



INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF NATIONWIDE BUILDING SOCIETY ON SUSTAINABILITY METRICS WITHIN THE 2023 CLIMATE-RELATED FINANCIAL DISCLOSURES

This report is produced in accordance with the terms of our engagement letter dated 14th March 2023 for the purpose of reporting to the Directors of Nationwide Building Society (the 'Society') in connection with the selected sustainability metrics as defined within 'Appendix A' (the 'Subject Matter') for the reporting period ended 4th April 2023.

This report is made solely to the company's Directors, as a body, in accordance with our engagement letter dated 14th March 2023. Those terms permit disclosure on the 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 company.

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 the narrative and accompanying notes (the 'Reporting Criteria') referenced within the 'Metrics and Targets' section of the 2023 Climate-related Financial Disclosures.

Responsibilities of Ernst & Young LLP

It is our responsibility to provide a conclusion on the Subject Matter based on our examination. The narrative and accompanying notes referenced within the 'Metrics and Targets' section of the 2023 Climate-related Financial Disclosures has been used as the Reporting Criteria against which to evaluate the measurement and presentation of the Subject Matter defined within Appendix A.

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.

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 14th March 2023. Our work included, but was not limited to:

- ▶ Undertaking management interviews to form an understanding of the reporting process in relation to the Subject Matter;
- ▶ Performing walkthroughs to gain an understanding of the Society's systems and procedures in place to capture, collate, aggregate, validate and source data required to generate the Subject Matter;
- ▶ Identifying the risk of material misstatement for each in-scope Sustainability Metric and designed analytical or substantive procedures to obtain sufficient appropriate evidence to form our conclusion over the Subject Matter;
- ▶ Performed analytical procedures over the Subject Matter to identify potential anomalies within the Subject Matter and obtain Management explanations;
- ▶ On a sample basis, executed test of details to substantiate the completeness and accuracy of the calculation as defined by the Reporting Criteria and reconcile Information Provided by the Entity (IPE) to underlying and source data;
- ▶ Read the supporting narrative to the Subject Matter to confirm that it has been reported in a fair, balanced and understandable manner when compared to the Reporting Criteria; and
- ▶ Obtained management representations.

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 accompanying Subject Matter as defined in Appendix A is not fairly stated, in all material respects, based on the Reporting Criteria.

Ernst & Young LLP

Ernst & Young LLP

London, United Kingdom

16th May 2023

Appendix A: Subject Matter Information

The metrics listed below constitute the Sustainability Metrics within the scope of this report.

Greenhouse Gas (GHG) emissions

- Scope 1 - Carbon dioxide (tCO₂e/y)¹
 - Energy
 - Travel

Reporting period: 12month period ending 04 April 2023.

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- Scope 2 - Carbon dioxide (tCO₂e/y)
 - Purchased Electricity

Reporting period: 12month period ending 04 April 2023.

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- Scope 3

- Investments:

- Mortgages (tCO₂e/y)
- Commercial Real Estate (tCO₂e/y)
- Registered Social Landlords (tCO₂e/y)

Reporting period: 12month period ending 31 December 2022.

- Upstream:

- Category 1 - purchased goods and services (tCO₂e/y)
- Category 2 – capital goods (tCO₂e/y)
- Category 4 - upstream transportation and distribution (tCO₂e/y)

Reporting period: 12month period ending 31 December 2022.

¹ carbon dioxide equivalent per year in tonnes