

Principles for Responsible Banking

Reporting and Self-Assessment
June 2024

Introduction

Nationwide Building Society became a signatory of the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (“the Principles”) in April 2021.

We are one of over 330 financial services organisations across the world that are currently signed up to the Principles. This is our third report on our progress towards implementing the Principles, using the reporting and self-assessment template provided by the UNEP FI.

Key features of the Principles



Comprehensive framework addressing the strategic, portfolio and transaction level processes across all of the Society’s business areas



Alignment with the UN Sustainable Development Goals and the Paris Climate Agreement



Target setting in the areas of most significant positive and negative impact



Transparency and accountability through public reporting and review



Guidance, expert advice and peer learning to support implementation

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

1.1. Business model

Describe (high-level) your organisation's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your organisation operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your organisation's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

We are a UK-based building society, owned by our members (our customers who have their current account, mortgage or savings with us). Nationwide holds a unique position in UK financial services. As a genuine alternative to the shareholder-owned banks, we provide a good way to bank for our customers, and we use our modern mutual status to differentiate ourselves and make a meaningful impact on communities and improve society – delivering the value, service and benefits of mutuality to our customers and members that others cannot.

Our purpose-led strategy, centred around Banking – but fairer, more rewarding, and for the good of society, helps us do business in a responsible and sustainable way. We have four strategic drivers that help us to deliver more rewarding relationships and simply brilliant service, and to continuously improve and become a beacon for mutual good.

As a building society, we focus on providing retail banking products and services for our customers. We are the world's largest building society with over 17 million customers, more than 16 million of whom are members. We are the UK's third¹ largest mortgage provider and look after almost £1 in every £10 saved in the UK. We hold almost one in ten of the UK's current accounts² and we also support landlords and those who rely on the private rented sector for their long-term housing needs through our buy to let mortgage business, The Mortgage Works. This diversifies our income, and helps us give value back to our customers, through better product pricing and service. In addition, we offer a comprehensive range of wider retail financial services and products, including credit cards, personal loans and insurance.

Our mutual ownership model means we think about profit in a different way from our banking peers. We do not have to pursue profits to pay shareholders dividends. Instead, we balance our need to retain sufficient profit to remain financially strong, with rewarding members and our commitment to share our success through:

- delivering value and rewarding loyalty
- product and service propositions that meet the needs and expectations of existing and future customers
- providing brilliant and trusted service
- committing to at least 1% of our pre-tax profits³ each year to charitable activities.

Annual Report and Accounts 2024:

[Our difference is our mutual ownership model, pages 6-8;](#)

[Chief Executive Review, pages 12-22](#)

Sustainability Report 2023:

[Our business model is our mutual difference, page 5](#)

1. UK Finance 2022 balance database (latest available data).

2. CACI's Current Account and Savings Database, Stock (February 2024).

3. The 1% is calculated based on average pre-tax profits over the previous three years.

Principle 1: Alignment

1.2. Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your organisation?

- Yes
 No

Does your organisation also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

- UN Guiding Principles on Business and Human Rights
 International Labour Organization fundamental conventions
 UN Global Compact
 UN Declaration on the Rights of Indigenous Peoples
 Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: Task Force on Climate-related Financial Disclosures (TCFD)
 Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: UK Modern Slavery Act (2015)
 None of the above

Please describe how your organisation has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Being a responsible business is part of our mutual heritage, and we strive to do business in a way that positively impacts our customers, employees and communities. As a building society, Nationwide's focus is on providing banking products and services for our customers. We have very limited corporate lending through small, closed commercial real estate and private finance initiative portfolios, and lending to registered social landlords. Nationwide does not lend to any other industries.

As a signatory to the UNEP FI Principles for Responsible Banking, we are committed to a strategic alignment with the UN Sustainable Development Goals (SDGs). Nationwide is also committed to a net-zero future; it is our aspiration to support the UK in achieving its ambition to be net-zero by 2050, and we joined the Net-Zero Banking Alliance (NZBA) and Glasgow Financial Alliance for Net Zero (GFANZ) in 2021 in support of this.

Our environmental, social and governance (ESG) ambitions are embedded in our Society strategy. They are supported by five Mutual Good Commitments, that are aligned to our four strategic drivers. Our Mutual Good Commitments are focused in areas where we believe we can have the most meaningful impact across society. They demonstrate how our business aligns to the UN SDGs.

Our strategic drivers				
More rewarding relationships	Simply brilliant service	Beacon for mutual good		Continuous improvement
Simply brilliant service				
We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.	We will offer customers a choice in how they bank with us, and support their financial resilience.	We will make a positive difference for our customers, communities and society as a whole.	We aim to build a more sustainable world by supporting progress towards a greener society.	We will enhance our performance by better reflecting the diversity of our society.
SDGs 1, 10, 11	SDGs 1, 8, 10	SDGs 1, 11	SDGs 7, 11, 12, 13	SDGs 5, 8, 10

More information on the measures that support our progress towards our Mutual Good Commitments can be found in section 2.2. Our intermediate (by 2030) science-based targets, that support our membership of the NZBA and GFANZ (as well as our climate-related Mutual Good Commitment) can be found in our Intermediate (by 2030) Net-Zero Ambitions 2022: Basis of Preparation disclosure.

We also partner and engage with a number of industry organisations to further our progress and affect real change. More on these can be found in our Sustainability Report.

Annual Report and Accounts 2024:
[Our Mutual Good Commitments, pages 46-51](#)

Sustainability Report 2023:
[Our environmental, social and governance \(ESG\) strategy, page 6;](#)
[Partnerships, pages 24 and 46](#)

Intermediate Net-Zero Ambitions 2022: Basis of Preparation:
[Intermediate science-based targets, pages 5-7](#)

Climate-related Financial Disclosures 2024: [Strategy, pages 4-15;](#)

[Partnerships, page 7](#)

Intermediate (by 2030) net-zero-aligned Transition Plan 2023:
[Strategy, pages 7-25](#)

Principle 2: Impact and target setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1. Impact analysis (Key Step 1)

Show that your organisation has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly and fulfil the following requirements/elements (a-d):

a) Scope: What is the scope of your organisation's impact analysis? Please describe which parts of the organisation's core business areas, products/services across the main geographies that the organisation operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

We are a UK building society focused on providing banking products and services for over 17 million customers. As a mutual, we are run for the benefit of our customers, and our purpose-led strategy is set in this context. Our core products are current accounts, mortgages and savings. We also support the private rented sector through our buy to let mortgage business, The Mortgage Works. We have the capability, scale and influence to drive positive change in the areas of our expertise, and we seek to do this through our Mutual Good Commitments.

We provide choice in how our customers bank with us, including through our digital channels, on the phone, or in our network of branches. We have the largest single-brand branch network across the UK financial services sector.

Over the year, we continued to advance our understanding of the areas where we can have the most significant potential impact, based on our scope and expertise, as well as our measurement capabilities. In January 2024, we ran our third materiality assessment, to understand from a range of stakeholders the ESG themes and priorities of most importance to them. We also considered our own research and understanding of the evolving landscape, including regulatory themes and UK priorities, the themes coming from our engagement with stakeholders more generally over the year, and the areas where, as a business, we recognise that we can make the most significant, positive impact for our customers, communities and society as a whole. We consider that our Mutual Good Commitments remain focused in the right areas. More on our assessment approach can be found on page 6. The measures that underpin our Mutual Good Commitments, including the scope of these measures, can be found in section 2.2.

Annual Report and Accounts 2024:
Our difference is our mutual ownership model, pages 6-8;

Our Mutual Good Commitments, pages 46-51

Sustainability Report 2023:
Our environmental, social and governance (ESG) strategy, page 6

b) Portfolio composition: Has your organisation considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors and industries for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products and services and by types of customers for consumer and retail banking portfolios.

If your organisation has taken another approach to determine the organisation's scale of exposure, please elaborate, to show how you have considered where the organisation's core business/major activities lie in terms of industries or sectors.

We considered the composition of our portfolio in our analysis. Our business is UK-based. Around 75% of our funding comes from our customers, and over 95% of our lending is to individuals, secured on UK residential property. Of our overall loans and advances to customers, 75% is in residential mortgages, 20% in buy to let mortgages, 2% in consumer banking (personal loans and credit cards), and 3% in commercial and other lending (including small, closed commercial real estate and private finance initiative portfolios, and lending to registered social landlords). Detail can be found on page 71 of our Annual Report and Accounts 2024.

Whilst we partner with organisations and suppliers in other countries, our core business operates in UK retail banking as described above, and the scope of our impact analysis therefore only covers the UK.

Annual Report and Accounts 2024:
Our difference is our mutual ownership model, pages 6-8;

Balance sheet, page 71

Principle 2: Impact and target setting

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your organisation and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

We are a UK-focused banking organisation. Our impact analysis is set in this context and takes into consideration the themes arising from our engagement with stakeholders across the UK; our own research and understanding of the evolving landscape in which we operate, including regulatory themes and UK challenges and priorities; and the areas where, as a business, we recognise that we have the scale, capability and expertise to make the most significant, positive impact. These guide our decision making and ensure our Mutual Good Commitments remain focused in the right areas.

As part of our impact analysis, in 2024, we ran our third materiality assessment, engaging with a range of stakeholders to understand the ESG themes that were most important to them. These stakeholders included: customers, non-customers, colleagues, mortgage intermediaries, suppliers and investors. The key topics of most importance to them overall included tackling fraud and scams, having the option of talking to a human, offering products and services that can be accessed in a way that suits them, and being an ethical business through honesty and transparency, treating people fairly and through our communications. We are comfortable that we have incorporated these themes within our Mutual Good Commitment target setting.

More broadly, our Mutual Good Commitments also cover our ambitions relating to helping more people into homes, our impact on the environment, our focus on supporting our communities, and our diversity and inclusion ambitions.

As described below, our Mutual Good Commitments also support broader UK challenges, and we have also described our engagement with stakeholders on these matters.

Strategic driver: More Rewarding Relationships – Deeper, broader, more lifelong relationships that provide the best value in banking.

Our Mutual Good Commitment: We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.

Our focus on helping first time buyers, supporting quality homes for those that rent and supporting the social housing sector, helps address housing challenges across the UK. For example:

- The Building Society Association's monthly property tracker¹ consistently scores two of the most significant challenges faced by first time buyers as raising a deposit and being able to borrow enough to afford a property.
- Our House Price Review and Forecast in January 2024² stated that housing affordability remains stretched. A borrower earning the average UK income and buying a typical first time buyer property with a 20% deposit would have a monthly mortgage payment equivalent to 38% of take-home pay – well above the long run average of 30%. At the same time, deposit requirements remain high – a 20% deposit on a typical first time buyer home equates to over 105% of average annual gross income. There remains considerable variation in affordability across the country, with pressures particularly acute in London, the south of England and East Anglia³.
- Over a fifth of the 4.6 million households that rent privately in England endure the poor conditions associated with substandard housing⁴.
- It is estimated that there are around 1.5 million households with unmet housing needs, that would be best met through social housing⁵.

1. BSA Property Tracker | Publications | BSA.

2. Nationwide House Price Review and Forecast: Affordability pressures exerting a strong drag (nationwidehousepriceindex.co.uk).

3. Nationwide House Price Index January 2024 (nationwidehousepriceindex.co.uk).

4. Reforming the Private Rented Sector: Government's response to the Committee's Fifth Report of Session 2022-23 - Levelling Up, Housing and Communities Committee (parliament.uk).

5. Across England (Live tables on rents, lettings and tenancies - GOV.UK (www.gov.uk)), Scotland (Social Housing Stock - Housing Statistics 2022 & 2023: Key Trends Summary - gov.scot (www.gov.scot)) and Wales (Four of the biggest factors impacting Welsh... | Community Housing Cymru (chcymru.org.uk)).

Principle 2: Impact and target setting

c) Context: (continued)

We have engaged with mortgage intermediaries and MPs on housing-related topics. We continued to call on the Government for more support for first time buyers, including through increasing the supply of new homes, removing the loan to income cap on lending, re-introducing the Help to Buy ISA and the need for a full-scale independent review of the first time buyer market. We also engaged directly with MPs on housing issues and discussions ranging from mortgage lending, to planning reform, to support for mortgage holders. Through our engagement, we helped to shape and deliver the Government's Mortgage Charter, demonstrating our support for people struggling with mortgage payments. We also successfully pushed for reform to the private rented sector (see page 21).

Strategic driver: Simply Brilliant Service – Personalised service you can trust at every touchpoint.

Our Mutual Good Commitment: We will offer customers a choice in how they bank with us, and support their financial resilience.

We engage directly with our members at our Annual General Meeting (AGM) and through our online Member Connect platform (of over 6,500 members), on a broad range of subjects. Areas of discussion this year included providing support with cost of living pressures, protection from fraud and scams, and maintaining access to branches and to cash. We also engaged with MPs and regulators on these issues. As part of this, we invited MPs to visit our branches, connecting with policymakers at a local level on how we are supporting their constituents.

Our Mutual Good Commitment also supports broader UK challenges around building financial resilience and maintaining access to branches and cash:

- Our own research shows that around two thirds (63%) of people value or depend on branches, with 'being able to speak to someone face to face' cited as the main reason why people value them¹. Our data² showed that 31.4 million cash withdrawals were made from our network of more than 1,200 ATMs in 2023 (a 4% increase on 2022), with Nationwide's average ATM usage increasing 55% in towns where Nationwide was the last branch in town.
- Around 48% of UK households have less than £1,500 in savings (including 20% who have no savings at all)³.
- 1.1 million adults in the UK were 'unbanked' in May 2022, and 12.1 million adults had issues accessing a financial product or service in the two years to May 2022⁴.
- Research by the Social Market Foundation on behalf of Nationwide in September 2023, noted that fraud cost individuals in the UK around £12.8 billion in 2021/22, while polling suggests 9% of the UK's population fell victim in the same year. 61% reported that fraud had a major or moderate negative impact on their economic circumstances, and 35% and 25% of victims respectively reported negative psychological impacts on confidence and mental health⁵.

Annual Report and Accounts 2024:
[Engaging with our stakeholders, pages 26-34](#)

Sustainability Report 2023:
[Helping to achieve safe and secure homes for all, pages 7-9;](#)

[Protecting our customers' financial wellbeing, pages 10-15;](#)

[Champion thriving communities, pages 18-21;](#)

[Reflecting the diversity of our society, pages 22-25;](#)

[Partnerships, page 24](#)

Climate-related Financial Disclosures 2024: [Strategy, pages 4-15](#)

[Gender and ethnicity pay gaps](#)

1. Nationwide overtakes major banks to have the largest branch network on high street (nationwidemediacentre.co.uk).

2. Cash back: ATM use rises as people use cash to budget with last branches in town seeing spikes of up to 154% (nationwidemediacentre.co.uk).

3. Family Resources Survey: financial year 2022 to 2023 - National statistics announcement - GOV.UK (www.gov.uk).

4. Financial Lives 2022: Key findings from the FCA's Financial Lives May 2022 survey.

5. Research conducted by Social Market Foundation on behalf of Nationwide. [The view from the ground: Building a greater understanding of the impact of fraud and how the public view what policymakers should do about it \(September 2023\)](#).

Principle 2: Impact and target setting

c) Context: (continued)

Strategic driver: Beacon for Mutual Good – Famous for having a meaningful impact on customers, communities and society, by being bigger and doing better.

Our Mutual Good Commitment: We will make a positive difference for our customers, communities and society as a whole.

Our Beacon for Mutual Good strategic driver reflects our ambition to have a positive impact in communities beyond our own customer base. We commit at least 1% of our pre-tax profits¹ each year to charitable activities, largely focused on housing. Information on how this money is split can be found on page 13. Part of this has funded our partnership with national housing charity, Shelter, who we have supported for 23 years. With research showing at least 1 in 182 people in England are homeless today², our funding has helped Shelter to support those in housing need. In 2023/24, we reviewed our social impact strategy in line with the Society's new purpose and ambitions for being a Beacon for Mutual Good. We engaged with stakeholders, including teams from across Nationwide who represent our customers, along with a social purpose agency. This insight enabled us to look at how we can have a meaningful impact on key societal issues that affect people at different stages of their lives. We will launch our new social impact strategy – Nationwide Fairer Futures - in 2024/25. More information can be found on page 19.

Our Mutual Good Commitment: We aim to build a more sustainable world by supporting progress towards a greener society.

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. We aim to support progress towards a greener society through reducing the emissions of our business operations and supply chain, and aiming to support our customers in reducing their carbon emissions through our green finance propositions and engagement. However, with the UK's 29 million homes producing around 13% of the UK's carbon emissions³, and many of the new homes being built today not meeting the highest energy efficiency standards, achieving the reduction in emissions to deliver net-zero will require a significant cross-industry collaborative effort, and large-scale government, and customer, action. The environment continues to be an important topic and area of engagement for our regulators, rating agencies and investors. Over the year, we have maintained our participation in cross-industry forums, to understand new and emerging risks and opportunities across the financial sector, and we continued to engage with policymakers to campaign for further green home policy.

Strategic driver: Continuous Improvement – Being focused, fit and fast, and delivering at pace.

Our Mutual Good Commitment: We will enhance our performance by better reflecting the diversity of our society.

We want to ensure that we have an inclusive workforce where everyone can thrive, and where our workforce better reflects the diversity of society. Having a diverse range of backgrounds, skills and experiences will help us continue to serve our customers in the best way and offer the services and products that are most relevant to them.

Nationwide is a signatory to the Race at Work Charter⁴ and Women in Finance Charter⁵, with the ambition to build a more balanced and fairer workplace. We have a range of social partnerships and commitments in place to support us in our approach as we drive forward our inclusion and diversity ambitions. More on these can be found on page 24 of our Sustainability Report 2023. As well as publishing our gender pay gap each year, we voluntarily publish our ethnicity pay gap.

We have 11 employee networks that focus on initiatives to support Nationwide's ambition of being an inclusive employer. They are centred around gender; race and ethnicity; LGBTQ+; disability; faith and belief; working carers; working families; veterans and reservists; mental wellbeing; social mobility; and sustainability.

1. The 1% is calculated based on average pre-tax profits over the previous three years.

2. At least 309,000 people homeless in England today - Shelter England, December 2023.

3. 2022 UK Greenhouse Gas Emissions, Final Figures (publishing.service.gov.uk).

4. Race at Work Charter - Business in the Community (bitc.org.uk).

5. Women in Finance Charter - GOV.UK (www.gov.uk).

Principle 2: Impact and target setting

2.1. Impact analysis (Key Step 1)

Based on these first three elements of an impact analysis, what positive and negative impact areas has your organisation identified? Which (at least two) significant impact areas did you prioritise to pursue your target setting strategy (see 2.2)? Please disclose.

We identified the following as significant impact areas for us to support and prioritise for target setting:

Impact area: Safe and secure homes

Our Mutual Good Commitment: We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.

We are the third¹ 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 opportunity to improve housing accessibility and affordability, particularly for first time buyers. We are also in a position to guide improvements to the quality of private rented accommodation and to support the provision of social housing. In addition, we can influence positive change in the housing system through our partnerships with Shelter and The Nationwide Foundation², who tackle homelessness and help people into homes that are decent and affordable, respectively.

Impact area: Financial resilience and accessibility

Our Mutual Good Commitment: We will offer customers a choice in how they bank with us, and support their financial resilience.

We will continue to offer high quality products and services that meet our customers' needs, and are accessible through a broad range of channels, including through our branch network. Maintaining a strong branch presence means we can be there for our customers, some of whom rely on our branches, or at times prefer to speak to us face to face. We also recognise the importance of supporting our customers' financial wellbeing, including protecting them from economic crime, encouraging good savings habits, supporting them with financial education to help them more confidently manage their money, and providing specialist support for customers in vulnerable circumstances.

Impact area: Positively impacting communities

Our Mutual Good Commitment: We will make a positive difference for our customers, communities and society as a whole.

As the UK's biggest building society, we have the opportunity to make a significant and positive impact in our communities and we commit at least 1% of our pre-tax profits³ each year to charitable activities.

Impact area: Environmental impact

Our Mutual Good Commitment: We aim to build a more sustainable world by supporting progress towards a greener society.

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. We aim to support progress towards a greener society through reducing the emissions of our business operations and supply chain, and aiming to support our customers in reducing their carbon emissions through our green finance propositions and engagement.

Impact area: Inclusion and diversity

Our Mutual Good Commitment: We will enhance our performance by better reflecting the diversity of our society.

Being inclusive supports our mutual purpose and drives our success in serving our customers. We want our Society to reflect the diversity of the communities we serve, as a diverse range of backgrounds, skills and experiences will help us continue to serve our customers in the best way and offer the services and products that are most relevant to them.

1. UK Finance 2022 balance database (latest available data).

2. The Nationwide Foundation.

3. The 1% is calculated based on average pre-tax profits over the previous three years.

Principle 2: Impact and target setting

2.1. Impact analysis (Key Step 1)

d) For these (min. two prioritised impact areas): Performance measurement: Has your organisation identified which sectors and industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your organisation's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the organisation's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the organisation's activities and provision of products and services. If you have identified climate and/or financial health and inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your organisation has taken another approach to assess the intensity of impact resulting from the organisation's activities and provision of products and services, please describe this.

We assess our performance against our key impact areas through a set of measures that support our Mutual Good Commitments, as described in section 2.2. More information on our progress against these measures can be found in section 2.3. More information on the ways in which we are driving forward our Mutual Good Commitments more broadly can be found in section 3.2.

2.1. Impact analysis (Key Step 1) – Self-assessment summary

Which of the following components of impact analysis has your organisation completed, in order to identify the areas in which your organisation has its most significant (potential) positive and negative impacts?

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your organisation, as a result of the impact analysis?

Safe and secure homes
 Financial resilience and accessibility
 Positively impacting communities
 Environmental impact
 Inclusion and diversity

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)

Principle 2: Impact and target setting

2.2. Target setting (Key Step 2)

Show that your organisation has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

- a) Alignment: which international, regional or national policy frameworks to align your organisation's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.
- b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline. In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.
- c) SMART targets (incl. key performance indicators (KPIs)): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.
- d) Action plan: Which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your organisation has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

We consider our ESG ambitions, as articulated through our Mutual Good Commitments, to be relevant and reflective of the views and priorities of a range of stakeholders, as outlined on page 6. Our Mutual Good Commitments support our Society strategy and align with the UN Sustainable Development Goals (SDGs) and our net-zero ambitions. The measures that underpin them are set out below, along with the SDGs they most closely align to.

We continue to launch initiatives and work collaboratively, across industry and with the Government where relevant, to make progress towards achieving our measures. We monitor our progress towards our measures, and publicly report on this in our Annual Report and Accounts, Sustainability Report, and Climate-related Financial Disclosures as appropriate. Our progress is overseen by the Responsible Business Committee, Executive Committee and the Board. More information on our progress can be found in section 2.3, with our governance framework described on pages 25-26.

Strategic driver: More Rewarding Relationships – deeper, broader, more lifelong relationships that provide the best value in banking.

Our Mutual Good Commitment: We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.

SDG 1 – No Poverty; SDG 10 – Reduced Inequalities; SDG 11 – Sustainable Cities and Communities

The three measures that underpin this Mutual Good Commitment provide targeted support for first time buyers, renters and those who rely on social housing. We set a target to address the negative impacts of the challenges facing first time buyers. We also recognise that not everyone can afford to own a home of their own, but we believe that everyone deserves to have a place fit to call home, and so we have a target to support good quality homes for renters, and to enable social housing solutions for those in vulnerable housing situations, as we seek to build a more inclusive society.

Annual Report and Accounts 2024:
[Our Mutual Good Commitments, pages 46-51](#)

Climate-related Financial Disclosures 2024: [Strategy, pages 4-15](#)

Sustainability Report 2023:
[Helping to achieve safe and secure homes for all, pages 7-9](#)

[Protecting our customers' financial wellbeing, pages 10-15;](#)

Principle 2: Impact and target setting

2.2. Target setting (Key Step 2) (continued)

Our three measures are:

- By 2025, we will help 250,000 people, through our first time buyer¹ proposition, to buy a home (between our baseline of November 2020 and March 2025).
- We will ensure 100% of our new buy to let lending on rental properties meets our minimum standards, which are informed by and exceed the Decent Homes Standard² (between our baseline of March 2022 and March 2025).
- By 2025, we will have provided £1 billion of new lending to support the social housing sector³ (between our baseline of March 2022 and March 2025).

Supporting first time buyers: More information on our support can be found on page 21.

Supporting quality homes for renters: We recognise that many of our customers are in rented accommodation, and our approach to lending ensures the buy to let homes we lend on meet our minimum standards, that are informed by and exceed the Decent Homes Standard recommendations⁴, so that tenants can live in safe and secure homes. We inspect the buy to let properties we originate new loans to, to ensure they are fit to be let. Properties that do not meet these conditions must complete remediation works prior to us lending on the property. Further checks are also completed within our assessment, such as ensuring there are no environmental concerns linked to the property and that there is a valid EPC in line with legislation. More information on how we are influencing for better outcomes for both landlords and tenants through our lobbying activity can be found on page 21.

Supporting the social housing sector: We support those in more vulnerable housing situations by lending to support the social housing sector. We are one of the key lenders to social housing providers across the UK.

Strategic driver: Simply Brilliant Service – personalised service you can trust at every touchpoint.

Our Mutual Good Commitment: We will offer customers a choice in how they bank with us, and support their financial resilience.

SDG 1 – No Poverty; SDG 8 – Decent Work and Economic Growth; SDG 10 – Reduced Inequalities

- Our Branch Promise – Everywhere we have a branch, we promise to still be there until at least the start of 2028⁵ (set against a baseline of June 2023).
- By 2025, we will help 750,000 customers with our Scam Checker Service⁶ (between our baseline of March 2022 and March 2025).

We recognise the value that our high street branches have for our customers. In March 2024, we once again extended our Branch Promise – until at least the start of 2028. More on our Branch Promise can be found on page 21. We also 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 we have a range of initiatives in place to achieve this. More information can be found on page 22.

We also do all we can to protect our customers from fraud. In 2021, we launched our Scam Checker Service, enabling our customers to check their payments with us before they make them, if they have concerns, providing them with additional support and reassurance. More on how we support customers from fraud can be found on page 22.

1. Nationwide defines a first time buyer as a customer who has not had a mortgage in the past three years, and purchased a property using funds provided by the Society. All parties to the mortgage must meet our criteria to be considered first time buyers, as referenced on our [website](#).

2. We inspect the buy to let properties we originate new loans on (through our buy to let subsidiary The Mortgage Works), to ensure they meet our minimum standards, which are informed by and exceed the Decent Homes Standard. Valuations are undertaken by RICS qualified valuers or staff within the Nationwide Property Risk team. To be acceptable for a buy to let mortgage, Nationwide expects the home, as a minimum, to meet the standards set out in our Valuer Guidance documentation (as evidenced within each property valuation report). These include criteria informed by the UK Government Decent Homes Standard and additional criteria the Society considers to support our Mutual Good Commitment. Nationwide is reliant on the expertise of qualified valuers to assess the property in line with our minimum requirements. Nationwide operates a monthly quality assurance process on a sample of valuations undertaken.

3. Committed lending to the social housing sector includes new lending committed to both new and existing customers that results in an increase in the overall total lending commitment to that customer. It also includes refinanced facilities for existing Nationwide customers. We refer to the commitment rather than balance, as some of our facilities to social housing customers are revolving credit facilities that provide flexibility on how and when facilities are drawn.

4. A Decent Homes Standard in the private rented sector: [consultation - GOV.UK \(www.gov.uk\)](#).

5. All our 605 branches will remain open until at least 1 January 2028. Opening hours may vary. There may be exceptional circumstances outside of our control that mean we have to close a branch. But we will only do this if we do not have another workable option.

6. We measure the number of unique customers using our Scam Checker Service (excluding repeat users), across both our telephony and branch channels where this service is available. We protect our customers by enabling them to check their payments with us before they make them, if they have concerns it could be a scam. If a customer has used the service and the payment does not appear suspicious, but later turns out to be a scam, our promise is to refund the customer every penny, unless we advised them not to make the payment.

Principle 2: Impact and target setting

2.2. Target setting (Key Step 2) (continued)

Strategic driver: Beacon for Mutual Good – Famous for having a meaningful impact on customers, communities and society, by being bigger and doing better.

We have two Mutual Good Commitments that support our Beacon for Mutual Good strategic driver, focused around supporting our communities and supporting progress towards a greener society, as laid out below.

Our Mutual Good Commitment: We will make a positive difference for our customers, communities and society as a whole.

SDG 1 – No Poverty; SDG 11 – Sustainable Cities and Communities

- We will commit at least 1% of our pre-tax profits¹ to charitable activities each year.

As voted for by our members in 2007, we commit at least 1% of our pre-tax profits each year to charitable activities. This money is split as follows:

- 0.75% of our pre-tax profits funds our own social investment programmes. Over 2023/24, this included our Community Grants programme (page 22), funding our partnership with national housing charity Shelter (page 24) and the internal costs of managing our social investment agenda.
- 0.25% of our pre-tax profits is donated to the Nationwide Foundation, an independent charity set up by Nationwide in 1997. Its vision is for everyone in the UK to have access to a decent home that they can afford, and it is progressing its vision through its Decent Affordable Homes strategy.

More on the positive impact we have had across our communities can be found in our Social Investment impact report.

Our Mutual Good Commitment: We aim to build a more sustainable world by supporting progress towards a greener society.

SDG 7 – Affordable and Clean Energy; SDG 11 – Sustainable Cities and Communities; SDG 12 – Responsible Consumption and Production; SDG 13 – Climate Action

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. We are a member of the Net-Zero Banking Alliance (NZBA) and part of the Glasgow Financial Alliance for Net Zero (GFANZ) and, in December 2022, we set and disclosed intermediate (by 2030) science-based emission targets across scope 1, 2 and 3. Our measures below reflect these.

- We aim to reduce our scope 1 emissions that we control across our own business operations, in line with our 2030 scope 1 science-based target².
- We aim to continue to source 100% renewable electricity for our own operations, in line with our 2030 scope 2 science-based target².
- We will aim to reduce our scope 3 emissions for our mortgages, other secured lending activity, and our supply chain, by taking steps to reduce those emissions within our control and encouraging our customers, borrowers and suppliers to do the same, in line with our 2030 scope 3 science-based target².

To date, the UK's progress towards net-zero, particularly the greening of homes, has been much slower than anticipated and has not been at the pace needed to deliver the emissions reductions required to support progress towards our mortgages target. Therefore, we now do not believe that our intermediate (by 2030) science-based target for mortgages will be achieved. Considering this, over the next 12 months, we will reflect on the appropriateness of setting a more realistic intermediate residential mortgages target, giving due consideration to the current UK green homes policy landscape, the outcome of the general election and any policies announced by the new government, and the outcome of our 0% interest Green Additional Borrowing research (see page 23).

Annual Report and Accounts 2024:
[Our Mutual Good Commitments, pages 46-51](#)

Social Investment impact report

Website: [The Nationwide Foundation](#)

Climate-related Financial Disclosures 2024: [Strategy, pages 4-15;](#)

[Metrics and targets, pages 24-37](#)

Intermediate Net-Zero Ambitions 2022: Basis of Preparation:
[Intermediate science-based targets, pages 5-7;](#)

[Actions, pages 8-19](#)

Intermediate (by 2030) net-zero-aligned Transition Plan 2023:
[Strategy, pages 7-25](#)

Sustainability Report 2023:
[Reflecting the diversity of our society, pages 22-25](#)

1. The 1% is calculated based on average pre-tax profits over the previous three years.

2. More information on baselines can be found on pages 24-37 of our Climate-related Financial Disclosures 2024.

Principle 2: Impact and target setting

2.2. Target setting (Key Step 2) (continued)

Our intermediate (by 2030) science-based targets are set in accordance with the methodologies of the Science Based Targets initiative (SBTi), which provides methodologies for companies to set intermediate greenhouse gas reduction targets. Our targets cover 100% of our emissions across scope 1, scope 2, and scope 3 downstream category 15 (investments) emissions, and around 91% of our upstream scope 3 emissions¹. In December 2023, we published our Intermediate (by 2030) net-zero-aligned Transition Plan 2023, detailing the actions, and potential actions, needed for us to progress towards our science-based emissions targets. It also describes the challenges both within and outside of our control, which may impact on our ability to meet our intermediate (by 2030) science-based targets.

Nationwide is confident in its ability to achieve its scope 1 and 2 science-based targets, with all actions within our control. We have already made good progress; we have a clear strategy to reduce scope 1 emissions and we continue to source 100% renewable electricity for scope 2. More information can be found in section 3.2.

For our scope 3 upstream emissions, we manage our procurement processes and purchasing decisions, and are keen to work with our suppliers to achieve our scope 3 upstream science-based target, however we recognise that our influence over certain suppliers, particularly global ones, is more limited as they work across multiple jurisdictions and may be more affected by those with more spending power. The emissions associated with our residential mortgage lending, which account for over 80% of our total scope 3 emissions, are the most challenging to reduce, as described on page 13.

We remain conscious of the potential negative impacts of our targets. We will seek to ensure a just transition (as members of the Financing a Just Transition Alliance), by making sure the most vulnerable in society are not disadvantaged as we transition to a net-zero economy. We therefore do not intend to negatively select against less energy efficient mortgage properties. We will continue to engage and influence policymakers to encourage the development of green policies that support wider society in making the changes needed to achieve a just transition to net zero.

Strategic driver: Continuous Improvement – Being focused, fit and fast, and delivering at pace.

Our Mutual Good Commitment: We will enhance our performance by better reflecting the diversity of our society.

SDG 5 – Gender Equality; SDG 8 – Decent Work and Economic Growth; SDG 10 – Reduced Inequalities

We have seven measures that help us progress our ambition:

By 2028, our people² will more closely reflect the wider society that we represent.

- 50% of our leadership population³ will be female⁴
- 15% of our employee population will be ethnically diverse^{5,6}
- 12% of our leadership population³ will be ethnically diverse^{5,6}
- 12% of our employee population will identify as disabled or as having a long-term health condition⁶
- 8% of our leadership population³ will identify as disabled or as having a long-term health condition⁶
- 4% of our employee population will identify as a member of the LGBTQ+ community^{6,7}
- 4% of our leadership population³ will identify as a member of the LGBTQ+ community^{6,7}

1. Scope 3 (upstream) categories 1, 2 and 4 have been included in our target due to meeting the SBTi guideline of covering at least two-thirds of emissions. Categories 3, 5, 6, 7 and 8 have been excluded from our emissions target due to them collectively accounting for around 9% of category 1-8 emissions in 2022/23.

2. Based upon headcount not FTE (full-time equivalent) of employees directly employed by Nationwide Building Society.

3. Leadership population represents a targeted population that comprises around 1,000 of our leaders.

4. Gender is as recorded in Nationwide's HR system.

5. Ethnically diverse is determined as Black, Asian, mixed and other. Excluded from the calculation are white majority and minority.

6. The percentage of colleagues meeting this diverse characteristic is based on their self-declaration recorded in Nationwide's HR system, which states that they consider themselves to belong to this characteristic.

7. Reflects those identifying as bi-sexual, gay man, gay woman, lesbian and other. Excluded from the calculation are those identifying as heterosexual.

Principle 2: Impact and target setting

2.2. Target setting (Key Step 2) (continued)

We will improve diverse representation and progression through processes, policies and practices that enable inclusion by design. This includes through our approach to talent identification, succession, development, leadership and people management, performance management and change processes, that will enable us to better help our colleagues reach their potential. Through a data-driven approach, we are sharing inclusion and diversity data with key decision makers to inform action.

We continue to partner with the 10,000 Interns Foundation and support their Black Interns programme; last year we supported around 70 interns. Over 2024, we will broaden the programme to include students from low socio-economic backgrounds. We will also launch our Nationwide Scholarship programme, providing financial support to students from low socio-economic backgrounds through their university degree.

Scope limitations: Our calculations are based upon headcount and not FTE (full-time equivalent value) of colleagues directly employed by Nationwide Building Society. Data is sourced from individuals who have disclosed their diversity information to us via Nationwide's HR system.

2.2. Target setting (Key Step 2) – Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your organisation completed or is currently in a process of assessing for your...

	...first area of most significant impact (Safe and secure homes)			...second area of most significant impact (Financial resilience and accessibility)		
Alignment:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Baseline:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
SMART targets:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Action plan:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
	...third area of most significant impact (Positively impacting communities)			...fourth area of most significant impact (Environmental impact)		
Alignment:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Baseline:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
SMART targets:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Action plan:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
	...fifth area of most significant impact (Inclusion and diversity)					
Alignment:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No			
Baseline:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No			
SMART targets:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No			
Action plan:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No			

Principle 2: Impact and target setting

2.3. Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your organisation has implemented the actions it had previously defined to meet the set target.

Report on your organisation's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): Describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

We continue to progress initiatives to support us in achieving our Mutual Good Commitments, and we report on our progress towards our underpinning measures on pages 46-51 of our Annual Report and Accounts 2024. Our progress is also summarised below, with information on the methodologies included in section 2.2. Performance towards our measures is monitored by the Responsible Business Committee (RBC) and overseen by the Executive Committee (ExCo) and the Board. Governance responsibilities are described on pages 25-26.

Changes to Mutual Good Commitment measures in 2023/24

The majority of our Mutual Good Commitment measures have remained unchanged, however in June 2023 we extended our Branch Promise from 2024 until 2026, and in March 2024 extended this further until at least the start of 2028. We recognise the value that our high street branches have for our customers and seek to enable our customers to bank with us using their channel of choice.

Our Mutual Good Commitment: We will offer customers a choice in how they bank with us, and support their financial resilience

Mutual Good Commitment measure for 2022/23	Mutual Good Commitment measure for 2023/24
Our Branch Promise: Every town and city which has a branch today will still have one until at least 2024	Our Branch Promise: Everywhere we have a branch, we promise to still be there until at least the start of 2028 (set against a baseline of June 2023)

Progress towards our Mutual Good Commitment measures over 2023/24

Our Mutual Good Commitment: We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.

Mutual Good Commitment measure for 2023/24	Cumulative progress over 2023/24	Cumulative target for 2023/24	Our progress
By 2025 we will help 250,000 people, through our first time buyer proposition, to buy a home (between our baseline of November 2020 and March 2025)	260,000	200,000	We have helped 260,000 people, above our cumulative target for 2024 (of 200,000) and our 2025 target. This reflected a stronger overall mortgage and first time buyer market in 2021 and 2022, having set our target in a more subdued market in 2020. It also reflects the continued success of our Helping Hand mortgage, which launched in 2021 and offers first time buyers improved affordability when taking a longer term fixed-rate product.
We will ensure 100% of our new buy to let lending on rental properties meets our minimum standards, which are informed by and exceed the Decent Homes Standard	Met	100%	We have continued to meet our ongoing measure that supports quality homes for renters. More on how we have achieved this can be found on page 12.
By 2025 we will have provided £1 billion of new lending to support the social housing sector (between our baseline of March 2022 and March 2025)	£1,700 million	£600 million	Our lending of £1,700 million has exceeded our cumulative target for 2024 (of £600 million) and our 2025 target. This has reflected the evolution of our lending criteria, which has enabled us to become more competitive and to support a broader range of customers with their financing requirements.

Principle 2: Impact and target setting

2.3. Target implementation and monitoring (Key Step 2) (continued)

Progress towards our Mutual Good Commitment measures over 2023/24 (continued)

Our Mutual Good Commitment: We will offer customers a choice in how they bank with us, and support their financial resilience.

Mutual Good Commitment measure for 2023/24	Cumulative progress over 2023/24	Cumulative target for 2023/24	Our progress
Our Branch Promise – Everywhere we have a branch, we promise to still be there until at least the start of 2028 (set against a baseline of June 2023).	Met	Adherence to our Branch Promise	In March 2024, we extended our Branch Promise once again, to at least the start of 2028. In April 2023, we closed one branch, which was in close proximity to another and was in keeping with the wording of our Branch Promise at the time. Since this time, we have further strengthened and extended our Branch Promise to 2028, committing to no further closures.
By 2025 we will protect 750,000 customers with our Scam Checker Service (between our baseline of March 2022 and March 2025)	967,000	500,000	We have supported 967,000 customers with our Scam Checker Service, exceeding our cumulative target for 2024 (of 500,000) and our 2025 target. Usage was higher than expected, supported by more people using our branches (which is the main channel for use of our Scam Checker Service) and by our advertising approach, which increased visibility and awareness of our service.

Our Mutual Good Commitment: We will make a positive difference for our customers, communities and society as a whole.

Mutual Good Commitment measure for 2023/24	Cumulative progress over 2023/24	Cumulative target for 2023/24	Our progress
We will commit at least 1% of our pre-tax profits ¹ to charitable activities each year.	Met	1% of pre-tax profits ¹	We committed £15.5 million ² to charitable activities in 2023/24, in line with our commitment.

Our Mutual Good Commitment: We aim to build a more sustainable world by supporting progress towards a greener society.

More on our progress towards our Mutual Good Commitment measures can be found on pages 24-37 of our [Climate-related Financial Disclosures 2024](#).

1. The 1% is calculated based on average pre-tax profits over the previous three years.

2. The £15.5 million includes £13.6 million of charitable donations and £1.9 million relating to supporting activity and staff costs.

Principle 2: Impact and target setting

2.3. Target implementation and monitoring (Key Step 2) (continued)

Progress towards our Mutual Good Commitment measures over 2023/24 (continued)

Our Mutual Good Commitment: We will enhance our performance by better reflecting the diversity of our society.

Mutual Good Commitment measures for 2023/24	Progress over 2023/24 ¹	Measure for 2023/24 ¹	Our progress
By 2028, 50% of our leadership population ² will be female ³	35.7%	38.0%	We achieved five of our seven measures to meet by 2024. Of the two remaining measures, we made positive progress in our ethnically diverse representation across our leadership population; however, the proportion of women in our leadership population reduced. In the coming year, we will focus on the attraction and retention of diverse talent, with targeted interventions to support progression into senior roles. More on some of the activities that have supported our approach can be found on page 15. Diversity measures are included in our directors' long-term variable pay targets. More information can be found on pages 112-138 of our Annual Report and Accounts 2024.
By 2028, 15% of our employee population will be ethnically diverse ^{4,5}	15.0%	13.2%	
By 2028, 12% of our leadership population ² will be ethnically diverse ^{4,5}	8.1%	8.7%	
By 2028, 12% of our employee population will identify as disabled or as having a long-term health condition ⁵	8.3%	7.2%	
By 2028, 8% of our leadership population ² will identify as disabled or as having a long-term health condition ⁵	7.6%	5.9%	
By 2028, 4% of our employee population will identify as a member of the LGBTQ+ community ^{5,6}	4.3%	3.8%	
By 2028, 4% of our leadership population ² will identify as a member of the LGBTQ+ community ^{5,6}	3.2%	2.7%	

A review of our Mutual Good Commitments for 2024/25

We continue to review our Mutual Good Commitments to ensure they remain relevant and focused in the areas where we can make the most significant, positive impacts on society as a whole. Our review, as described on page 6, has indicated that our Mutual Good Commitments remain appropriate. However, over the year, we have surpassed some of our 2025 targets, as described on pages 16 and 17, and so we will uplift our 2025 targets to reflect this, as presented below.

Our Mutual Good Commitment: We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.

Mutual Good Commitment measure for 2022/23	Mutual Good Commitment measure for 2024/25
By 2025 we will help 250,000 people, through our first time buyer proposition, to buy a home (between our baseline of November 2020 and March 2025)	By 2025 we will help 300,000 people, through our first time buyer proposition, to buy a home (between our baseline of November 2020 and March 2025)
By 2025 we will have provided £1 billion of new lending to support the social housing sector (between our baseline of March 2022 and March 2025)	By 2025 we will have provided £2 billion of new lending to support the social housing sector (between our baseline of March 2022 and March 2025)

1. Based upon headcount not FTE (full-time equivalent) of employees directly employed by Nationwide Building Society.

2. Leadership population represents a targeted population that comprises around 1,000 of our leaders.

3. Gender is as recorded in Nationwide's HR system.

4. Ethnically diverse is determined as Black, Asian, mixed and other. Excluded from the calculation are white majority and minority.

5. The percentage of colleagues meeting this diverse characteristic is based on their self-declaration recorded in Nationwide's HR system, which states that they consider themselves to belong to this characteristic.

6. Reflects those identifying as bi-sexual, gay man, gay woman, lesbian and other. Excluded from the calculation are those identifying as heterosexual.

Principle 2: Impact and target setting

2.3. Target implementation and monitoring (Key Step 2) (continued)

Our Mutual Good Commitment: We will offer customers a choice in how they bank with us, and support their financial resilience

Mutual Good Commitment measure for 2022/23	Mutual Good Commitment measure for 2024/25
By 2025 we will protect 750,000 customers with our Scam Checker Service (between our baseline of March 2022 and March 2025)	By 2025 we will protect 1.4 million customers with our Scam Checker Service (between our baseline of March 2022 and March 2025)

In 2024, we will launch our new social impact strategy – Nationwide Fairer Futures. This will support us in delivering the Society's new purpose: Banking – but fairer, more rewarding, and for the good of society, and ambitions for being a Beacon for Mutual Good. Our investment through Nationwide Fairer Futures will have a meaningful impact on key societal issues and help people at different stages of their lives. Our focus will be on helping **young people** avoid homelessness, **families** living in poverty and **older people** living with dementia. We are partnering with Action for Children, Centrepoint and Dementia UK to support our ambitions. In 2024/25, we will introduce supporting targets in line with our ambitions.

Principle 3: Clients and customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1. Client engagement

Does your organisation have a policy or engagement process with clients and customers in place to encourage sustainable practices?

Yes In progress No

Does your organisation have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your organisation has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

As a mutual, we are here to support our customers, most of whom are members of the Society (those with a current account, mortgage or savings with us). Our purpose-led strategy means we act responsibly, doing business in a way that positively impacts our members and customers, as well as our employees, communities and society as a whole.

We have a robust suite of controls, policies and practices that support our strategy and promote responsible relationships with our customers. This includes policies¹ and procedures around economic crime, fraud, information security, data security, responsible marketing and responsible products and services. More information can be found on pages 36-42 of our Sustainability Report 2023. Our supplier policies and our Third Party Code of Practice² set out our expectations for suppliers, including with respect to environmental and social standards. We have also taken steps to build climate change considerations into our procurement, supply chain management, and supply chain engagement processes (see page 29). Our UK Modern Slavery Act statement and Human Rights Statement describe how we promote responsible relationships with our customers, colleagues and suppliers.

We engage regularly with customers throughout the year, including via our service channels, through our Member Connect online forum (which enables its cohort of over 6,500 members to share their views with us on a range of subjects) as well as at our Annual General Meeting. Each month through our customer surveys, we assess on average over 40,000 sales and servicing interactions across our branches, telephone and digital channels. We use this feedback to guide our decision making and to implement targeted improvements to our services and propositions.

We also engage with our customers through education events. These include tea and tech education to help customers manage their money online, safely and securely, and Money Lessons, which we launched in April 2022. As at 4 April 2024, we had held Money Lessons at over 1,100 schools, supporting nearly 100,000 students. These help to increase financial inclusion and give young people the skills for more confidently managing money, including budgeting, saving and borrowing, and providing support with digital skills, including how to stay safe online. Our Money Lessons support the Money and Pensions Service (MaPS) goal to see two million more children and young people across the UK receiving a more meaningful financial education by 2030 (against a baseline of 2020).

More information on how we have worked with our customers to deliver propositions and initiatives that deliver sustainable practices, and on how we engage with regulators and policymakers on initiatives and policies to influence them on behalf of the Society and its customers, can be found in section 3.2.

Annual Report and Accounts 2024:
[Engaging with our stakeholders, pages 26-34](#)

Climate-related Financial Disclosures 2024: [Strategy, pages 4-15](#)

Sustainability Report 2023:
[Risk management, pages 36-42](#)

Website: [Nationwide policies and statements](#)

Website: [Policies for third party suppliers](#)

1. [Policies and statements | Nationwide](#).

2. [Policies for third party suppliers](#).

Principle 3: Clients and customers

3.2. Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your organisation has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

We have a range of propositions and initiatives in place that support our customers and demonstrate how we act in a responsible and sustainable way.

Strategic driver: More Rewarding Relationships – deeper, broader, more lifelong relationships that provide the best value in banking.

Our Mutual Good Commitment: We will help more people into safe and secure homes, both our customers who have relationships with us and more broadly.

SDG 1 – No Poverty; SDG 10 – Reduced Inequalities; SDG 11 – Sustainable Cities and Communities

We were founded to help people into homes of their own, and this remains important to our strategy today. While we support all our mortgage customers, we provide targeted focus to help people, through our first time buyer proposition, into homes. We seek to address the two main challenges faced by first time buyers, of raising a deposit and being able to borrow enough to afford a property. Our Helping Hand mortgage has successfully supported affordability, enabling first time buyers to borrow more (up to 5.5 times their salary). It extends to 95% loan to value, reducing the pressure of saving for a larger deposit. First time buyers also received £500 cashback when they took out a mortgage with us. We participate in the Home Builders Federation's Deposit Unlock scheme and the government First Homes affordable housing scheme.

Over the year, we continued to use our scale and influence to drive positive change across the UK housing market. This included calling on the Government for more support for first time buyers, such as through increasing the supply of new homes, removing the loan to income cap on lending, re-introducing the Help to Buy ISA and the need for a full-scale independent review of the first time buyer market. More broadly, we engaged with regulators and policymakers on a range of housing issues and discussions, from mortgage lending, to planning reform, to support for mortgage holders. Through engagement, we helped to shape and deliver the Government's Mortgage Charter, demonstrating our support for people struggling with mortgage payments.

In addition, together with our partner Shelter, we successfully pushed for reform to the private rented sector, with many of the policy proposals we supported included in the legislative text of the Renters (Reform) Bill. This has included campaigning for the abolition of Section 21 'no fault' evictions, ensuring renters are protected against eviction unless the landlord has a legitimate reason for doing so. And campaigning for the Government to make it illegal for landlords to apply blanket bans on renting to people on housing benefit, on the grounds of it being discriminatory, so that so-called 'no DSS' policies are no longer acceptable. We also responded to the Government's consultation on the Decent Homes Standard, which we hope will be implemented through the Renters (Reform) Bill. These changes will make a significant improvement to the rental experiences of millions of people in the UK.

Strategic driver: Simply Brilliant Service – personalised service you can trust at every touchpoint.

Our Mutual Good Commitment: We will offer customers a choice in how they bank with us, and support their financial resilience.

SDG 1 – No Poverty; SDG 8 – Decent Work and Economic Growth; SDG 10 – Reduced Inequalities

We recognise the importance of providing choice in the way our customers bank, and of supporting and protecting our customers' financial wellbeing. This includes building their financial resilience and helping them to more confidently manage their money, encouraging good savings habits, protecting them from economic crime, and providing specialist support for our customers in vulnerable circumstances.

We recognise the value that our high street branches have for our customers, some of whom rely on our branches, prefer to speak to us face to face, or value choice in the way they bank. In March 2024, we once again extended our Branch Promise, until at least the start of 2028. We remain committed to our communities and to providing easy access to cash. We have the largest single-brand branch network across the UK financial services sector, made up of 605 branches, with a branch manager in every branch. At the Moneyfacts Consumer Awards 2024, we were awarded Branch Network of the Year.

Annual Report and Accounts 2024:
[Chief Executive Review, pages 12-22;](#)

[Climate-related Financial Disclosures, pages 53-61](#)

Sustainability Report 2023:
[Helping to achieve safe and secure homes for all, pages 7-9;](#)

[Protecting our customers' financial wellbeing, pages 10-15;](#)

Social Investment impact report

Climate-related Financial Disclosures 2024:

[Ambition and disclosure overview, pages 1-3](#)

[Strategy, pages 4-15;](#)

[Metrics and targets, pages 24-37](#)

Intermediate Net-Zero Ambitions 2022: Basis of Preparation:

[Intermediate science-based targets, pages 5-7](#)

Intermediate (by 2030) net-zero-aligned Transition Plan 2023:

[Strategy, pages 7-25](#)

Principle 3: Clients and customers

3.2. Business opportunities (continued)

We continue to make ourselves more accessible to our customers, so they can reach us at a time that suits them. Over the year, we extended our telephone opening hours to include later evenings and Sundays. Our online and in-app chat already provides 24/7 availability, 365 days a year. We also continued to run our dedicated cost of living helpline, which has now handled over 11,000 calls. Our helpline provides practical support to those experiencing financial concerns or difficulties. Our branches also continued to offer free financial healthchecks.

We want to encourage good savings habits, as this can provide customers with financial security in the long term. We offered a competitive range of products and initiatives, including our Nationwide Fairer Share Bond, Flex Regular Saver and Current Account Switch Incentive. We informed customers signed up to our free SavingsWatch service of our latest, and best, savings rates and products. And we made savings easier through our banking app, with Impulse Saver and Round Up tools, and Savings Goals. We provided education sessions to support our customers and young people with managing money and staying safe online (page 20). And we re-entered the young savers market, to help young people build early savings habits that will benefit them in the long-term.

We are committed to meeting the needs of, and providing good outcomes for, all our customers, including those in vulnerable circumstances. Our specialist support teams support our most vulnerable customers, and we partner with gambling, debt and mental health charities where customers need assistance beyond their banking needs, as described on page 24. Last year, we made gambling blocks available in our banking app and branches, to support customers who may be impacted by the harms of gambling. We also rolled out over 430 safe spaces across our branches - private rooms where anyone experiencing domestic abuse can come to access supporting information or discreetly contact friends, family, charities or the police. We can also put them in touch with our specialist support team where appropriate.

We continued to work hard to protect our customers from fraud. Last year, our fraud defence systems and specialist fraud team helped prevent £134 million (2023: £115 million) of attempted fraud on card and online transactions. Our customers can also use our 24/7 Scam Checker Service for reassurance before making a payment (see pages 12 and 17).

We believe everyone deserves access to banking services to support their financial independence, but recognise that, due to circumstances or past experience, not everyone will have the standard identification documents to open one of our current accounts. For this reason, we offer a FlexBasic account, our basic current account, for people who do not hold another UK current account nor qualify for one of our other current accounts. We are the third largest provider of such an account in the UK and currently hold over one million (around one in seven) basic bank accounts¹.

Strategic driver: Beacon for Mutual Good – Famous for having a meaningful impact on customers, communities and society, by being bigger and doing better.

Our Mutual Good Commitment: We will make a positive difference for our customers, communities and society as a whole.

SDG 1 – No Poverty; SDG 11 – Sustainable Cities and Communities

We commit at least 1% of our pre-tax profits² each year to good causes. Last year, these largely focused on housing and our work with community partners and charities to support our local communities. We engaged with charities across the UK through our Community Grants programme, where they could apply for grants to support people and communities in housing need. As part of our 1% commitment, £5.1 million of Community Grants were awarded through our 11 Community Boards to support 105 charitable housing projects.

Our Mutual Good Commitment: We aim to build a more sustainable world by supporting progress towards a greener society.

SDG 7 – Affordable and Clean Energy; SDG 11 – Sustainable Cities and Communities; SDG 12 – Responsible Consumption and Production; SDG 13 – Climate Action

In December 2023, we published our Intermediate (by 2030) net-zero-aligned Transition Plan 2023, expanding on our 2022 intermediate (by 2030) science-based targets disclosure. It details the actions, and potential actions, across the short to medium term to reduce our carbon emissions, the anticipated impact of these, and the level of control and challenges faced.

Nationwide is confident in its ability to achieve its scope 1 and 2 science-based targets and all actions are within our control. We have made good progress towards our targets, with a clear strategy to reduce scope 1 emissions. We have also sourced 100% renewable electricity for scope 2 since 2018. By the end of 2023, we had removed the use of gas from over 80% of our branch network, replacing it with electrical solutions. We are on track to remove 100% of gas from our branches by the end of 2025. We are in the process of removing gas from our data centres, with work expected to complete by the end of 2024. And we are exploring the removal of gas from our admin sites by 2030 (either by removing gas or moving to gas-free sites). Our Procurement for Mutual Good programme enables us to embed environmental and social considerations into our procurement policies and processes. As part of our supplier tendering process, we have a 10% minimum weighting for sustainability actions. This ensures we evaluate prospective third parties based on the Society's values, and also enables us to influence progress towards our scope 3 upstream science-based target.

1. eBenchmarkers, for the six months to October 2023 (latest available data).

2. The 1% is calculated based on average pre-tax profits over the previous three years.

Principle 3: Clients and customers

3.2. Business opportunities (continued)

We have provided green finance since 2020, to support our customers in greening their homes. In June 2023, we launched a 0% interest Green Additional Borrowing pilot. This enables homeowners with a Nationwide mortgage to borrow £5,000-£15,000 (up to a maximum of 90% loan to value), to finance energy efficient home improvements. The 0% interest rate is fixed for up to five years. All of the loan must be used to fund non-structural, energy-efficient home improvements, such as solar panels, an air source heat pump, window upgrades, boiler upgrades, cavity wall insulation, loft insulation, or an electric car charging point. We aim to understand if interest-free green finance increases customer interest in making green home improvements and the appetite from society to retrofit. We will use our findings to support future policy influencing and green finance proposition development. We also launched a Home Energy Efficiency Tool in 2023, to support customers in understanding the benefits and costs of retrofitting their homes and help them to make better choices when considering different retrofit options. Our Green Reward mortgage incentivises the purchase of more energy efficient properties, offering cashback to customers purchasing a home rated EPC A or high B.

Our sustainability linked loan for Registered Social Landlords (RSLs) provides RSLs with a rate reduction if they achieve agreed sustainability criteria. Suitably ambitious sustainable key performance indicators (which could be related to environmental, social or governance ambitions) are agreed and performance is monitored annually. Once the sustainable key performance indicators are met, and suitably evidenced by the RSL, Nationwide can provide the pre-agreed interest rate reduction on the relevant loan.

In 2023, we completed an internal climate scenario analysis exercise, to further assess the financial risks arising from climate change. We developed two climate scenarios to support this exercise, allowing us to quantify the impacts of the risks associated with differing policy pathways, across a 30-year period. Key insights from the exercise continue to demonstrate that the direct impact of climate-related risks to Nationwide and its business model is limited. Our low risk, predominantly secured, asset base helps mitigate the worst direct impacts of climate change. More information on this, and our green credentials more broadly, can be found in our Climate-related Financial Disclosures 2024.

Strategic driver: Continuous Improvement – Being focused, fit and fast, and delivering at pace.

Our Mutual Good Commitment: We will enhance our performance by better reflecting the diversity of our society.

SDG 5 – Gender Equality; SDG 8 – Decent Work and Economic Growth; SDG 10 – Reduced Inequalities

We want to have a diverse and inclusive workforce that better reflects our customer base and society. Having a diverse range of backgrounds, skills and experiences will help us continue to serve our customers in the best way and offer the services and products that are most relevant to them.

Our Board and Executive Committee are committed to progressing our inclusion and diversity approach, with diversity measures around gender and ethnicity at senior levels forming part of our Directors' Long-Term Performance Pay awards (see pages 112-138 of our Annual Report and Accounts 2024).

In 2022, we began our focus on social mobility, and partnered with Progress Together, a membership body centred on progression, retention and socio-economic diversity in financial services, to benchmark our socio-economic diversity against our peers and inform our future priorities. Their market analysis showed that, based on colleagues who shared their socio-economic background with us, we show greater socio-economic diversity than most financial services firms who were surveyed. In 2024, our approach will focus on prioritising actions and initiatives that remove the barriers to recruitment, retention, progression and inclusion.

We have continued to partner with the 10,000 Interns Foundation and supported their Black Interns programme; last year we supported around 70 interns. Over 2024, we will broaden the programme to include students from low socio-economic backgrounds. We will also launch our Nationwide Scholarship programme, providing financial support to students from low socio-economic backgrounds through their university degree.

In the 2024 Financial Times' Diversity Leaders list¹, we were the highest-ranked financial services provider for the third year running.

1. The [FT-Statista ranking of Europe's Diversity Leaders](#) is based on independent surveys of more than 100,000 employees across Europe, on their perceptions of their organisation's diversity and inclusion practices. For the 2024 list, the employee surveys accounted for 70% of the final score, and three new indicators accounted for 30% of the score (the share of women in management positions, the communications made in favour of diversity, and a diversity score calculated by data provider Denominator).

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1. Stakeholders

Does your organisation have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your organisation's impacts. This should include a high-level overview of how your organisation has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Listening to and engaging regularly with our stakeholders is fundamental to the way we do business, and it ensures we operate in a balanced and responsible way, both in the short and longer term. Their views are important to us and they help to guide our decision making.

As a mutual, our members as owners are our primary stakeholders. We also have several other important stakeholders who we engage with and consider in our decision making: our customers (most of whom are members), buy to let customers, employees, mortgage intermediaries, communities, regulators and policymakers, investors and rating agencies, and suppliers. More on our engagement can be found in our Annual Report and Accounts 2024. In forming our five Mutual Good Commitments, we incorporated the views of a wide range of stakeholders, to understand the ESG issues that mattered most to them. Our materiality assessment in 2024 concluded that our Mutual Good Commitments continue to reflect our stakeholders' views and priorities around ESG matters (see page 6).

Over the year, we continued to use our scale and influence to drive positive change across the UK housing market. More on our campaigning and lobbying activity with policymakers can be found on page 21. More information on our engagement with customers can be found on page 20.

We collaborate and partner with other organisations to further our progress towards our ambitions. As part of our social investment commitment, we have partnered with national housing charity Shelter for 23 years, funding advisers on their helplines and supporting those in housing need. We also provide funding to the Nationwide Foundation, an independent charity whose vision is for everyone in the UK to have access to a decent home that they can afford. We also partner with organisations to support the financial resilience of our customers. Our specialist support teams provide tailored support to our most vulnerable customers based on their individual circumstances. Where customers have debts across several lenders, we engage charities to help further, including Citizens Advice, StepChange and PayPlan. We also partner with IncomeMax, who help people maximise their income by finding and claiming the benefits or grants they may be entitled to. Since our partnership began in 2013, IncomeMax has helped Nationwide customers access nearly £2.1 million of additional income. Where required, we can signpost or refer customers to organisations that can provide additional support and guidance, including Macmillan Cancer Support, Mental Health UK and GamCare.

To further our diversity ambitions, we have 11 employee networks (see page 8), who celebrate diversity and drive supportive changes across the business that promote further inclusivity. Through our Green Network, we engage with colleagues on sustainable matters. This includes providing a 'big picture' of all the green activity connected to the Society and its colleagues, and sharing information on how to be greener at work, home, and through travel, and lifestyles. Over the year, we enhanced our climate change online learning offering, covering climate change and why it matters to Nationwide, as well as information on Nationwide's intermediate (by 2030) science-based targets and Transition Plan. Training on how to purchase responsibly is also available on our employee learning platform, to help colleagues understand why we must take action to manage the environmental and social impacts of our purchasing and supplier management activities.

We partner with a number of key organisations to increase our knowledge and effect change around climate-related matters. We maintained our participation in cross-industry forums, to understand new and emerging risks and opportunities across the financial sector, and continued to campaign for further green home policy through engagement with policymakers. We also enhanced our disclosures to meet investors' information needs and areas of interest, including through our climate-related financial disclosures, and publishing our intermediate (by 2030) science-based targets, and Intermediate (by 2030) net-zero-aligned Transition Plan 2023, as well as our Sustainability Report 2023, which describes our ESG ambitions and progress. We continue to engage with ESG rating agencies to ensure the Society is rated appropriately. Our ESG ratings can be found on our investor relations website.

Annual Report and Accounts 2024:
[Engaging with our stakeholders, pages 26-34](#)

[Social Investment impact report](#)

Website: [The Nationwide Foundation](#)

Climate-related Financial Disclosures 2024: [Strategy, pages 4-15](#)

Website: [Investor relations](#)

Principle 5: Governance and culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

5.1 Governance structure for implementation of the Principles (Key Step 3)

Does your organisation have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your organisation has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about:

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

Nationwide has a well-established governance structure for ensuring that the activities that support implementation of the Principles for Responsible Banking are effectively being managed, implemented and overseen. Our Principles for Responsible Banking indicators reflect our Mutual Good Commitments, which are embedded in our broader Society strategy, as described in section 1.2 and 2.2. Information on the key committees that support the implementation of our Mutual Good Commitments is provided below. More detailed information on Nationwide's overall governance framework can be found in our Annual Report and Accounts 2024 (with detail on Board and committee composition referenced on pages 88 and 147 of the Annual Report and Accounts, and on [nationwide.co.uk](https://www.nationwide.co.uk)). Information on remuneration practices linked to sustainability targets can be found on page 27 of this report and on pages 122-138 of our Annual Report and Accounts 2024. More broadly, we have a suite of controls, policies and practices, including mandatory training, that supports a culture of responsible behaviour among colleagues (see page 27).

The Board: The Board has responsibility for setting Nationwide's strategic direction, including our ESG ambitions, which are embedded through our four strategic drivers. The Board also has ultimate accountability for all climate change risk-related matters at Nationwide. It has responsibility for assessing the principal risks facing the Society and approving Nationwide's risk appetite, following oversight and advice from the Board Risk Committee (BRC). In 2023, the Board approved the Society's Intermediate (by 2030) net-zero-aligned Transition Plan 2023 and its Modern Slavery Act Statement 2023. It also received management information on a quarterly basis on the progress made towards our Mutual Good Commitments. The Board approved the updates to our Mutual Good Commitments for 2024/25, and our new social impact strategy, as referenced on page 19. More information on the Board's engagement in responsible business matters can be found on page 33 of our Sustainability Report 2023 and on pages 16-19 of our Climate-related Financial Disclosures 2024.

Risk Committees: The Board Risk Committee (BRC) and Executive Risk Committee (ERC) oversee and manage Nationwide's risk appetite. There are a number of management committees that feed into the ERC, that have responsibility for managing risks more broadly across the wider Society, many of which include both environmental and social aspects. These committees include Credit Committee, Conduct and Operational Risk Committee, and Economic Crime Risk Committee. ERC and BRC also have responsibility for the oversight of climate-related risks, which are discussed at the ERC and at the BRC when required. More detail on Nationwide's risk committee structure and responsibilities can be found on page 147 of our Annual Report and Accounts 2024.

Responsible Business Committee (RBC): The RBC is accountable for oversight of Nationwide's responsible business agenda, including progress made against our Mutual Good Commitments. It meets every other month. During the year, responsibility for chairing the committee moved from the Director of Strategy, Performance and Sustainability to the Chief Customer Officer. The broad membership of the RBC ensures appropriate consideration and oversight of ESG-related matters by executive management. The RBC has responsibility for reviewing the Principles for Responsible Banking report, with its ultimate approval by the Chief Financial Officer. More information on Nationwide's governance model can be found on page 81-88 of our Annual Report and Accounts 2024, and on pages 16-19 of our Climate-related Financial Disclosures 2024.

Annual Report and Accounts 2024: [Board leadership and Society purpose, pages 83-87;](#)

[Division of responsibilities, page 88;](#)

[Risk committee structure, page 147](#)

Climate-related Financial Disclosures 2024: [Governance, pages 16-19](#)

Website: [Nationwide policies and statements](#)

Principle 5: Governance and culture

5.1. Governance structure for implementation of the Principles (Key Step 3) (continued)

Climate Change Risk Committee (CCRC): The CCRC is a sub-committee of RBC and is responsible for the monitoring of climate-related risk. The CCRC meets monthly, with any key climate-related risks and relevant climate change subject matters escalated to ERC and BRC when required. The CCRC also provides a climate-related update for all RBC meetings. The CCRC is supported by the Climate Change Plan Working Group (that has responsibility for implementing our climate change plan) and the Climate Change Stress Testing Working Group (that has responsibility for supporting the preparations for, and execution of, climate-related scenario analysis). More information on the governance model, and the climate-related discussions and decisions made at these committees, can be found on pages 16-19 of our Climate-related Financial Disclosures 2024.

5.1. Governance structure for implementation of the Principles (Key Step 3) – Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the organisation's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your organisation have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes No

Principle 5: Governance and culture

5.2. Promoting a culture of responsible banking

Describe the initiatives and measures of your organisation to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Our purpose-led strategy means we act responsibly, doing business in a way that positively impacts our customers, employees and communities, while seeking to reduce our impact on the environment.

Code of Conduct: Our Code of Conduct is composed of a suite of policies and processes that help to ensure we operate ethically and sustainably. It guides colleagues on the standards of conduct and behaviour we expect from them, so that we drive the right culture and do the right thing for our customers. We encourage our colleagues to speak up if they witness or experience actions or behaviours that do not match our values, and provide a range of channels for which to do this. We have a well-established whistleblowing policy if they wish to remain anonymous.

Training: We have a suite of controls, policies and practices that support a culture of responsible behaviour among colleagues. All colleagues are requested to undertake annual, mandatory online training across several topics including anti-bribery and corruption, market abuse, conflicts of interest, data protection, information security, economic crime (including modern slavery and human trafficking), health and safety and speaking up and whistleblowing. Our online learning and opportunities platform, Grow, further supports online learning and personal development. We also have measures in place to promote inclusion, diversity and wellbeing. Colleagues in regulated advice roles, such as our mortgage advisers, are equipped with role-specific qualifications and receive regular updates in training, and are subject to quality checks. We also continue to increase and extend specialist training to respond most effectively to our vulnerable customers. To support the embedding of sustainability into our culture, climate change online learning modules are available to all colleagues through Grow, as well as training on how to purchase responsibly, as described on page 24.

Measuring effectiveness: We have tracking and monitoring systems that test and report the effectiveness of our policies and other key measures of ethical and sustainable business practices, from anti-corruption to colleague satisfaction and wellbeing, to the incidence and management of customer vulnerability.

Remuneration and Reward: Our employee Annual Performance Pay (APP) plan is based on a combination of the collective achievement of the Society's shared goals, and individual contribution. It reflects our success in achieving measures that focus on delivering benefits for the mutual good of our customers, ensuring we drive the right culture and behaviours.

Our most senior population is invited to participate in the Long-Term Performance Pay (LTPP) plan. The performance measures within the LTPP awards are aligned to the Society's longer-term priorities and provide a clear link with customers' interests and the achievement of our financial and strategic aims, including our sustainability commitments. ESG objectives within the LTPP awards are aligned with the Society's scope 1 and 2 carbon emissions targets, and with diversity targets around gender and ethnicity at senior levels. More information on remuneration for 2023/24, including the structure of the LTPP awards, can be found on pages 112-138 of our Annual Report and Accounts 2024.

Employee networks and engagement: We have 11 employee networks, that are centred around gender, race and ethnicity, LGBTQ+, disability, faith and belief, working carers, working families, veterans and reservists, mental wellbeing, social mobility and sustainability. Our networks celebrate diversity and drive supportive changes across the business that promote further inclusivity. More information can be found on page 31 of our Annual Report and Accounts 2024. Colleagues are able to share their views and feedback, in real-time, through a number of channels, including through regular internal surveys, our employee networks, and engagement with the Nationwide Group Staff Union (NGSU).

Annual Report and Accounts 2024:

[Report of the directors on remuneration, pages 112-138](#)

[Website: Nationwide policies and statements](#)

Principle 5: Governance and culture

5.3. Policies and due diligence processes

Does your organisation have policies in place that address environmental and social risks within your portfolio? Please describe.

Please describe what due diligence processes your organisation has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Our governance structure for managing environmental and social risks, including the oversight of our progress towards the achievement of our Mutual Good Commitments, is described on pages 25-26.

Managing environmental risks

Nationwide is continually enhancing and embedding its capabilities to monitor and manage climate-related risk and meet the requirements of the Prudential Regulation Authority's (PRA's) Supervisory Statement 3/19 (SS3/19) on Enhancing banks' and insurers' approaches to managing the financial risks from climate change. In May 2023, we shared an update with the PRA on our improved approach to managing climate-related risk, the enhancements to our scenario analysis capabilities, and the successful embedding of climate change risk management across the organisation.

We identify, assess, and manage climate-related risk through our established Enterprise Risk Management Framework (ERMF). Because of its far-reaching implications, climate change has been embedded as a cause to Nationwide's principal risks and is considered across its entire ERMF. Consideration as a cause ensures appropriate identification, monitoring, management, and reporting across all existing risk categories, along with full traceability. The ERMF applies to all colleagues, contractors, and outsourced entities, across all business lines, functions, and subsidiaries within Nationwide. There are five core components – risk appetite, policies and controls, risk management, risk reporting, and enablers and governance – which align to the practices of our industry peers and connects our risk management with how we run our business. In combination, these components ensure the ERMF is appropriate and proportionate, and risk management activities are performed consistently and reliably.

Our climate change risk standard articulates the principles and requirements that must be met to manage the risks arising from climate change, and how climate-related risk may occur across the ERMF. The standard applies to all principal risk owners as well as owners of climate-related risk governance, strategy, disclosures, and scenario analysis, and links to Nationwide's principal risk policies. Climate-related risk has been assessed against the principal risk categories, and all risk policies reference the standard.

In line with SS3/19, and to continue supporting the embedding of climate-related risk into our ERMF, Nationwide adopts the following climate-related risk appetite statement: "We are committed to working towards alignment to a net-zero emissions pathway to 2050. We will seek to minimise the impact of physical and transition climate risk to Nationwide and our customers." This statement is supported by management risk appetite metrics that control the flow of new lending to residential properties more susceptible to flooding and to less energy efficient properties in the buy to let market. This ensures we continue to lend in a responsible, sustainable way, while safeguarding our customers by considering physical and transition risk across the short, medium and long term.

Managing social risks

We have a number of controls and mechanisms in place that help us to identify, assess and manage social risks, and support the human rights and social wellbeing of those we impact, from our customers and colleagues, to our supply chain and communities. Nationwide's mutual purpose guides our culture and behaviours, and our suite of policies and procedures ensure we act responsibly with our customers (see page 20).

Website: [Nationwide policies and statements](#)

Climate-related Financial Disclosures 2024: [Risk management, pages 20-23](#)

[Environmental Standard](#)

[Social Investment Impact Report](#)

Website: [Policies for third party suppliers](#)

Principle 5: Governance and culture

5.3. Policies and due diligence processes (continued)

Customers: We recognise and understand the impact that health, life events, financial resilience and financial capability issues may have on our customers' accessibility to services and financial needs. The Financial Conduct Authority (FCA) has set a high standard of consumer protection across the financial services, which rightly amplifies focus on fair treatment for customers with characteristics of vulnerability. These are mapped into policies that protect the interest and outcomes of our customers, for example, data privacy, accessible, clear and accurate communications, responsible products and services, complaints and remediation. Enhanced transaction monitoring practices undertaken by our economic crime teams also support the identification of customers at risk. Our dedicated support team provides assistance to our more vulnerable customers. More information can be found in section 3.2.

Colleagues: Our colleagues are supported through an extensive suite of policies, agreed in consultation with Nationwide's independent union (NGSU). Our Employee Networks offer insight and opinion to help shape people-related policies and supporting initiatives. Colleague insight, including from engagement surveys, helps us to identify, assess and respond to people-related risks as they emerge. Nationwide's Employee Involvement Committee (EIC) acts as a forum for the escalation of labour rights issues and is attended by senior representatives from NGSU and at least two Executive Committee members, including the Chief People Officer, who has internal responsibility for labour rights. Key performance indicators relating to our workforce are also presented at the Executive Risk Committee by the Chief People Officer.

Communities: We support our communities through our social investment programme. More information can be found on pages 19-20 of our Annual Report and Accounts 2024 and in our Social Investment Impact report. We use our expertise in housing and finance to campaign for positive changes in housing policy and other social issues, that support fair outcomes for customers. More on this can be found on page 21. In addition, our Branch Promise, until at least the start of 2028, responds to our research that shows branches to be an important lifeline for many individuals in wider society.

Human rights and modern slavery: Nationwide has an important role to play in respecting and supporting the human rights that might emerge as a result of operating our business. Our Human Rights Statement outlines our approach to this, and alignment to the UN Guiding Principles. It also outlines some of our key policies that uphold these standards. We also have an obligation to disrupt mechanisms that enable modern slavery across our value chain. Our internal Modern Slavery Forum includes representatives from across Nationwide to gain collaborative insight that helps us to continually build and reinforce our response to this risk. Our approach and progress is described in our annual Modern Slavery Statement.

Supporting our supply chain in managing environmental and social risks

Nationwide has taken steps to build climate change and social risk considerations into its procurement, supply chain management, and supply chain engagement processes.

As part of our supplier onboarding process, we request third parties to attest to whether they can comply with our Third Party Code of Practice, which outlines the environmental and social standards we expect our third parties to uphold, beyond applicable legal requirements. These requirements are tiered based on the size of the organisation.

We partner with EcoVadis, an evidence-based sustainability ratings provider, to help us monitor our suppliers' performance across environmental, labour, human rights, ethics, and sustainable procurement activities. Since 2021, we have invited over 200 third parties to join EcoVadis. In 2023, 69% of our invited third parties had joined EcoVadis. We want our third parties to be rated 'Good' as a minimum by EcoVadis; we engage with those that do not initially meet this minimum benchmark on their corrective action plan and request they reassess within 12 months.

Since 2022, Nationwide has made it an expectation for all large third parties to monitor and disclose their scope 1 and 2 emissions and to set and disclose emissions reduction targets (detailed in our Third Party Code of Practice). From 2024, as part of a new or renewed contract, we now request third parties of high value contracts (those with a minimum spend of £3 million, and a minimum contract tenure of 12 months) to sign up to EcoVadis, set and disclose science-based targets for scope 1, 2, and 3 emissions, and publish their own climate change transition plan. By April 2024, 100% of requested third parties agreed to these new enhanced expectations.

Our Procurement for Mutual Good programme enables us to embed environmental and social considerations into our procurement policies and processes. As part of our supplier tendering process, we have a 10% minimum weighting for sustainability practices. This is to ensure we are evaluating prospective third parties based on the Society's values and in line with our Mutual Good Commitments, as well as influencing progress towards our scope 3 upstream science-based target.

Principle 6: Transparency and accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1. Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes Partially No

If applicable, please include the link or description of the assurance statement.

Responses for questions under sections 2.1, 2.2, 2.3 and 5.1 of this report are within the scope of EY assurance. The 2024 EY Assurance Statement¹ provides further details on the scope, respective responsibilities, work performed, limitations and conclusion.

Nationwide appointed Ernst and Young LLP (EY) to provide limited independent assurance over our scope 1, 2 and 3 carbon emission disclosures for the year ended 4 April 2024 (assured metrics and key performance indicators are indicated throughout our Climate-related Financial Disclosures 2024). The 2024 EY Assurance Statement² provides further details on the scope, respective responsibilities, work performed, limitations and conclusion.

6.2. Reporting on other frameworks

Does your organisation disclose sustainability information in any of the listed below standards and frameworks?

GRI SASB CDP IFRS Sustainability Disclosure Standards (to be published) TCFD Other: ...

As well as disclosing sustainability information through our Climate-related Financial Disclosures 2024 (that follows the TCFD guidelines), CDP and through our Principles for Responsible Banking report, we also disclose sustainability information through our UNGC Communication on Progress report and Modern Slavery and Human Trafficking Statement.

Nationwide also publishes sustainability information through its:

- Sustainability Report 2023
- Intermediate Net-Zero Ambitions 2022: Basis of Preparation
- Intermediate (by 2030) net-zero-aligned Transition Plan 2023

Climate-related Financial Disclosures 2024

Website: [UN Communication on Progress](#)

Website: [Modern slavery and human trafficking statement](#)

Website: [CDP](#)

Sustainability Report 2023

Intermediate Net-Zero Ambitions 2022: Basis of Preparation

Intermediate (by 2030) net-zero-aligned Transition Plan 2023

¹EY assurance report on the UN Principles for Responsible Banking (UN PRB) reporting and self-assessment template 2024.

²EY emissions assurance report 2024.

Principle 6: Transparency and accountability

6.3. Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.

We will continue to drive progress towards our Mutual Good Commitment targets over the coming 12 months. In 2024, we will launch our new social impact strategy – Nationwide Fairer Futures, which will have a meaningful impact on key societal issues and help people at different life stages. Our focus will be on helping young people avoid homelessness, families living in poverty, and helping older people living with dementia.

In 2022, we began our focus on social mobility. In 2024, our approach will focus on prioritising actions and initiatives that remove the barriers to recruitment, retention, progression and inclusion.

6.4. Challenges

Here is a short section to find out about challenges your organisation is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory organisations.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your organisation has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | | |
|--|---|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Setting targets | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Gaining or maintaining momentum in the organisation | <input type="checkbox"/> Customer engagement | <input type="checkbox"/> Reporting |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Stakeholder engagement | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Conducting an impact analysis | <input checked="" type="checkbox"/> Data availability | <input type="checkbox"/> Prioritizing actions internally |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input checked="" type="checkbox"/> Data quality | <input checked="" type="checkbox"/> Other: Government policy |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | | |

If desired, you can elaborate on challenges and how you are tackling these:

To date, the UK's progress towards net-zero, particularly the greening of homes, has been much slower than anticipated and has not been at the pace needed to deliver the emissions reductions required to support progress towards our mortgages target. Therefore, we now do not believe that our intermediate (by 2030) science-based target for mortgages will be achieved. Considering this, over the next 12 months, we will reflect on the appropriateness of setting a more realistic intermediate residential mortgages target, giving due consideration to the current UK green homes policy landscape, the outcome of the general election and any policies announced by the new government, and the outcome of our 0% interest Green Additional Borrowing research (see page 23).

Separately, we achieved five of our seven diversity measures to meet by 2024, as set out on page 18. In the coming year, we will focus on the attraction and retention of diverse talent, with targeted interventions to support progression into senior roles.

