long-term partnership with Shelter.



Protecting our customers' financial wellbeing



We seek to support our customers in building their financial resilience, and recognise the financial security this can bring them in the longer-term. We support them in developing good savings habits and helping them become more financially confident in managing their money.

We are committed to supporting the financial wellbeing of all our customers, including those in vulnerable circumstances and have a range of initiatives in place to achieve this.



Supporting progress towards a greener society



We aim to build a more sustainable world by supporting the UK Government's ambition to achieve net-zero by 2050.

We have published highly challenging intermediate (by 2030) science-based targets, aligned to a 2050 net-zero future.



Championing thriving communities



As a mutual, we seek to make a positive difference for our customers, communities and society as a whole. The power of mutuality means we can do more together than we could each do alone.

We commit at least 1% of our pre-tax profits each year to charitable activities, largely focused on housing. We also seek to use our voice to drive positive change and fairer banking practices, using our size, influence and values to work for the good of society.



Reflecting the diversity of our society



We are building a fully inclusive Society, that reflects the diversity of the communities that we serve and represent, and enables our colleagues to thrive and reach their full potential.

Having a diverse range of backgrounds, skills and experiences helps us continue to serve our customers in the best way and offer the services and products that are most relevant to them.

We measure our progress against a broad range of diversity measures to help us achieve this.

Demonstrating our mutual difference



£885 million
member financial
benefit in H1 2023/24,
from better pricing and incentives than the
market average



£344 million
distributed to our members through the
**Nationwide
Fairer Share**

Over
4,000 calls
handled through our
dedicated cost of living
helpline

As at April 2023

**Branch
Promise
extended**



Everywhere we have a branch, we promise to
still be there until at least 2026¹

Helped over
31,000
first time buyers
into a home of their own in H1 2023/24



22% of our new first-
time buyers supported by
Helping Hand mortgage
in FY 2022/23 - supporting affordability for those
struggling to raise a deposit

£5.3 billion
committed lending to
social housing sector
One of the key lenders to social housing
providers in the UK
As at April 2023

Helped over
15,000
people save at least **£100**
for the first time via our Start to Save Issue 2
account
As at April 2023



1st
for customer
satisfaction
among our peer group for over 11 years,
with a lead at September 2023 of
5.2%pts¹



Continue to commit
**1% of pre-tax
profits to good
causes³**

£22 million
in grant funding
supported **540 charities**
via our 11 regional community boards.
2017-2022 Community grant programme

1st
**2023 FT Diversity
Leaders list**
among UK high-street financial
service providers



¹In 2022/23 we extended our Branch Promise until 2024. In June 2023, we extended this once again to 2026, providing further reassurance to our customers. ² © Ipsos 2023, Financial Research Survey (FRS), for the 12 months ending 31 March 2023 to 12 months ending 30 September 2023. Results based on a sample of around 47,000 adults (aged 16+). The survey contacts around 51,000 adults (aged 16+) a year in total across Great Britain. Interviews were face to face, over the phone and online, taking into account (and weighted to) the overall profile of the adult population. The results reflect the percentage of extremely satisfied and very satisfied customers minus the percentage of customers who were extremely or very or fairly dissatisfied across those customers with a main current account, mortgage or savings. Those in our peer group are providers with more than 3.2% of the main current account market as of April 2023 - Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB. Prior to April 2017, those in our peer group were providers with more than 6% of the main current account market - Barclays, Halifax, HSBC, Lloyds Bank (Lloyds TSB prior to April 2015), NatWest and Santander; ³ 1% is calculated based on average pre-tax profits over the previous three years. ⁴ The Financial Times-Statista ranking of Europe's Diversity Leaders 2023, based on independent surveys of more than 100,000 employees across Europe on their perceptions of their organisations' diversity and inclusion practices



Championing thriving communities

As a mutual, we seek to make a positive difference for our customers, communities and society as a whole.

We will continue to invest at least 1% of our pre-tax profits to support good causes through our grant programmes and charity partnerships. A quarter of this amount goes to the Nationwide Foundation, a charity focused on making systemic changes to support those affected by the housing crisis

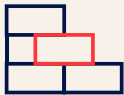
Through our social priorities we aspire to generate long-term impact and benefit



Improved health and well-being



Access to education



Housing security



Improved access to basic services



Ability to participate in Society

Social Investment

Our Community Grants programme has allocated £22 million in grant funding for 540 housing-related charities and organisations over five years.

Our Social Investment programme also includes supports colleague fundraising and volunteering activity.

Charity Partnerships

Shelter and Nationwide have been in partnership for 22 years, with a shared believe that everyone should have a place fit to call home.

Over this time, we have donated more than £8.4 million, supporting more than 143,000 people.

The Nationwide Foundation

The Nationwide Foundation was set up in 1997 with a vision for everyone in the UK to have access to a decent home they can afford.

Its Decent Affordable Homes strategy seeks to increase the availability of decent, affordable homes for people in need.

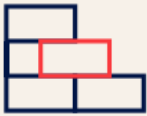
Championing thriving communities



Our Branch Promise: Everywhere we have a branch, we promise to still be there until at least 2026



We have a full UK footprint including 81 locations where we are the last branch in town. Renewing our Branch Promise means we are the largest single-brand branch network in the UK.



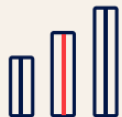
More than 75% of UK consumers value or depend on bank or building society branches, with 20% of over 55 year olds stating that they use a branch “frequently or often”.



A key channel for new account opening, branches account for 25% of current accounts opening in 2022 and 50% of our Fairer Share Bond opening¹.



We are leveraging multi-skilled branch colleagues with capability to support back-office activity such as our contact centre and complaints handling teams.



Nationwide provides true channel of choice for customers. Our most engaged customers are multi-channel users.

Tea and Tech sessions

Customers can go through topics such as using digital banking with our colleagues

Financial Health Checks

All branches have cost-of-living experts

Scam checker service

Since April 2023 our branch colleagues have prevented our customers from losing £3.5 million to scams.

Safe spaces scheme

Dedicated rooms where victim-survivors can safely contact support organisations

¹By value

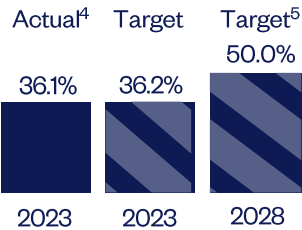


Reflecting the diversity of our society

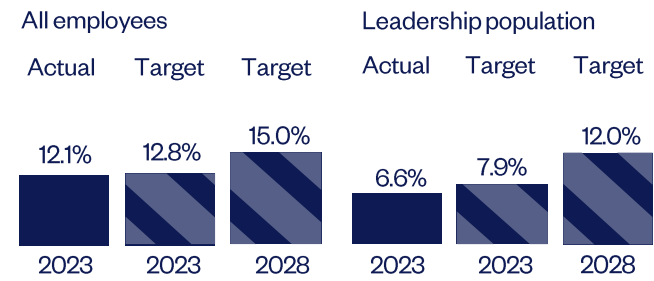
We are building a fully inclusive Society, that reflects the diversity of the communities that we serve and represent

Gender¹

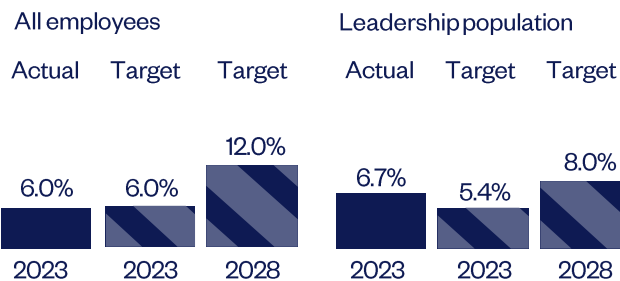
Leadership population³



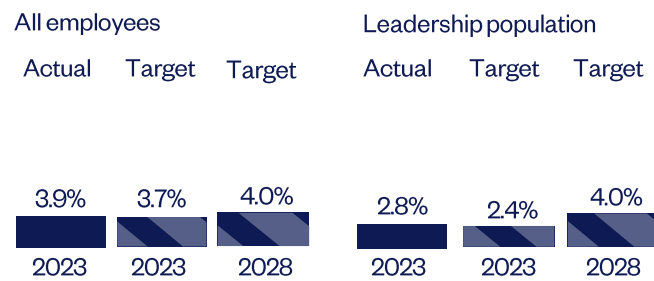
Ethnicity²



Disability⁶



Sexual Orientation⁷



Highest ranked UK high street financial services provider in the 2023 Financial Times Diversity leaders list

Awarded Gold Employer standard by Stonewall for our work on LGBTQ+

We support the 10,000 Black Interns programme and supported 71 interns in 2023.

Signatory of UK Government's Race at Work Charter, supporting development and career opportunities of colleagues from ethnically diverse backgrounds.

¹Gender - Figures represent female representation. ²Ethnicity - Figures reflect Black, Asian, mixed and other. Excluded from the % are white majority and minority. ³Leadership population - A targeted leadership population comprising around 1,000 of our leaders. ⁴All date as at 4 April 2023 and based upon headcount not FTE of employees directly employed by Nationwide. ⁵We will review our longer-term measures in light of latest census data. ⁶Disability - Figures reflect those identifying as disabled or as having a long-term health condition. ⁷Sexual Orientation - Figures reflect those identifying as bi-sexual, gay man, gay woman, lesbian and other. Excluded from the % are those identifying as heterosexual.



Reflecting the diversity of our society

Our refreshed Inclusion and Diversity Strategy includes activity to improve social mobility



The Society has become a partner of the Progress Together Partnership, which aims to promote socio-economic diversity at senior levels within the UK financial sector.



We removed the minimum degree level requirements for entry to our graduate programme and don't make hiring decisions based on which university an applicant went to.



Number of colleagues taking apprenticeships continues to increase, with over 250 in the last year.



Launching scholarship scheme in April 2024, through which Nationwide will provide funding for the successful applicants to complete a degree whilst also offering work experience.



Calling for mandatory reporting on socio-economic background data across financial services.



Social Mobility Network

Last year we introduced a new social mobility employee network.

We now have 11 employee networks which celebrate and build awareness for inclusion, diversity, equity and sustainability. They act as a collective employee voice and increase allyship across the Society.

“According to UK data, you're 20% less likely to earn above the living wage now, if you received free school meals as a child”



Helping to achieve safe and secure homes for all

Using our scale and influence to drive positive change in UK housing

By 2025, we will help 250,000 people to buy their first home

By 2025 we will have provided £1 billion of new lending to support the social housing sector



Helped 1 in 7 first time buyers into a home of their own

Our Helping Hand mortgage enabled first time buyers to borrow up to 20% more

Awarded the Best First Time Buyer Mortgage Provider at the Moneyfacts Awards 2022

We physically inspect new buy to let properties we originate new loans on, to ensure that 100% meet or exceed the Decent Homes Standard

Lending to the social housing sector for over 60 years and have £5.3 billion of committed lending.

Protecting our customers' financial wellbeing

We are committed to supporting the financial wellbeing of all our customers, including those in vulnerable circumstances

By 2025, we will protect 750,000 customers with our Scam Checker Service



£100 million invested in cost of living support and supermarket shopping cashback

Over 4,000 calls handled through our dedicated cost of living helpline

Supported over 40,000 students in over 400 schools through our Money Lessons programme

Launched savings products which reward loyalty and support success including our Member Online Bond and Flex Instant Saver

Our Start to Save Issue 2 account helped over 15,000 people save at least £100 for the first time with us over 2022/23.



Our climate strategy supports our net-zero ambition

Our purpose-led strategy ensures we do business in a way that positively impacts our customers, employees, and communities, and seeks to reduce our impact on the environment

Nationwide is committed to a net-zero future

It is our aspiration to support the UK in achieving its ambition to be net-zero by 2050








In 2021, we became a member of the Net-Zero Banking Alliance (NZBA) and part of the Glasgow Financial Alliance for Net Zero (GFANZ)



Climate change is embedded in our purpose



We have been on a climate change journey since 2012, and have made large steps forward in our net-zero ambition in recent years

2012-2018	2019	2020	2021	2022	2023
 <ul style="list-style-type: none"> ✓ Solar panels installed ✓ Reduced waste to landfill ✓ Formed the Property Risk Hub reducing physical risk on lending ✓ 100% renewable electricity 	 <ul style="list-style-type: none"> ✓ Joined UN Global Compact ✓ Joined Taskforce for Climate-related Financial Disclosures (TCFD)  	 <ul style="list-style-type: none"> ✓ 90% scope 1 carbon reduction since 2010 ✓ Launched our Green Additional Borrowing mortgage ✓ Launched Mutual Good Commitments 	 <ul style="list-style-type: none"> ✓ Launched Green Reward mortgage ✓ Partnered with EcoVadis on supplier ESG credentials ✓ Joined UN Principles for Responsible Banking ✓ Signed up to Net-Zero Banking Alliance (NZBA) ✓ Participated in Bank of England's Climate Biennial Exploratory Scenario (OBES) round 1 ✓ Proposed 7-point policy plan to government  	 <ul style="list-style-type: none"> ✓ Conducted a solar panel pilot ✓ Published 2030 science-based targets ✓ Participated in CBES round 2 ✓ Launched a social housing sustainability linked loan ✓ Appointed a climate Board advisor ✓ Aligned Directors' long-term incentive to scope 1 and 2 targets ✓ Further developed our internal climate scenario analysis capabilities ✓ Launched Oakfield Housing development ✓ Launched Green Network 	 <ul style="list-style-type: none"> ✓ Launched our 0% Green Additional Borrowing mortgage ✓ Published our Transition Plan ✓ Performed an internal climate stress test ✓ Disclosed progress against targets ✓ Continued engagement with regulators and cross-industry ✓ Removed gas from over 75% of branches ✓ Number of Green Network members exceeded 4,500 ✓ Nearly 4 million members contacted about our 0% Green Additional Borrowing product

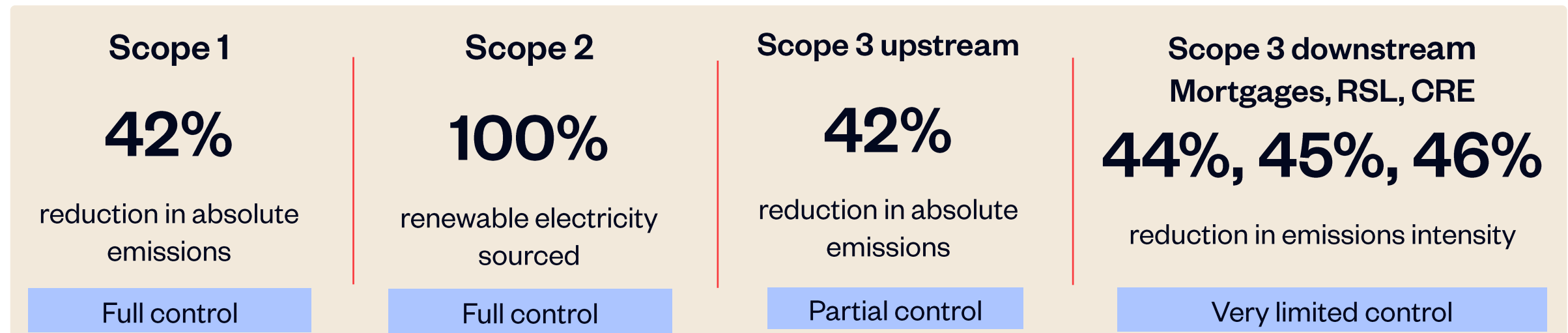


Our 2030 science-based targets

In December 2022, we published our intermediate (by 2030) science-based targets

Our targets are calculated in line with SBTi methodologies and cover 100% of our emissions across scope 1, scope 2, and scope 3 downstream emissions, and 91% of scope 3 upstream emissions.

Our science-based targets disclosure also identified control indicators to ensure full transparency our reliance on others to meet them.



In December 2023 we published our 2030 Transition Plan which details actions that we plan to take in order to progress towards our targets, as well as those that we are reliant on government action.



Key actions we have taken to achieve our targets for our own operations and supply chain

Gas removed from over 75% of our branch network
Phasing out of our employee company car scheme and launched an EV scheme

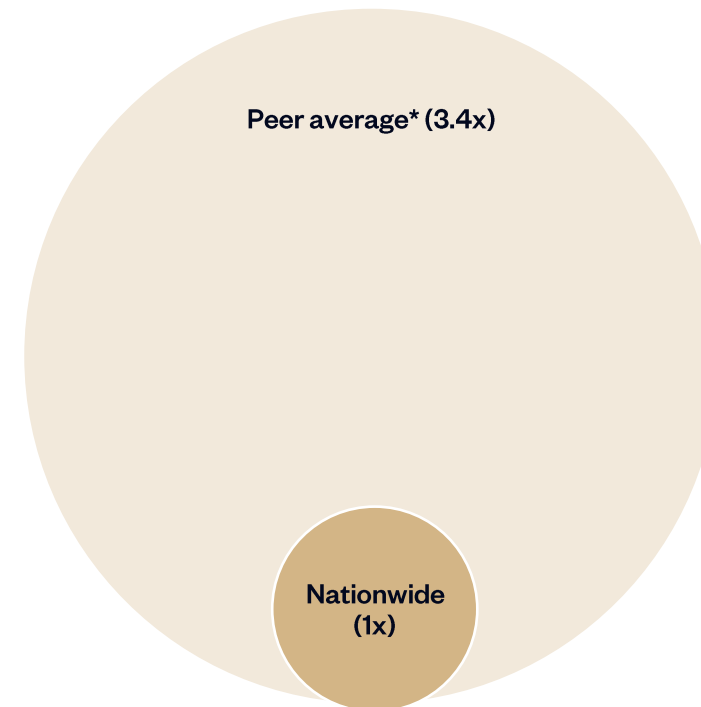
Encouraged our suppliers to sign up to EcoVadis, with the aim of 90% of suppliers achieving a “good” rating

Requested our top 20 suppliers set science-based targets for their direct emissions

Introduced a 10% ESG weighting within our procurement process

Executive Directors Long-term performance pay linked to scope 1 and 2 targets

Comparison of Nationwide’s scope 1 emissions to peers, as a proportion of balance sheet size



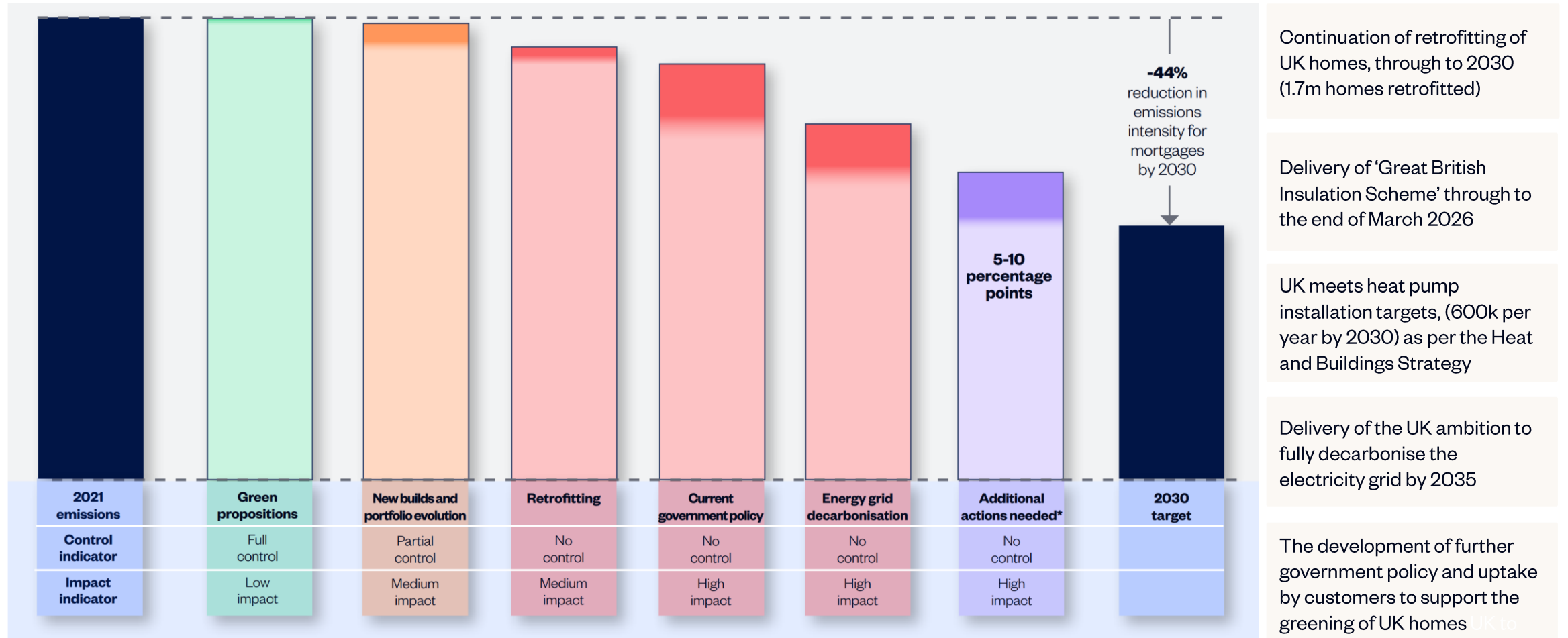
Comparison of scope 1 emissions to number of employees is of a similar scale.

*Peer average based on three UK-based ring-fenced competitors.

We've also identified where we rely on action of others



Our residential mortgage transition model estimates the impacts of key carbon reducing activities on UK housing



This analysis is based on an impact assessment of announced government policy - all boxes are indicative and actuals may vary. Further details can be found in our document Intermediate (by 2030) net-zero aligned Transition Plan 2023.

We are taking actions within our control to help progress towards our scope 3 targets



In June 2023, we launched our 0% Green Additional Borrowing and Home Energy Efficiency Tool

- Up to 5,000 Nationwide mortgage holders
- Borrow £5,000 – £15,000 up to a maximum of 90% LTV
- Two or five-year product term
- Finance a range of retrofit home improvements



Our aim is to understand if the product increases customer interest, and the appetite from society to retrofit

And we continue to influence policymakers to do more to green UK homes

Our Green Homes Action Group, formed in 2021 of cross-sector leaders with a shared interest in promoting high-quality, affordable retrofit, campaigns for seven policy asks

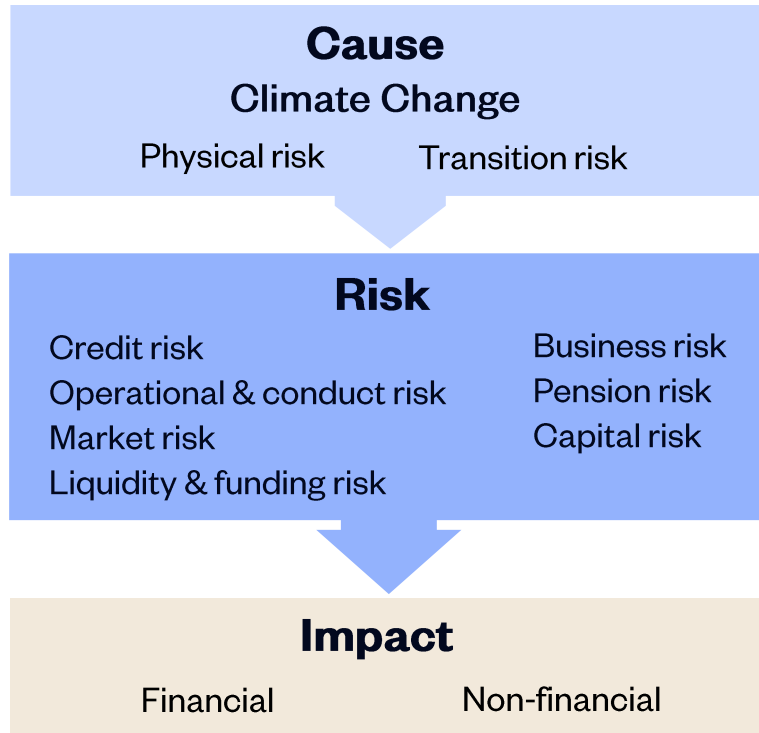
We continue to track progress of current and announced policy and partner with key organisations to help make a positive impact

As members of the Financing a Just Transition Alliance, we believe in ensuring that the most vulnerable in society are not disadvantaged, as we transition to a net-zero economy



We have a well-established climate change risk model

We continue to enhance and embed our climate risk capabilities



We track physical and transitional risk on a short, medium, and long-term basis across all **principal risk types**.

Scenario analysis helps us quantify our financial exposure to climate risk and build our understanding of the challenges to our business model

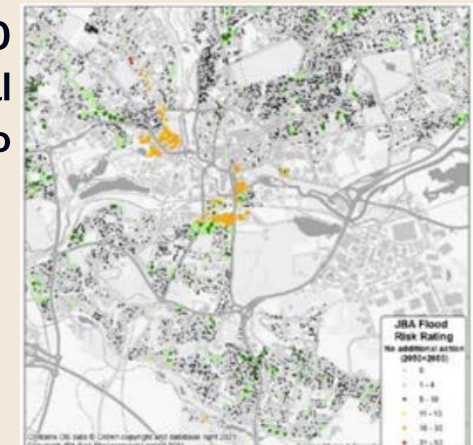
Our 2021 climate change stress test showed that there is a limited threat of climate change to Nationwide’s current business model. Visualisation tools help us assess specific risk events, including any increase in flood risk (from green to orange*).

2020



2080

No additional action scenario



We intend to publish results of our 2023 scenario analysis exercise which focuses on our mortgage and registered social landlord portfolios.

*The images shown represent undefended flood risk profiles for the same area in the UK.

ESG ratings



MSCI



ESG Rating¹

AAA

Leader

Rated December 2023

ESG Assessment	Score	Scale	Date stamp
Moody's Analytics ESG Assessment ²	62	0 to 100	July 2023
ISS ESG Rating ³	C+, Prime	A+ to D-	September 2023
CDP Climate Change Disclosure	A-	A to D-	December 2022
S&P Global ESG Score	52	0 to 100	December 2023

We're also rated by Morningstar Sustainalytics, our ESG Risk Rating can be found at: <https://www.sustainalytics.com/esg-rating>

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Environmental and social consciousness are aligned to our mutual purpose of

Banking – but *fairer*, more *rewarding*, and for the good of *society*.

As a major challenger to the shareholder-owned banks, we provide a good way to bank for our customers.



Our **five Mutual Good Commitments** articulate our ESG strategy and we report progress against their underlying measures.

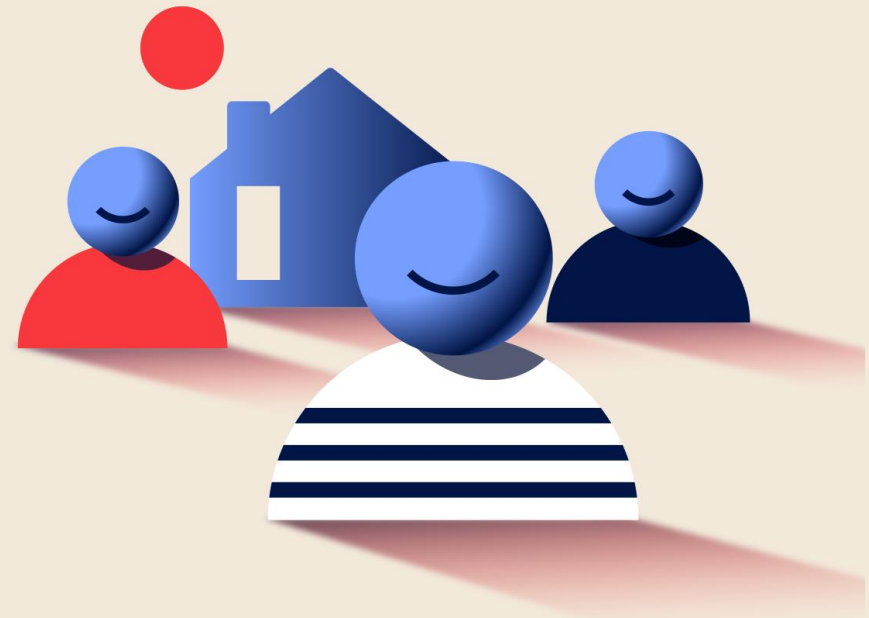
Nationwide has a broad range of social credentials as a mutual with a social purpose. Detailed information is published within our Sustainability Report.

In support of our commitment to support the transition to a net-zero economy, we have published intermediate science-based targets and, more recently, an accompanying transition plan.



ESG Investor Webinar Appendix:

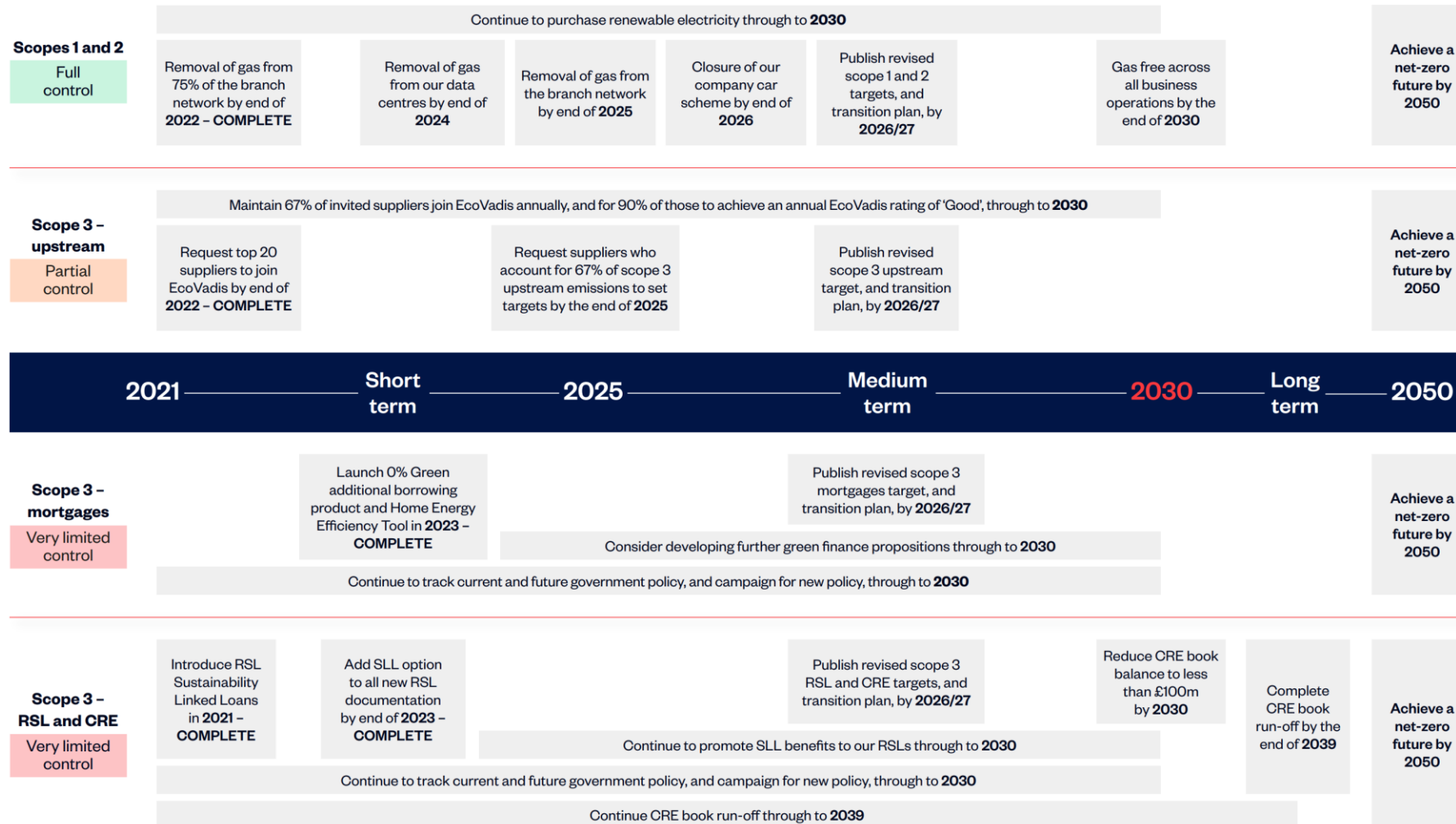
Transition Plan
Contacts





Our Transition Plan

The actions we are taking to help progress towards our intermediate (by 2030) science-based targets.



Contact information



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More information on Sustainability at Nationwide can be found below:

[Climate-related Financial Disclosures 2023](#)

[Intermediate Net-Zero Ambitions 2022 – Basis of Preparation](#)

[Intermediate \(by 2030\) net-zero-aligned Transition Plan 2023](#)

[Sustainability Report 2023](#)

[Principles for Responsible Banking report 2023](#)

