

Our AGM 2021 – your questions answered

When we were planning this year's AGM back in April, we thought the virus would still be a threat to people's health and lives when our meeting was taking place. Because our members' and colleagues' safety has been, and still is, our number one priority throughout the pandemic, we're sorry, but we're asking members not to come along to this year's AGM in person.

So how can you experience our AGM?

This year we're doing things a bit differently. We'll live stream our AGM, so you can watch and ask questions from the safety and comfort of your home.

Got a question you'd like answered before voting?

If so, you can:

- ask your question at our [Online Member TalkBack](#) on 15 July at 11.00am – that's the week before the AGM.
- email or post your question by **11am on Monday 19 July 2021**. You can find out how to do this on our [voting website](#).

You can also find out how to ask questions and vote in the [Notice of AGM 2021](#).

Take a look at the answers we've prepared to key questions, ahead of our AGM 2021.

(All the figures are correct as at 4 June 2021.)

Support for our members and colleagues

1. What are you doing to support members and colleagues as the country starts to emerge from the pandemic?

Supporting our members

During lockdowns, we put a range of extra services in place to help members who may have been affected by the pandemic. This included reaching out to those members who were self-isolating or shielding and who relied on their branch for cash. We made sure they had other ways to access their money and pay their bills.

We helped and encouraged members to do more online, such as apply for payment holidays and claim on their travel insurance. And we kept in touch with many of our members who needed extra help.

As restrictions ease, we know that some members will go on to find things difficult. And we'll keep supporting those members, taking into account their circumstances and what they can afford.

Supporting our colleagues

We've also focused on the wellbeing of our employees, while supporting those working in our branches. This included making it possible for branch colleagues who had to shield or self-isolate to work from home.

We've given our colleagues working in branches suitable PPE and guidance on how to stay safe. And we shared the Unmind app with all colleagues to help support their mental wellbeing.

We also asked our employees how they wanted to work. Their feedback led us to announce our 'work anywhere' plans. These gave our people greater choice in where and how they work, both as individuals and as teams. This has gone down really well and will also help us to recruit more widely.

We've also invested heavily in technology and security both before and during the pandemic. This made it possible for our people to do their jobs safely, securely and in a way that suits them.

Cyber security and fraud

2. How do you support members against fraud and scams?

We'll keep supporting our members to deal with the different types of fraud and scams out there. We're always trying to raise awareness of possible scams and have stepped up efforts since the Covid outbreak.

We give members the know-how and information to keep themselves safe at Talkbacks, on our [website](#) and in national media. When our members make payments online, we give real-time fraud warnings and make checks.

We're also focused on protecting our members from those scams where they are tricked or panicked into authorising a payment to a fraudster. We're constantly improving how we detect and stop such scams and fraud. And we lobby for more consistent regulation and better protection for consumers from other industries, such as internet service providers and social media platforms. That's 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 they make a payment.

Your general questions

2021 AGM

3. How can the AGM be valid without members? How do I ask a question?

We recognise the AGM is an important date in the Society's calendar. As well as our Talkback events, our AGM gives us the chance to speak to members directly and hear what they think.

Because the safety of our members and colleagues is our number one priority, we're asking colleagues, who are also members, to go along to our AGM to make up the numbers we need to hold our meeting.

So our members can experience our AGM, we'll live stream it. That way, members can watch and ask questions online from the safety and comfort of their homes.

We're holding our AGM at Nationwide's Head Office. Only the minimum number of directors and employees needed to form a quorum will be going along. David Roberts, Chair of the Society, will carry out the formal parts of the meeting, including the resolutions and re-election of the Society's Directors. Joe Garner, CEO of the Society, along with Mai Fyfield, Chair of Remuneration Committee, and Debbie Klein, Non-Executive Director will also be at Nationwide House. We'll put social distancing in place for everyone who comes along.

This year, we're encouraging members to ask questions before the AGM and on the day itself. We're holding a [Member TalkBack](#) on 15 July 2021 where members can ask questions directly to members of the Board. Members can also email or post their questions to us before the AGM takes place.

4. How will my AGM vote help support Shelter?

We're donating 10p to Shelter* for every vote cast in our 2021 AGM, up to a maximum of £50,000. We've been supporting Shelter for 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 around £6.7m 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 five years. To find out more about Shelter, visit shelter.org.uk/nationwide

*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.

Diversity and inclusion

5. What are your thoughts on racism? Are you hiring candidates from ethnic backgrounds, improving gender balance at senior levels, and creating a more diverse Board?

As a mutual, we're committed to building an inclusive society that leaves no-one behind. At the heart of building society, nationwide, is our people. We have different personalities, backgrounds and ways of doing things. It's those differences that make each of us, us. Diversity is about recognising these differences, but inclusion is where our differences are valued.

Our inclusion and diversity mission is to build an inclusive culture where everyone can thrive and for our Society to reflect the diversity of the wider communities we serve. By putting inclusion first, we'll achieve inclusion and diversity in the truest sense - a culture where people feel empowered and able to bring out the best in themselves and others, no matter their background, identity or circumstances.

At Nationwide there is no place for racism in any form. We won't tolerate racism or abuse of any kind; we stand together against racism, hate and division. They have no place in our Society and nobody should be treated differently because of the colour of their skin. We will always take action wherever we see or hear about it. We've updated our diversity measures and we continue to focus on hiring candidates from diverse backgrounds, including those who are ethnically diverse. Our recruitment delivery partner, Lorien, delivered the following ethnicity ratios across all our external hires - Technology 41%; Specialist 30% and Branch 32% for the year ended 4 April 2021.

We've already launched a Society-wide sponsorship programme to support the development of under-represented talent.

Eight per cent of our Board is represented by people who are ethnically diverse (including Non-Executive Directors). Diversity will continue to be a key focus in the recruitment and selection process of new members to the Board in the future. Our leadership team is also working closely with Race Together, our internal ethnicity network, to make sure we're all learning and doing as much as we can to turn conversations into the right actions. Our current measures run until 2028 and are bold and stretching, showing our commitment to inclusion and diversity at Nationwide.

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

Remuneration

6. Will your Chief Executive and other board members be paid the same this year?

We always strive to strike the right balance between staying true to our values as a mutual organisation that's owned by its members and appropriately rewarding our senior leaders so we can attract and retain the right executive team. The difference our mutuality makes was highlighted during the pandemic when our leaders led the way for the industry on pay at a time when the finances of many of our members, their families and communities were under pressure. Back in April 2020, our CEO was one of the first in the UK to take a voluntary, temporary 20% reduction in his salary and pension contribution for 2020/21. The Society's Chair and Non-Executive Directors voted to donate 20% of their fees after tax to the charity, Shelter, from June to December 2020. What's more, our leadership team, including the CEO, asked not to take any performance or variable pay in 2019/2020 so the focus could go on rewarding frontline colleagues for their heroic efforts during the pandemic.

Despite our strong financial performance for the year, our leadership teams' potential performance pay was limited to one third, in line with that for all employees, of what it would be in normal times. While we did award our CEO variable pay for 2020/21, remuneration was down around 4% from the previous financial year. To put all this into some context, our CEO's total remuneration was less than half the median of FTSE 100 CEOs*. We expect remuneration for executive directors to return to previous levels over the next year – with performance pay subject, of course, to outcomes.

You can find more about how much we pay and reward our CEO and board members in our latest **Annual Report and Accounts** (<https://www.nationwide.co.uk/-/media/MainSite/documents/about/corporate-information/results-and-accounts/2020-2021/annual-report-and-accounts-2021.pdf>).

*based on 54 companies where full year data is available for 2020.

Products

7. 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, rather than being led by short-term results. 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 depositors.

In the last financial year, we've given more value to savers. For example, we launched our market-leading **Member Exclusive Fixed Rate ISA**, the **Mutual Reward Bond**, and prize draws, such as on the **Start to Save** account. We also became the first to offer our first ever our **ISA transfer incentive**, offering £50 for members moving £10,000 or more to the Society from another bank or building society.

When the Bank of England cut Bank Rate to a new 300-year low, it was sadly inevitable that our savings rates would have to follow. During 2020, given the uncertainty in the economy, it was important to build our capital strength. This will help protect Nationwide against any economic downturn and support members in the long term.

8. Why did you remove Recommend a Friend? Are you planning to reintroduce switching incentives for current accounts?

We withdrew Recommend a Friend at the start of the Covid-19 to concentrate on supporting our existing members, particularly those financially affected by the pandemic. For example, we arranged payment holidays, and we made it possible for a vulnerable member's family or friend to gain access to their money to do their shopping and pay bills. Demand was so great for this support that we had to retrain colleagues to help out.

We regularly keep our products under review. If we decide to launch another switching incentive, we'll update our members.

Future of the branch network

9. Can you promise communities you won't close branches once we return to normal?

We're committed to giving that face-to-face contact our members get from our branches. That's why, during the pandemic, we extended our **Branch Promise** to leave no town or city where we currently have a branch, until at least January 2023.

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.

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 £225 million. However, this doesn't mean we'll never close a branch. Sometimes, we must consider whether it is in the interests of our wider membership to keep them open. For example, where:

- there are branches that require significant investment, or
- we have invested in nearby branches, or
- we have a high number of branches in that area.

Our workforce

10. Now that your job promise is over, will you be making redundancies this year?

We were proud to offer our 2020 Job Promise to make sure no-one left the organisation due to compulsory redundancy last year. This was a significant commitment from the Society that recognised the unprecedented situation. It allowed us to protect our colleagues and members in challenging times.

Like most companies, we continually review the shape of our organisation to make sure we're fit for the future. There was a small reduction in our headcount last year. Through the year we reduced our reliance on contractors and temporary staff, and a limited restructuring of some job roles led to a reduction in the number of permanent employees, primarily in the first three months of 2021. Where individuals did leave the organisation, we offered personalised support aimed at helping them find a new role. For example, we offered support with workshops on using LinkedIn, CV writing, reskilling, and retirement planning.

11. How can I pay a cheque into my account?

You, or someone you trust, can pay in a cheque written to you using a Nationwide cash machine or over the counter at your nearest branch. If you need any help, just ask the team there.

If you can't visit a branch to pay a cheque into your account, then you can post the cheque to us. To pay in a cheque by post, print and complete our paying-in cheques form. You'll need to sign and date the form and send it to us with the cheque(s) you want to pay in. You'll find the form with full instructions on our [website](#).

Climate change

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

We exist to improve our members' lives, and positively impact our communities and society, while minimising our impact on the environment. Last year, we set up a Responsible Business Committee. It sets Nationwide's responsible business agenda, including our environmental targets and how we'll address climate change.

Nationwide continues to work towards a low carbon future by minimising its own impact. We have once again received Carbon Trust Triple Standard accreditation for the way we manage our water use, waste and energy consumption. Renewable sources have supplied 100% of our electricity since 2018.

We also remain committed to helping make the homes we lend on greener and more sustainable. We've launched a cashback offer to encourage the purchase of energy efficient homes and discounted loans on green home improvements.

We've committed to making sure 50 per cent of our mortgage book is rated EPC-C or above by 2030.

We also continue to work closely with our suppliers to help them with increasingly stretching environmental objectives.

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

This year, we'll build a clearer picture of the emissions produced by our suppliers and products. We'll also get a better understanding of what science-based targets look like for the finance industry - what meaningful actions we should be taking.

AGM format

13. Why have you chosen to do an online AGM again this year when others have managed more of a mixed approach?

It's still early days in the lifting of restrictions and we finalised our 2021 AGM plans in late April. Our priority remains keeping our members and colleagues safe. However, we've made it easier for our members to experience the event this year. Our members can watch the AGM as it happens online with live questions and they can send their questions ahead of the meeting. We'll also hold a [TalkBack](#) event for members to ask questions the week before.