

Our AGM 2022 – your questions answered



Have your questions answered BEFORE you vote

1. You'll get the chance to put your questions to Board members at our **Online Member TalkBack** on **Thursday 7 July at 11am**. That's one week before our AGM. You can find out more [here](#).
2. Take a look at our 'frequently asked questions' on nationwide.co.uk/agm to see if your question's already answered there. If it isn't, you can ask a question up until 11am on Monday 11 July 2022 using the contact details below and we'll get back to you. If you can, please email your question. If you can't, you can post it to us instead.
Email: AGM.Response@nationwide.co.uk
Post: The Society Secretary, Nationwide Building Society, Nationwide House, Pipers Way, Swindon SN38 1NW
3. You can find out how to ask questions and vote in the **Notice of AGM 2022**.

Answers to key questions ahead of our AGM 2022

(All the figures are correct, as at 10 May 2022.)

What changes can we expect from the new CEO?

It's too early to know. But we can tell you why our new CEO, Debbie Crosbie, was attracted to Nationwide in the first place. It's because of our mutual status, our trusted brand and market-leading customer service. In Debbie's own words, that's what "makes it a purposeful and unique force for good". That's why our mutuality will always be put at the heart of the decisions we make. And why we'll remain committed to supporting our members with the best possible savings, mortgages and current accounts.

What are you spending your profits on?

As a mutual, we think about profit in a different way from our banking peers as we do not have to pursue profit to pay shareholders dividends. Instead, we will always aim to achieve the right balance between making sufficient profit to maintain our financial strength, giving long-term value to our members, and investing in our business so that we can continue to meet our members' needs and expectations both now and into the future.

During 2020 and 2021, given the economic uncertainty, we built on our capital strength. In the long-term, this will help protect Nationwide and enable us to support members through challenging times.

What are you doing to support members and colleagues with the cost of living crisis?

Supporting our members

We know many of our members will be worried about the current cost of living crisis. Our advisers are doing everything they can to support them. And we're proactively contacting those who are showing signs of financial hardship. However, we'd encourage any member who is struggling with their finances to speak to Nationwide sooner rather than later. We've also kept our branches on the high street. We have people at the end of the phone and online who are skilled at offering practical support to help members through times of financial stress. That includes payment plans and extending mortgage terms. We work hard to make sure our members only pay back amounts they can afford. We also help members receive the benefits they're entitled to through giving expert advice and support.

Supporting our colleagues

Our employees aren't immune to the cost of living pressures, particularly around housing. That's why we've launched a Colleague Housing Support Package. This package includes an emergency loan, paid time off to deal with a housing emergency, and support helplines through our EmployeeCare line and Shelter.

What are you doing to support Ukrainian refugees?

We're shocked by the war and humanitarian crisis unfolding in Ukraine. Together, our colleagues and the Society have looked at ways to support those who most need it. These include:

- suspending the usual £20 SWIFT fee on transfers made to Ukraine, Poland, Hungary, Slovakia, Romania and Moldova, to allow Nationwide members to support family, friends and refugees impacted by the crisis.
- enabling members and colleagues to donate to the British Red Cross online and in branch. So far we've raised more than £1 million, including a £250,000 donation from the Society.
- supporting Ukrainian refugees living in the UK with opening a current account.

What is your exposure to Russian sanctions?

As a UK-focused building society, Nationwide has no counterparty relationship with Russian entities and no direct exposure to Russia or Belarus with regards to investments. As you'd expect, we take sanctions very seriously and are making sure all our systems and controls are updated to meet what's required during this changing situation.

How do you support members against fraud and scams?

We're always trying to raise awareness of different types of fraud and scams and have continued to step up our support.

We introduced the **Scam Checker Service** so members can check a payment they're worried about either in branch or by calling a 24/7 freephone number (**0800 030 4057**). Colleagues will then talk with them about the nature of the payment and if there are any concerns with going ahead with the payment. If we do give the go ahead and the member goes on to fall victim to an Authorised Push Payment (APP) scam, we'll refund the payment in full under the Society's new **Scam Protection Promise**.

As well as this, we give members the knowhow and information to keep themselves safe from fraud and scams at Talkbacks and on our **website**. We run regular campaigns in the media to highlight the different types of scams and offer advice on how to avoid becoming a victim.

We're also focused on protecting our members from those scams where they're tricked or panicked into authorising a payment to a fraudster. We're constantly improving how we detect and stop such scams and fraud. When our members make payments online, we give real-time fraud warnings and make the necessary checks. And we lobby for more consistent regulation and better protection for consumers from other industries, such as internet service providers and social media platforms where a lot of these scams start.

We also ask our members to do everything they can to keep themselves safe by following the advice we give and to pay attention to the warnings they see before making a payment.

2022 AGM

How do I join the AGM online? How do I vote and ask a question online? Can I join in person and vote?

This year, for the first time, you'll be able to take part fully in our AGM online. You'll find step-by-step instructions on how to join our AGM online, including how to vote and ask a question **here**.

This year, you can also come along to our AGM and vote in person. Please come to Nationwide House, Pipers Way, Swindon SN3 1TA at 10.30 on Thursday 14 July 2022. Just make sure you bring the front page of your voting form, or other evidence of your Nationwide membership with you. You'll find information on accessibility and travel arrangements **here**.

How will my AGM vote support Shelter?

We're donating 10p to Shelter* for every vote cast in our 2022 AGM, up to a maximum of £50,000. We've been supporting Shelter for more than 20 years and we're proud of what we've achieved together. So, please help us make your vote count. To date, we've raised more than £7 million to fund Shelter's frontline services. We've helped support almost 100,000 people in housing need and we've funded a Policy Officer at Shelter for the last six years. To find out more about Shelter, go to **shelter.org.uk**

*Registered charity (263710 England and Wales, SC002327 Scotland). Housing Rights in Northern Ireland (NIC 105735).5% of funds raised will be donated to Shelter Cymru. 5% of funds raised will be donated to Housing Rights.

Inclusion and Diversity

What are you doing to increase diversity in Nationwide? Are you hiring candidates from ethnic minority backgrounds? Improving gender balance at senior levels? Creating a more diverse Board?

As a mutual, inclusion is at the heart of what we do. Our inclusion and diversity ambition has two parts. The first is to create an inclusive culture where our people can thrive. The second, for our workforce's diversity to reflect that of the communities we serve. Both are important in making sure what we do and how we do it keeps our members and their needs front of mind.

We've also set diversity measures we want to achieve by 2028, and are making progress with the following:

- We're aiming for 50% women in leadership positions by 2028. We've achieved this at Nationwide Leadership Team level, however, we have more to do at senior management levels, where representation of women is around 35%. At Board level, we aspire to be at least in line with the Society's gender measures of 50% female representation at senior levels. Currently, we are at 41.7%.
- It should be noted that our Board composition currently meets the new FCA Listing Rules requirements on Board diversity of having at least 40% female representation on the Board; having at least one of the senior Board positions (Chair, CEO, CFO and Senior Independent Director (SID)) held by a female director and having at least one member of the Board from an ethnic diverse background.
- We've improved ethnic diversity in our leadership teams and also overall within our Society over the last few years and we're committed to continuing this progress. At Board level, 8% of our Directors are from ethnic minority backgrounds (including Non-Executive Directors). Diversity will continue to be a key focus in the recruitment of new Board members in the future.

We've taken steps across our recruitment and talent management processes to remove barriers and improve the diversity mix of those we hire and promote:

- We've improved the ratio of ethnically diverse hires across all role types. For example, in technology 41% of the people we hired were from ethnic minority backgrounds and of these 30% went into specialist roles and 32% into our branches UK wide. We've already launched a society-wide sponsorship programme to support the development of under-represented talent.
- Our leadership team is also working closely with Race Together, our internal ethnicity network, to build their understanding of the challenges and turn conversations into the right actions.

We're equally focused on creating a culture that puts inclusion first. That way, our people can be their best and bring out the best in others, no matter their background, identity or circumstances. This includes but isn't limited to gender identity, ethnic diversity, sexual orientation, disability and long-term conditions.

We're making progress but we know we have more to do. This change will take time and needs us to make sustainable change by taking the right actions, in the right way. But we're confident we're heading in the right direction, and taking action that has real, meaningful impact.

Remuneration

For information on pay please refer to our Review of the Year document which can be found [here](#)

Products

Your profits have increased, so why haven't you increased rates for savers?

As a mutual, our focus is to provide long-term value to our members. Although returns to savers have been kept down by the low-rate environment, we're committed to paying the best rates we can sustainably afford. In the last five years, we've paid over £2 billion in extra interest to our savers. In the last year, our average deposit rate has been more than 50% higher than the market average.

We've continued to offer competitive products to members over the last 12 months, through our Member Exclusive FRISA and our Flex Regular Saver. And we've paid a competitive rate for a long time through our 1 Year Triple Access Online Saver.

We've also taken the decision to focus the increases from the recent Bank Rate rises on specific savings accounts as it balances the need to support savers while continuing to offer value to borrowers. It also allows us to invest in branch, telephony and online services for the Society's 16 million members.

Are you planning to increase mortgage rates?

Any changes we make to our new business range will reflect the current interest rate environment, which has seen mortgage rates increase across the market. Although we're owned by our members, that doesn't mean we're not immune to market forces. We need to make sure our mortgage rates are both sustainable and competitive.

Why is there a prize draw only open to members receiving the paper pack?

For 2022 there is a prize draw of 4 prizes of £250 each to encourage members to sign up to 'go paperless' for future members' meetings. Members are able to opt in to go paperless, without entering the prize draw by simply opting out of it. Posting AGM packs is becoming increasingly costly and members receiving the information about future members' meetings by email will allow us to use our members' money in a more efficient way. It's important for us to make sure our members continue to receive their AGM voting information, and other information about future members' meetings in a way which best suits them so the option to go paperless is always their choice.

Future of the branch network

Can you promise communities you won't start closing large numbers of branches like the banks?

We're committed to giving that face-to-face contact our members get from our branches. That's why, we have just announced we have extended our Branch Promise to leave no town or city where we currently have a branch, until at least January 2024.

Our branch colleagues also changed the way they worked to meet our members' changing needs during the pandemic. For example, when it was quieter in branch, they used their customer service skills to help out with the increase in calls and online requests we were getting. As branches have remained less busy since Covid, we have rolled this way of working out to 50 branches, which has worked well.

We continually review our network of branches so we're in the right place for most members. Since 2017, we've shown our commitment by upgrading 240 branches and investing over £260 million. However, this doesn't mean we'll never close a branch. Sometimes, we must consider whether it's in the interests of our wider membership to keep them open. For example, where there are branches that need significant investment, or we have invested in nearby branches, or we have a high number of branches in that area.

Our people

Are your employees still working from home? Will they be coming back into the office for half the week?

In response to the pandemic, we adopted more flexible ways of working where we could. We're continuing to support colleagues to work in a way that's right for the organisation and them. At the same time, we're encouraging them to come together, collaborate and use our workspaces as colleagues need. We've seen more admin colleagues coming into offices more often since restrictions were relaxed. Our branch and customer service colleagues have continued to look after members in branches and on the phones throughout the pandemic.

How can I pay a cheque into my account?

You can pay in a cheque in one of Nationwide's branches or by using one of the Society's ATMs. If you can't get to a branch or an ATM, you can post your cheque to us. You'll need to print out and fill-in a cheque form as well. If you can't print out the form, just write the information we need on the back of the cheque. You'll find more information by searching '[help with cheques](#)'

Climate change

What are you doing to tackle climate change and what are your targets?

We've been carbon neutral for our offices, branches and fleet cars since 2020. And we haven't sent any waste to landfill since 2015.

We're proud to have held the Carbon Trust Triple Standard since April 2014, demonstrating our commitment to continually reduce our operational carbon, water, and waste footprint. In 2021, we became a member of the Net-Zero Banking Alliance (NZBA). We're also part of the Glasgow Financial Alliance for Net-Zero (GFANZ) that commits us to working towards a net-zero future by 2050.

We're working with our suppliers to help them meet increasingly stretching environmental goals. By 2030, our business operations, supply chain and business commuting will be carbon neutral. We're also starting to remove the use of natural gas from our branch network (used for heating and hot water) and replacing it with electrical systems. We're aiming to be gas-free in our branches during 2022.

Homes make up for some 16% of carbon emissions in the UK. So, as a major mortgage lender, it's our ambition to lead the greening of UK homes. We want to make sure that at least half of our mortgages on our books are rated at 'EPC C' or better by 2030. We've made a £1 billion loan fund available for borrowers to reduce the carbon footprint of their homes and kickstart green home improvements and retrofitting. Through this fund, we're able to offer our mortgage members discounted rates through our Green Additional Borrowing products to help them make green home improvements. We also have a similar product available for landlords through The Mortgage Works – our Buy-to-Let arm. Nationwide has also formed a cross-sector Green Homes Action Group to help deliver the policy, skills and solutions needed to reduce the impact of homes.

Our Oakfield development in Swindon is an ambitious plan to create a community of 239 EPC-A rated homes. It will be one of Britain's biggest off-gas housing developments.

As we move towards a greener future, we want to make sure the most vulnerable in society aren't left behind.

The Society's employees have an important role to play in tackling climate change. Our 400-strong employee Green Network aims to lead the Society's internal conversations on green and sustainability to build and maintain a 'big picture' of all our green activity. Last year, the network organised our first Green Colleague Assembly, coinciding with the COP26 climate change summit. Open to all colleagues, it encouraged them to share their thoughts and opinions on a diverse range of subjects relating to green and sustainability.

What are you doing to help members make their homes more energy efficient?

Nationwide offers Green Additional Borrowing to its mortgage members. This allows members to take out low-cost additional borrowing to pay for any energy efficiency improvements.

To encourage greener, more energy-efficient homeownership, we also have a cashback offer for those buying a home with a high-energy-efficiency rating. For homes with a SAP rating of 92 or above (EPC-A rated) that's £500, while those buying somewhere rated at SAP 86 to 91 (high EPC B rating) will receive £250.

Our solar panel pilot has been going well across the four pilot regions of Dorset, Hampshire, East Sussex and Wiltshire. Around 4,250 members are registered users of our online tool that helps people understand what solar could mean for their home. And 96 homeowners have bought systems through our partner MakeMyHouseGreen (as at 3 April 2022).

The Nationwide Building Society solar tool is also proving to be valuable for many users to easily understand the potential costs and benefits of solar systems.

We're currently looking at ways to expand our green homes offering to support members wanting to green their homes.

What has happened to your Oakfield housing plans?

Following the administration of the development's contractor at the start of the year, we've been working closely with Lovell to get the site back up and running. We're making good progress and aiming for construction teams to be back on site in the summer. We're also aiming for our show home to open later this year.

House prices will be in line with market prices. 30% of homes at Oakfield will be available for affordable rent and shared ownership. Homeowners and tenants will all be moving in to energy-efficient homes that include solar panels, and air source heat pumps. There's no need for gas at Oakfield.

What are your advertising plans and do you spend a lot of members money on this?

We advertise in different ways to attract members and grow our membership. By advertising, we generate more business, and continue to grow our membership. Advertising is a cost-effective way of talking about Nationwide nationally. It also raises awareness of our brand. We always try to keep our advertising visible. We do that with less money than a number of our competitors.