



INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF NATIONWIDE BUILDING SOCIETY ON SELECTED INFORMATION WITHIN THE 2022 CLIMATE-RELATED FINANCIAL DISCLOSURES

This report is produced in accordance with the terms of our engagement letter dated 10 March 2022 for the purpose of reporting to the Directors of Nationwide Building Society (the 'Society') in connection with the selected Key Performance Indicator's as defined within 'Appendix 1' (the 'Selected Information') for the reporting period ended 4 April 2022.

This report is made solely to Nationwide Building Society in accordance with the terms of the engagement letter between us. Those terms permit disclosure on Nationwide Building Society's website, solely for the purpose of Nationwide Building Society showing that it has obtained an independent assurance report in connection with the Selected Information.

We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party other than Nationwide Building Society, for our work, for this assurance report or for the conclusions we have reached.

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.

Respective responsibilities of the Society and Ernst & Young LLP

As Directors of the Society, you are responsible for the preparation and presentation of the Selected Information in accordance with the narrative and accompanying notes ('the Criteria') referenced within Metrics and Targets section of the 2022 Climate-related Financial Disclosures ('the Report'). This responsibility includes establishing and maintaining internal controls, maintaining adequate records, and making estimates that are relevant to the preparation of the Selected Information, such that it is free from material misstatement, whether due to fraud or error. The Directors of the Society remain solely responsible for the Selected Information, the contents and statements contained within the Report and the Criteria. It is our responsibility to provide a conclusion on the Selected Information based on our examination.

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 Selected Information.

In performing this engagement, we have applied International Standard on Quality Control (ISQC) 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 10 March 2022. Our work included, but was not limited to:

- ▶ Conducting interviews with the Society's personnel to understand key processes, systems, and controls in place over the preparation of the Selected Information.
- ▶ Conducting walk-through procedures over the data to understand the aggregation and consolidation processes.
- ▶ Performing analytical review procedures over the Selected Information and enquiring with management as to the reasoning behind material year-on-year variances.
- ▶ Agreeing a sample of the Selected Information to underlying source documentation to check the accuracy of the data.
- ▶ Checking that the calculation criteria had been applied in accordance with the methodologies outlined in the Criteria.
- ▶ Reading the Report and narrative supporting the Selected Information to assess the consistency with the reporting Criteria.
- ▶ Obtaining the carbon offset contractual agreement and obligations between carbon offset providers, licenced intermediaries and Nationwide Building Society; and
- ▶ Obtaining 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 Selected Information. 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. The nature of non-financial information, the absence of a significant body of established practice on which to draw, and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

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 Selected Information is not fairly stated, in all material respects, based on the Criteria.

Ernst & Young LLP

Ernst & Young LLP

London, United Kingdom

18 May 2022

Appendix 1

The metrics listed below constitute the Selected Information 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 2022.

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- Scope 2 - Carbon dioxide (CO₂e/y) in tonnes
 - Purchased Electricity

Reporting period: 12month period ending 04 April 2022.

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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 2021.

- Upstream:
 - Category 1 - purchased goods and services
 - Category 2 – capital goods
 - Category 4 - upstream transportation and distribution

Reporting period: 12month period ending 31 December 2021.

¹ carbon dioxide equivalent per year in tonnes