



INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF NATIONWIDE BUILDING SOCIETY ON THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE BANKING ('UN PRB') REPORTING AND SELF-ASSESSMENT TEMPLATE 2024

EY was engaged by Nationwide Building Society (the 'Society') to perform a limited assurance engagement in accordance with the International Standard on Assurance Engagements (UK) 3000 (July 2020) *Assurance engagements other than audits or reviews of historical financial information*, in respect of selected sections and sustainability metrics as defined within Appendix A (the 'Subject Matter') from responses within the Society's United Nations Environment Programme Finance Initiative's ('UNEP FI') United Nations Principles for Responsible Banking ('UN PRB') Reporting and Self-Assessment Template (the 'Report').

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion or conclusion on this information.

This report is produced in accordance with the terms of our engagement letter dated 27th February 2024 and subsequent addendum dated 14th May 2024 for the purpose of reporting to the Directors of the Society in connection with the Subject Matter defined within Appendix A and reported within the UN PRB Reporting and Self-Assessment Template 2024.

This report is made solely to the Society's Directors, as a body, in accordance with our engagement letter dated 27th February 2024 and subsequent addendum dated 14th May 2024. Those terms permit disclosure on Nationwide Building Society's website, solely for the purpose of the Society showing that it has obtained an independent assurance report in connection with the Subject Matter. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's Directors as a body, for our examination, for this report, or for the opinions we have formed.

Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the Society.

Responsibilities of the company

As Directors of the Society, you are responsible for the Subject Matter which is attached as Appendix A to this report. The Directors of the Society remain solely responsible for presenting the Subject Matter in accordance with (i) the Reporting and Self-assessment Requirements of the UN PRB Reporting and Self-Assessment Template; and (ii) the narrative and accompanying notes to the Subject Matter referenced within the Report (the 'Criteria').

Responsibilities of Ernst & Young LLP

It is our responsibility to provide a conclusion on the Subject Matter based on our examination and utilising the UNEP FI 'Guidance for Assurance Providers: Providing Limited Assurance for Reporting (Version 2)'. The Criteria has been used as the basis on which to evaluate the measurement and presentation of the Subject Matter.

Our approach

We conducted our engagement in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020) *Assurance engagements other than audits or reviews of historical financial information* ("ISAE (UK) 3000 (July 2020)") as promulgated by the Financial Reporting Council (FRC). For the purpose of the engagement, we have been provided by the Directors with the Subject Matter, for which the Directors of the Society remain solely responsible.

In performing this engagement, we have applied International Standard on Quality Management (ISQM) 1 and the independence and other ethical requirements of the Institute of Chartered Accountants of England and Wales (ICAEW) Code of Ethics (which includes the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA)).

We have performed the procedures agreed with you and set out in our engagement letter dated 27th February 2024 and subsequent addendum dated 14th May 2024. Our work included, but was not limited to:

- Interviewing management to understand the systems and processes in place to collect data and prepare the Report.
- Reading the Report and considering the appropriateness of the description of the processes, activities and outcomes and whether these sufficiently reflect the actions taken by the Society.
- Evaluating the appropriateness of the Reporting Criteria used to measure the Subject Matter.
- Obtaining an understanding of the processes for collecting, reporting and consolidating the Subject Matter.
- Performing an analytical review of the data underlying the Subject Matter, including inquiry of management to substantiate variances.
- Checking that the calculation criteria has been applied in accordance with the methodologies outlined within the Criteria.
- For selected samples, agreeing information to underlying source documentation and evidence.
- Obtaining evidence, on a sample basis, to test the accuracy of the statements within sections 2.1, 2.2, 2.3 and 5.1 of the Report.
- Our procedures were data and evidence based and limited to the statements made in sections 2.1, 2.2, 2.3, and 5.1 of the Report. The individual assessment of whether the Group is aligned with the requirements of the PRB and is meeting its commitments will be undertaken by a sustainability expert within the UNEP FI Secretariat.

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Subject Matter. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate. Our examination excludes audit procedures such as verification of all assets, liabilities and transactions and is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the information.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the Subject Matter is not fairly stated, in all material respects, based on the applicable criteria.

Ernst & Young LLP

Ernst & Young LLP
London, United Kingdom
22nd May 2024

Appendix A: Subject Matter Information

Subject Matter includes the Society's responses to the following sections included within the United Nations Principles for Responsible Banking Reporting and Self-Assessment Template 2024 (the 'Report')

- **2.1 Impact Analysis**

- **2.2 Target Setting**

- **2.3 Target Implementation and Monitoring**, including the (cumulative) progress over 2023/24 in relation to the following specific metrics only:
 - 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).
Cumulative progress over 2023/24: 260,000
 - 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 (between our baseline of March 2022 and March 2025).
Cumulative progress over 2023/24: Met
 - 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).
Cumulative progress over 2023/24: £1,700million
 - By 2025 we will protect 750,000 customers with our Scam Checker Service (between our baseline of March 2022 and March 2025).
Cumulative progress over 2023/24: 967,000
 - 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).
Cumulative progress over 2023/24: Met
 - We will commit at least 1% of our pre-tax profits to charitable activities each year.
Cumulative progress over 2023/24: Met
 - Diversity metrics
 - By 2028, 50% of our leadership population will be female:
Progress over 2023/24: 35.7%
 - By 2028, 15% of our employee population will be ethnically diverse:
Progress over 2023/24: 15%
 - By 2028, 12% of our leadership population will be ethnically diverse:
Progress over 2023/24: 8.1%
 - By 2028, 12% of our employee population will identify as disabled or as having a long-term health condition:
Progress over 2023/24: 8.3%
 - By 2028, 8% of our leadership population will be identified as disabled or has having a long-term health condition:
Progress over 2023/24: 7.6%
 - By 2028, 4% of our employee population will identify as a member of the LGBTQ+ community:
Progress over 2023/24: 4.3%
 - By 2028, 4% of our leadership population will identify as a member of the LGBTQ+ community:
Progress over 2023/24: 3.2%

- **5.1 Governance Structure for Implementation of the Principles**
