Climate-related Financial Disclosures: Basis of Reporting 2026

nationwide

Overview

This document outlines the definitions and methodologies used in the data collation and calculation of our key scope 1, 2 and 3 metrics, as disclosed in our Climate-related Financial Disclosures 2026. Our full disclosure can be found at **nationwide.co.uk**

About this report

All climate metrics detailed within our Basis of Reporting are contained within our full Climate-related Financial Disclosures 2026, including those subject to limited independent assurance.

Whilst we make every effort to capture all information as accurately as possible, we recognise there are data dependencies and limitations affecting climate data which impacts our metrics, and their usefulness in strategic decision-making. Due to limited availability of accurate, publicly available climate-related data and customer specific emissions data for our business customers, we have used assumptions and judgements to reasonably model our carbon emissions and risk exposures. More information is in the data dependencies and limitations section on page 9.

We continue to review available data sources and enhance our methodology and process to improve the robustness of our climate-related reporting over time, aligned to recognised regulatory and industry developments, as appropriate.

We calculate data scores to help indicate data quality. Data scoring aligns with the Partnership for Carbon Accounting Financials (PCAF) Global GHG Accounting and Reporting Standard, with 1 representing high data quality and 5 representing low data quality.

Scope 1, 2, and 3 emissions assurance

We appointed Ernst & Young LLP (EY) to provide limited independent assurance over selected KPIs within our scope 1, 2, and 3 carbon emission disclosures for the year ended 31 March 2026. This includes: scope 1, 2 and 3 upstream and downstream (investments) emissions (for mortgages, registered social landlords, shipping and oil and gas) for the 12-month period ended 31 December 2025. Assured metrics and KPIs are indicated throughout. The assurance engagement was planned and performed in accordance with the International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements Other than Audits or Reviews of Historical Financial Information ('ISAE 3000 (Revised)') and International Standard on Assurance Engagements (ISAE) 3410, Assurance Engagements on Greenhouse Gas Statements, as promulgated by the International Auditing and Assurance Standards Board (IAASB). A limited assurance report was issued and is available on our website. This report includes details of the scope, respective responsibilities, work performed, limitations and conclusion.

Key terms and definitions

We use the following terms and definitions for our scope 1, 2 and 3 emissions:

Emissions	Description	Category
Scope 1	Scope 1 emissions are direct emissions from sources that we own or control, including the fuel we burn to heat and power our buildings, along with the fuel used by our car fleet.	Energy and travel
Scope 2	Scope 2 emissions are indirect emissions from the generation, and consumption of purchased electricity used to power our buildings.	Electricity
Scope 3 upstream – categories 1, 2 and 4	Scope 3 upstream emissions are indirect emissions[1] that result from our value chain.	Purchased goods and services (category 1), capital goods (category 2) and upstream transportation and distribution (category 4)
Scope 3 downstream – category 15 (investments)	Our reported scope 3 downstream (investments) emissions are indirect emissions[2] that occur in our value chain from capital investment or financing.	Mortgages (owner-occupier and buy to let), business lending (shipping, oil and gas, registered social landlords, and commercial real estate)

Information on how to read this report

Our scope 1, 2 and 3 emissions are disclosed at Group-level for Nationwide Building Society and all consolidated subsidiaries (including Virgin Money). We consolidate our Scope 1 and Scope 2 emissions using the financial control approach, in line with the GHG Protocol Corporate Accounting and Reporting Standard.

Scope 1, 2, and 3 emissions data is reported for the 12-month period ending 31 December 2025. Prior year including the baseline year, have been restated for scope 3 upstream and relevant scope 3 business lending emissions (shipping and oil and gas), following continued refinement of our calculation methodology and improvements in the quality and consistency of emissions data. These updates include the alignment of our scope 3 upstream methodology at Group-level and the incorporation of more granular emissions factor data for scope 3 business lending, to provide a more robust and representative view of our financed emissions. Prior year for scope 3 registered social landlords emissions has been restated following ongoing review of our emissions calculation methodology. Scope 3 mortgage emissions are now presented at Group-level, with prior year and baseline figures combined and reflecting the previously reported emissions. Further detail on prior year and baseline reporting dates can be found in our Climate-related Financial Disclosures: Basis of Reporting 2025.

Scope 3 upstream emissions are rounded to the nearest 500 tonnes of carbon dioxide equivalent per year (tCO_2e/y), and scope 3 downstream investment emissions are rounded to the nearest 1,000 tCO_2e/y (except for oil and gas which is rounded to the nearest 100 tCO_2e/y).

[1]Upstream emissions (GHG Protocol categories 1-8) cover emissions which result from the organisation's supply chain. The categories are: 1. Purchased goods and services; 2. Capital goods; 3. Fuel- and energy-related activities not included in scope 1 and 2; 4. Upstream transportation and distribution; 5. Waste generated in Operations; 6. Business travel; 7. Employee commuting; 8. Upstream lease assets.
[2]Indirect downstream emissions that occur in an organisation's value chain. Downstream (GHG Protocol categories 9-15) emissions covering emissions resulting from the good and services provided by the organisation. The categories are: 9. Downstream transportation and distribution; 10. Processing of sold products; 11. Use of sold products; 12. End-of-life treatment of sold products; 13. Downstream leased assets; 14. Franchises; 15. Investments

Scope 1 emissions – energy and travel

Scope 1 data is presented at Group-level for 2025/26, expressed tCO_2e/y.

Methodology

Our scope 1 emissions represent the total Greenhouse Gas (GHG) emissions caused by our owned activities across all entities and facilities. Our scope 1 energy emissions include those from gas and diesel used within buildings, and fuel consumption for travel associated with our fleet vehicles. All our scope 1 emissions originate in the UK. Due to reporting challenges, the refrigerant gases which are used in, and escape from, our cooling systems are currently excluded from our scope 1 emissions and targets. As a financial services organisation, carbon dioxide is the most material GHG applicable to our portfolios and other types of GHG are deemed immaterial.

Energy – gas

To calculate the emissions associated with our gas usage, our gas consumed over the year, measured in kilowatt hours (kWh), is multiplied by the 2025 Department for Energy Security and Net Zero (DESNZ) emission conversion factors[3] for UK natural gas. Our gas consumption data is sourced from our billing bureaus. For 54% of emissions, consumption is recognised at the point of invoicing, reflecting the point at which responsibility for the associated emissions is assumed. The remaining 46% of emissions are recognised upon receipt of the billing bureau's monthly report. If invoices and actual consumption data are missing for periods where we know energy was consumed, our energy provider supplies estimated data to fill those gaps. We note that our billing bureau's conduct various quality assurance checks to minimise the risk of unbilled consumption. Consumption data is provided via a combination of actual data (through automated, or manual, meter reading, usage data) and estimated data (for buildings where actual data is not available). As we review and rationalise our physical sites, we recognise that due to estimated invoicing from energy provider, subsequent energy rebates may be issued to us. In the absence of automated smart meter data for gas and electricity, we utilise monthly meter readings or estimates to account for any unmeasured consumption, which can cause fluidity in numbers throughout the reporting period.

Energy – diesel

For our back-up diesel generators, 100% of emissions are calculated based on actual fuel usage captured by flow meters within our fuel monitoring system, recorded by our qualified technicians, and applying the 2025 DESNZ emission conversion factors for diesel. Any remaining emissions are calculated based on the fuel purchase orders we complete and applying the 2025 DESNZ emission conversion factors.

Travel

We operate two legacy travel schemes within the Group. 97% of our travel emissions are solely based on business vehicle mileage. Mileage is calculated based on the annual fleet return submissions by our employees through a third-party system. As a result, travel emissions are dependent on manual processes and individual record-keeping, as well as reliance on our third-party to generate an up to date report. The report contains the business mileage completed by each employee, by fuel type. This is used to calculate the carbon equivalent using the 2025 DESNZ emissions factors specifically applied to each fuel type (petrol, diesel, hybrid and plug-in hybrid), assuming all cars are medium sized passenger vehicles.

For the remaining 3% of travel emissions, our employee's mileage submissions are provided, via a survey, for each six-month period to generate an average mileage per day. For vehicles where a survey response is not returned, an estimated mileage per day is calculated using data from actual survey returns for the relevant vehicle type and usage (for example, business use only, or personal and business). The average mileage per day is multiplied by the number of days the car is held by the employee in the period. Estimated mileage is then applied to the 2025 DESNZ emissions factors based on the fuel type of the vehicle, and the type of company car (status and needs). As of June 2025, all vehicles within this scheme have been retired and returned.

Our data score for Scope 1 emissions is calculated using 12 months of billed energy consumption data sourced from third-party providers for buildings and business travel. As this reflects actual consumption, it is treated as actual data, achieving a data score of 2, weighted at 100%.

Reporting frequency and controls	Verification
Our scope 1 emissions are externally disclosed within our Climate-related Financial Disclosures, and within our Annual Report & Accounts, to align to streamlined energy and carbon reporting (SECR) requirements, on an annual basis. For 2025/26, data is provided for the year to 31 December 2025. Data is validated and approved by data owners and reported internally, with checks and controls undertaken for completeness, accuracy and variance to previous reporting periods. The methodology underpinning our emissions calculations, including any changes, is governed through our Emissions Governance Framework and approved by our Group Climate Change Risk Committee (CCRC).	EY provided limited independent assurance over our scope 1 emissions disclosures for the year ended 31 March 2026.

[3] Greenhouse gas reporting: conversion factors 2025

Scope 2 emissions – electricity

Scope 2 data is presented at Group-level for 2025/26, expressed as tCO_2e/y.

Methodology

We calculate, and disclose, both market-based, and location-based, scope 2 emissions. A market-based approach allows flexibility to utilise market-based measures such as renewable energy to achieve net-zero. 100% of our scope 2 energy consumption is attributed to renewable sources, through our green energy tariffs and our solar Purchase Power Agreement (PPA). A location-based approach considers operational absolute emissions only from average emissions intensity of the grid on which energy consumption occurs.

To calculate the location-based emissions associated with our electricity usage, our electricity consumed over the year, measured in kilowatt hours (kWh), is multiplied by the 2025 DESNZ emission conversion factors for electricity generated. Our electricity consumption data is sourced from our billing bureaus. For 73% of emissions, consumption is recognised at the point of invoicing, reflecting when responsibility for the associated emissions is assumed. The remaining 27% of emissions are recognised on receipt of the monthly billing bureau report. If invoices and actual consumption data are missing for periods where we know energy was consumed, our energy provider supplies estimated data to fill those gaps. We note that our billing bureau's conduct various quality assurance checks to minimise the risk of unbilled consumption. Consumption data is provided via a combination of actual data (through automated, or manual, meter reading, usage data) and estimated data (for buildings where actual data is not available). As we review and rationalise our physical sites, we recognise that due to estimated invoicing from our energy provider, subsequent energy rebates may be issued to us. In the absence of automated smart meter data for gas and electricity, we utilise monthly meter readings or estimates to account for any unmeasured consumption, which can cause fluidity in numbers throughout the reporting period.

Green tariff electricity

Our green tariff electricity comes from 100% zero-carbon sources (wind, hydro or solar) that have a REGO certificate. We pay a renewable energy premium which obligates our energy supplier to cover our carbon emissions through our green tariff. Our green tariff energy cost and consumption reporting is based on actual invoicing data provided by the supplier which is used to calculate the carbon equivalent in conjunction with the emissions factor specifically for grid supplied electricity.

Power Purchase Agreement

Our PPA represents the contribution of a 50MWh solar farm in the UK, producing emissions-free energy backed by renewable energy guarantee of origin (REGO) certificates, which certify that the electricity consumed has been produced from renewable sources. The PPA offset amount is dependent on external factors such as equipment uptime and atmospheric conditions. Our PPA is supplied through a licensed intermediary. Any remaining carbon emissions not covered by the PPA is covered through our green tariff. Actual electricity usage data is provided by our energy suppliers. Our consumption is a combination of actual data through automated, or manual, meter readings, or estimated usage data.

Our data score for Scope 2 emissions is calculated using 12 months of billed renewable electricity consumption data sourced from our third-party providers. As this reflects actual consumption, it is treated as actual data, achieving a data score of 2, weighted at 100%.

Reporting frequency and controls	Verification
Our scope 2 emissions are externally disclosed within our Climate-related Financial Disclosures, and within our Annual Report & Accounts, to meet SECR requirements, on an annual basis. For 2025/26, data is provided for the year to 31 December 2025. Data is validated and approved by data owners and reported internally, with checks and controls undertaken for completeness, accuracy and variance to previous reporting periods. The methodology underpinning our emissions calculations, including any changes, is governed through our Emissions Governance Framework and approved by our Group CCRC.	EY provided limited independent assurance over our scope 2 (location-based) emissions disclosures for the year ended 31 March 2026.

Scope 3 upstream emissions – categories 1, 2, and 4

Scope 3 upstream data is presented at Group-level for 2025/26, expressed as tCO_2e/y.

Methodology

We have calculated our scope 3 emissions for upstream activities across our whole supply chain. We report scope 3 emissions for upstream categories of purchased goods and services (category 1), capital goods (category 2), and upstream transportation and distribution (category 4). We exclude certain classifications of procurement spend from our category 1, 2 and 4 emissions calculations, including spend not considered a purchased good or service (for example, mandatory fees and charitable donations), items not categorised as supplier spend (for example, employee benefits), and spend captured under other scope 3 upstream categories.

Emissions from all other scope 3 categories have been assessed in line with the GHG Protocol. These categories are not reported where they are; determined to be not material to our scope 3 emissions (categories 3, 5, 6, and 8), deemed not relevant to our business model and not expected to be material (categories 9-14) or where the calculation methodology is highly estimated and therefore not decision-useful or comparable (category 7).

Our emissions are calculated using publicly disclosed supplier emissions data covering scopes 1, 2, and 3 (covering categories 1-8, where possible) and revenue, from the most recent publicly available annual reports, where available. Data gaps are supplemented using industry spend-based average emissions factors contained within the Scope 3 Evaluator tool[4], originally provided by the GHG Protocol and Quantis (kg/CO_2). Upstream emissions have been calculated using publicly disclosed supplier emissions data for around 55% of our spend. Where reported supplier scope 3 emissions data is incomplete, gaps are supplemented using emissions from an appropriate industry peer selected through professional judgement, ensuring sector alignment, comparable scale, and disclosure of a complete emissions inventory in publicly available reports; this approach applies to approximately 20% of spend. The remaining 25% of our spend uses average emissions factors, originally provided from Quantis. Inflation adjustments have been applied to the Quantis factors to align to inflation changes in 2025/26. A supplier's absolute emissions are multiplied by the proportion of our expenditure compared to the supplier's revenue (both converted to USD using year-to-date average exchange rates as appropriate) to determine our upstream emissions. Our procurement spend is extracted at a point in time following the end of the calendar year reporting period, when the majority of spend has been recorded. Spend is captured using invoice date or funding date. Spend can continue to be keyed after the data is extracted; however, this is deemed to be immaterial.

In the absence of a generally accepted methodology to calculate data quality scores for upstream supply chain emissions, we have interpreted PCAF's approach for business loans and unlisted equity as the basis for the calculation. A weighted data score of 2.95 has been calculated for our scope 3 upstream emissions. Approximately 55% of our total procurement spend covers suppliers with actual emissions data from the most recent publicly available annual reports, where available, which is given a data score of 2, weighted at 55%. Around 20% of our total procurement spend is calculated using emissions from an appropriate industry peer selected through professional judgement, which is given a data score of 3, weighted at 20%. Estimated emissions data from Quantis has been sourced for suppliers who account for the remaining 25% of our total procurement spend, giving a data score of 5, weighted at 25%.

Reporting frequency and controls	Verification
Our scope 3 upstream emissions are externally disclosed within our Climate-related Financial Disclosures, and within our Annual Report & Accounts on an annual basis. For 2025/26, data is provided for the year to 31 December 2025. Data is validated and approved by data owners and reported internally, with checks and controls undertaken for completeness, accuracy and variance to previous reporting periods. Prior year and baseline have been restated following ongoing review of our emissions calculation methodology and enhancements to our data quality controls to align at Group-level. The methodology underpinning our emissions calculations, including any changes, is governed through our Emissions Governance Framework and approved by our Group CCRC.	EY provided limited independent assurance over our total scope 3 upstream (category 1, 2, and 4) emissions disclosures for the year ended 31 March 2026.

[4]Whilst we recognise the Quantis tool was decommissioned in 2023, we continue to use the Quantis factors in our scope 3 upstream emissions calculations, applying inflation adjustments as appropriate.

Scope 3 downstream emissions – mortgages

For our reported scope 3 downstream investment emissions for mortgages, we calculate both absolute emissions (expressed as tCO_2e/y) and physical emissions intensity (expressed as $kgCO_2e/m^2/y$). Scope 3 mortgage data is presented at Group-level for 2025/26.

Methodology

We report scope 3 downstream category 15 (investments) emissions associated with our mortgage portfolios. We use EPC data to calculate our mortgage financed emissions, as reported in tCO_2e/y. Our methodology for calculating financed emissions, for mortgages, is aligned to the PCAF methodology, with mortgages emissions and emissions intensity weighted by loan to value (LTV) in order to calculate the proportion of emissions we finance. *Building Emissions = CO_2 Emissions (per m^2) x Floor space (m^2). Financed Emissions = Building Emissions x Attribution Factor*, where; *Attribution Factor = Σ Outstanding Balance / Σ Property Value at Origination*. The approaches outlined below could indicate a level of variability in the outcome when compared to that calculated using more granular data sources.

LTV adjustments have been applied to the total carbon emissions for the book to calculate the attribution factor. The attribution factor is calculated at property level and is based on; (i) outstanding amount calculated as total outstanding loan value as at 31 December 2025, and (ii) property value at origination using an internally modelled or Automated Valuation Model (AVM) valuation, static as at 31 December 2020 (or 31 December 2021-2025 for new business during these years, if applicable) for approximately 81% of our mortgage portfolio balance, or property value on origination of the loan for the remaining 19% of our mortgage portfolio balance. Where mortgages are multi-collateralised, LTV is calculated at borrower level, using original valuations, or updated valuations reflecting refinance or loan extensions. LTV weighted carbon intensity is calculated based on property level LTV weighted emissions ($kgCO_2e/y$) and property level absolute floor area in square metres (m^2). We believe this best reflects the emissions associated with our lending.

For approximately 81% of our mortgage portfolio balance, our internal Energy Performance Certificate (EPC) model is used to calculate the emissions associated with our residential mortgage lending. Where a valid EPC exists, our EPC model calculates total property floor area using the floor area and carbon emissions data contained in a property's EPC. Where no valid EPC exists or we are unable to match the addresses of properties, our EPC Model uses artificial intelligence and machine learning algorithms to determine and estimate the EPC rating of a property. Our mortgage emissions are estimated using data from the EPC Open Data Communities for residential properties where an EPC exists and can be matched at property level (around 56% of properties) and estimating EPC data across the remainder of the portfolio (around 44%) using interpolation based on housing data. For properties in Northern Ireland and Scotland, not included within the Open Data Communities database, and where an address match is not possible, EPCs are interpolated based on England and Wales data. Emissions included in the model are those which are covered by EPCs only (space and water heating, and lighting). We recognise there are certain data limitations related to EPCs, more information can be found in the data dependencies and limitations section of this report on page 9.

For the remaining 19% of our mortgage portfolio balance, mortgage emissions are estimated by obtaining the EPC rating and floor space of our properties where a current EPC exists (for around 57% of these properties), using data provided by our key third-party partner. Total property floor area is calculated using the floor area data contained in a properties EPC, where available. For properties which have not been matched to an EPC, floor area is estimated based on region and property type or product type, based on portfolio data where an EPC is available. Average gas and electricity consumption per EPC rating and property type is obtained from Government National Energy Efficiency Data-Framework (NEED) consumption data, used to calculate an average consumption per square metre, per property type and EPC rating, using the average property size and type from our mortgage portfolio. This average consumption is matched to the portfolio based on the EPC rating and property type to estimate the consumption of a specific property. For 39% of properties where an EPC is not available, our model estimates property size (in square metres) based on properties in our portfolio where an EPC is available, and average consumption per square metre for each property type and region from government NEED consumption data. For the remaining 4%, no EPC or property type data is available, and consumption is estimated based on those properties in the portfolio where an EPC is available, per product type and region. Property valuations are updated to reflect refinance or loan extensions. Estimated consumption for electricity and gas is converted to carbon emissions using the 2025 DESNZ emission conversion factors for the UK grid.

Our mortgage data score of 3.60 has been calculated using a weighted combination of methodologies reflecting data availability across the portfolio. A data score of 3, weighted at 47%, is given for properties with a valid EPC, where floor area and carbon emissions data contained within the EPC are used. A data score of 4, weighted at 46%, is comprised of: (i) properties with a valid EPC, where floor area data is used from the EPC and average consumption data is used to calculate estimated emissions per property type and EPC rating, and (ii) interpolated EPC data, estimated using similar property features and location specific attributes. A data score of 5, weighted at 7%, is given for properties where emissions are estimated using modelled approaches based on either estimated floor space with location and property specific attributes, or product type and region.

Reporting frequency and controls	Verification
Our scope 3 downstream mortgages emissions are disclosed within our Climate-related Financial Disclosures, and within our Annual Report & Accounts on an annual basis. For 2025/26, data is provided for the year to 31 December 2025. Data is validated and approved by data owners and reported internally, with checks and controls undertaken for completeness, accuracy and variance to previous reporting periods. The methodology underpinning our emissions calculations, including any changes, is governed through our Emissions Governance Framework and approved by our Group CCRC.	EY provided limited independent assurance over our LTV weighted scope 3 downstream mortgages emissions disclosures for the year ended 31 March 2026.

Scope 3 downstream emissions – business lending

For our reported scope 3 downstream investment emissions for shipping and oil and gas, we calculate both absolute emissions (expressed as tCO_2e/y), along with an economic emissions intensity (expressed as (tCO_2e/£m lent)). Scope 3 business lending data is presented at Group-level for 2025/26.

Methodology

We disclose the emissions associated with our shipping and oil and gas business lending portfolios, in line with the PCAF standard. We apply the PCAF approach for calculating emissions associated with business loans and unlisted equity, as appropriate. We align our emissions accounting to our balance sheet, where our emissions are estimated at loan level and the methodology varies depending on the data available. Our reported financed emissions include our share of our customers scope 1 and scope 2 emissions. We exclude certain classifications of balances from our business lending calculations, including the customers' credit cards and asset finance balances.

Actual customer emissions were sourced from publicly available information and financial statements, for approximately 17% of our shipping and oil and gas portfolios[5]. For these portfolios, we assign a Comprehensive Environmental Data Archive (CEDA) purchaser price emissions factors, as recommended by PCAF, to our customers based on their Sector Industry Code (SIC). We use SICs which have been mapped to the US Bureau of Economic Analysis (BEA) classification system for the purpose of assigning emissions factors. CEDA purchaser price emissions factors are converted to Pound Sterling from US Dollar and inflation adjusted to the respective reporting year from the 2022 base year. SIC mapping can include an element of expert judgement. Where a SIC maps to multiple BEA codes, the highest emission factor across those codes has been applied.

Customer financial information (total assets, total equity, total debt and customer revenue) was sourced from publicly available information and financial statements. Where customer financial information is reported in a foreign currency, this is converted to Pound Sterling as at the customer's financial reporting date. The attribution factor is calculated at business level and is based on the *Outstanding Loan Amount / (Total Equity + Total Debt)*. Where total debt is not available, the outstanding loan amount is used as a proxy for total debt. Where total equity is not available, total assets are used as a proxy for the denominator. Where customer-level estimation is not possible due to data limitations, emissions are estimated by applying the sector-specific portfolio economic emissions intensity to the customer's spot balance.

Shipping – this sector includes all customers with a water SIC, with an outstanding balance greater than £1.5 million, with activities primarily related to water-based passenger and freight transport. We calculate an economic intensity (tCO_2e/£m lent). Our data score of 4.00 reflects estimated emissions based on economic activity, achieving a data score of 4, weighted at 100%.

Oil and gas – this sector includes all customers with an oil and gas SIC, with an outstanding balance greater than £250,000. Over 98% of our oil and gas lending exposure is related to oil and gas field services. We do not lend to businesses that generate revenue directly from oil and gas extraction (including extracting oil from oil sands, or gas from hydraulic fracturing). We calculate an economic intensity (tCO_2e/£m lent). Our data score of 3.34 reflects customer specific emissions data accounting for around 33% of oil and gas balances, achieving a data score of 2, weighted at approximately 33%. Around 67% of emissions are estimated based on economic activity, achieving a data score of 4, weighted at approximately 67%.

Reporting frequency and controls

Our scope 3 downstream business lending emissions are externally disclosed within our Climate-related Financial Disclosures, and within our Annual Report & Accounts on an annual basis. For 2025/26, data is provided for the year to 31 December 2025.

Data is validated and approved by data owners and reported internally, with checks and controls undertaken for completeness, accuracy and variance to previous reporting periods. Prior year and baseline data has been restated for shipping and oil and gas following a change to our methodology, including the incorporation of more granular emissions factor data to provide a more robust and representative view of our financed emissions. The methodology underpinning our emissions calculations, including any changes, is governed through our Emissions Governance Framework and approved by our Group CCRC.

Verification

EY provided limited independent assurance over our LTV-weighted scope 3 downstream shipping and oil and gas emissions disclosures for the year ended 31 March 2026.

[5]Gross lending covered by emissions.

Scope 3 downstream emissions – business lending (continued)

For our reported scope 3 downstream investment emissions for registered social landlords (RSL) and commercial real estate (CRE), we calculate both absolute emissions (expressed as tCO_2e/y) and physical emissions intensity (expressed as $kgCO_2e/m^2/y$). Scope 3 RSL data is presented at Group-level for 2025/26, covering approximately 95% of our RSL lending. Scope 3 CRE data covers Nationwide's CRE portfolio only.

Methodology

For RSL and CRE, we use EPC data to calculate our financed emissions, as reported in tCO_2e/y.

Our methodology for calculating financed emissions for our RSL and CRE portfolios is aligned to that of mortgages. LTVs have been used to calculate borrower-level attribution factors, which are applied to predict total carbon emissions at property level for RSL and borrower level for CRE. In both portfolios, attribution factors are based on: (i) total outstanding loan values as at 31 December 2025 and (ii) total property values using valuations at origination and held static at 31 December 2020. For RSL, valuations at origination are also recorded at 31 December 2021–2025 for new business written in those years, after which they remain static. The introduction of a new reporting database has improved the availability and accuracy of original valuation data for new business. Borrower attribution factors exceeding 1 are capped at 1. For CRE, no such adjustments are required as the portfolio is closed to new business, with all valuations at origination fixed at 31 December 2020. For both portfolios, calculating attribution at borrower, rather than loan level, is aligned with the nature of the lending and is confirmed as appropriate by PCAF.

Our emissions and emissions intensity have been weighted by LTV to calculate the proportion of emissions we finance, in line with PCAF methodology. For RSL, LTV weighted carbon intensity ($kgCO_2e/m^2/y$) is calculated using property level LTV weighted emissions (tCO_2e/y) and property level absolute total floor area (m^2). The same calculation is applied to CRE, using estimated property level LTV weighted emissions and total floor area. We believe this approach best reflects the emissions intensity associated with our lending.

Registered social landlords

Our internal EPC Model calculates the emissions and intensity from our RSL portfolio using EPC data where available and estimates the EPC rating and emissions for those properties without a valid EPC. Total property floor area for RSL is calculated using the floor area data contained in a property's EPC, where available. Where we are unable to match the addresses of properties in England and Wales, we use our EPC model to interpolate EPCs and estimate emissions based on data from England and Wales, at six-digit postcode level. Emissions are estimated using data from the EPC Open Data Communities for residential properties where an EPC exists and can be matched at six-digit postcode level (for around 40% of the RSL portfolio). For around 35% of the portfolio, EPC data is estimated using interpolation based on housing data. For around 14% of properties which do not have postcode level data or are based in Northern Ireland and Scotland (where an address match is not possible), EPCs are extrapolated by scaling England and Wales data. The carbon dioxide emissions account for EPC covered emissions only (space and water heating, and lighting). For the remainder of the portfolio 11%, emissions are estimated at borrower level (through syndicated borrowers that does not reflect an individual property's location) using average building emissions and floor area housing data.

Our RSL data score of 3.86 has been calculated using EPC data available for approximately 40% of the portfolio, giving a data score of 3, weighted at 40%; interpolated EPC data across 35% of the portfolio, giving a data score of 4, weighted at 35%, and the remaining 25% of the portfolio (14% through extrapolated data for Scottish and Northern Ireland properties and 11% through syndicated borrowers that does not reflect an individual property's location), giving a data score of 5, weighted at 25%.

Commercial real estate

Emissions and total property floor area for our CRE portfolio are calculated based on a proxy approach. Building emissions (tCO_2e/y) and floor area (m^2) data sourced from the EPC Open Data Communities for non-domestic (England, Wales and Scotland) and residential (England and Wales) properties is averaged at two-digit postcode area level, to estimate absolute carbon emissions and estimate the floor area for each property in the CRE portfolio, at property level. For non-domestic and domestic properties in the CRE portfolio, data from the EPC Open Data Communities, for non-domestic and domestic properties respectively, is averaged at two-digit postcode area level to estimate the absolute carbon emissions and floor area at CRE property level. For Scottish residential properties, data from inspected properties (from the Scottish EPC Register) on our mortgage book is averaged at two-digit postcode area level to estimate the absolute carbon emissions and floor area at CRE property level.

Our CRE data score of 4 reflects 100% use of proxy EPC data, along with average building emissions and floor area data. As such, this could indicate a level of variability in the outcome when compared to using more granular data sources.

Reporting frequency and controls	Verification
Our scope 3 downstream RSL and CRE emissions are externally disclosed within our Climate-related Financial Disclosures, and within our Annual Report & Accounts on an annual basis. For 2025/26, data is provided for the year to 31 December 2025. Data is validated and approved by data owners and reported internally, with checks and controls undertaken for completeness, accuracy and variance to previous reporting periods. Prior year for RSL has been restated following ongoing review of our emissions calculation methodology. The methodology underpinning our emissions calculations, including any changes, is governed through our Emissions Governance Framework and approved by our Group CCRC.	EY provided limited independent assurance over our LTV weighted scope 3 downstream RSL emissions disclosures for the year ended 31 March 2026. CRE is out of scope of assurance.

Data dependencies and limitations

We recognise certain limitations in climate data affect the reliability of climate-related metrics and targets, and their usefulness in strategic decision making. Given the limited availability of accurate public data and customer-specific emissions information for our business customers, we apply reasonable assumptions and judgements to model carbon emissions and risk exposures. The most important are as follows:

Limitation	Details
Energy Performance Certificate (EPC) data limitations	An EPC sets out a property's energy efficiency and is produced by an accredited assessor. It indicates expected heating and lighting costs and provides recommended efficiency measures with associated costs and potential savings. Properties are rated A–G using Standard Assessment Procedure (SAP) points, which estimate annual energy costs and carbon emissions based on the building's structure, heating and hot water systems, lighting and any renewable technologies. Higher SAP scores mean lower running costs, with a score of 100 (EPC A) representing zero energy cost. While EPCs are the best publicly available source of property-level efficiency data, they have notable limitations: • **Incomplete or inaccurate data** – EPCs are only required when a property is built, sold or rented and remain valid for 10 years, meaning only around half of our mortgaged properties have a valid EPC[6]. Any efficiency improvements made to the home (such as insulation upgrades) are not reflected in the EPC unless the homeowner commissions a new assessment, creating gaps in the dataset. • **Methodological limitations** – EPC ratings are highly sensitive to fuel price assumptions, so properties near EPC rating boundaries can be negatively or positively impacted simply due to the timing of their assessment. The methodology also favours efficient gas boilers over low-carbon technologies like heat pumps and relies on estimated emissions and usage data that do not reflect real-world household energy consumption or actual savings from potential measures. • **Changes to assessor methodology** – EPC assessment methodologies are periodically updated to incorporate improved modelling techniques, regulatory changes, and enhanced data inputs. While these updates generally increase the accuracy and robustness of EPC ratings, they can also create inconsistencies when comparing new certificates with those produced under earlier methodologies. In such cases, shifts in assessed SAP point scores within EPC outcomes may reflect changes in the calculation approach rather than genuine variations in building performance. This can, in turn, affect the comparability and stability of the scope 3 emissions we report. Whilst improvements to overall EPC ratings of a portfolio (such as for mortgages) could be observed, portfolio-level emissions may not be reflective of this improvement if calculated at SAP point level. We will continue to monitor this trend through our EPC modelling approach. • **Changes to the SAP methodology** – the UK Government is developing SAP 11 (the Home Energy Model), due in 2027, to improve EPC accuracy and better reflect progress toward net-zero. However, because existing EPCs will take time to be updated, improvements in methodology and grid decarbonisation are expected to take time to be fully reflected in our calculated emissions or intensities.
Calculating our scope 3 emissions	We align our scope 3 downstream (investments) emissions for mortgages and business lending (oil and gas, shipping, RSL and CRE) with the PCAF GHG Reporting Standard, which is widely regarded as industry best practice. However, several limitations remain: • **Incomplete EPC data** – our mortgage and RSL emissions are calculated using EPC data containing floor space and emissions per square metre. However, EPCs are not available for all properties. Where an EPC is unavailable, we use internal modelling and address matching capabilities to match our mortgage portfolio data to the EPC Open Data Communities database, to assess the EPC composition of our portfolio. Currently, the EPC Open Data Communities database does not include properties in Northern Ireland and Scotland, therefore we use our models to interpolate or extrapolate EPCs and estimate emissions based on data from England and Wales. • **Reporting data lags** – emissions calculations rely on multiple public data sources, such as financial statements, EPCs, and government emissions factors, all published at different times. As a result, the inputs do not always align with one another or with our financial reporting period. • **Availability of customer-specific emissions data** – data gaps exist where we are unable to access publicly available emissions data for our business lending customers. Where data is missing, we have estimated the data points to fill the gaps (or have applied an alternative approach to estimating emissions). While emissions reporting requirements for larger businesses continue to expand, the small to medium enterprise (SME) nature of our business portfolio means it may take time for these requirements to be filtered down to smaller businesses in the UK. Additionally, while there is emerging availability of customer scope 3 emissions data, it does not yet meet the level of accuracy and robustness required for inclusion in our business lending emissions methodology for shipping and oil and gas. • **On balance sheet exposures** – in line with PCAF, our financed emissions calculations for business lending currently considers on-balance-sheet exposures only. Undrawn balances are excluded. • **Data scoring** – in line with PCAF, we disclose a data score (on a scale of 1 to 5, where 1 represents the highest data quality and 5 represents the lowest data quality) for our scope 1, 2, and 3 emissions. Data scores help support clear articulation of estimations used in our calculations. Whilst PCAF guidance only covers data scoring for financed emissions, we have internally interpreted this scoring methodology and adapted it to produce scores for scope 1, scope 2, and scope 3 upstream emissions. • **Artificial Intelligence (AI)** - our emissions profile may be influenced by the increasing use of AI, both within the Group and through third-party service providers, which may lead to higher energy consumption and associated emissions (particularly for scope 3 upstream). Due to the limited availability of activity-related data, the potential impact of AI on our emissions is still being assessed.

[6]For those properties where a valid EPC is unavailable, our EPC models estimate a property's floor area and emissions. Through time, we expect the availability of data to improve, and our modelling to evolve.