

Introduction

Nationwide's policies and procedures aim to ensure that its financial crime risks are identified and appropriately mitigated. Our Board's risk appetite means that Nationwide has no tolerance for deliberate breaches of laws and/or regulations; circumvention of controls designed to manage financial crime risks; the facilitation of **money laundering, terrorism financing, sanctions contravention, tax evasion** and/or **bribery & corruption**; or failure to report significant regulatory breaches of financial crime systems by its employees, temporary workers, contractors, its suppliers or its associated persons. These statements summarise our approach to managing these risks, and how we expect suppliers and third parties to support this when entering into contractual arrangements with Nationwide. To support these statements, Nationwide may provide additional detail of its financial crime policies and control standards to any third party, where compliance is required under any contractual arrangement. Such requirements will be outlined in the contractual terms that are established.

Key Statements

Anti-Money Laundering (AML) and Countering Terrorist Financing (CTF): Nationwide is committed to mitigating the money laundering and terrorism financing risks it faces, by establishing Board-approved minimum governing policies and standards, and implementing appropriate controls to protect Nationwide, its employees, members and wider society from the harms of financial crime. This commitment includes, but is not limited to:

- The appointment of a Money Laundering Reporting Officer ("MLRO") and a Nominated Officer, as required by relevant law and regulations;
- A Customer Due Diligence ("CDD") programme which incorporates Identification and Verification ("ID&V") and Know Your Customer ("KYC") principles;
- Conducting enhanced due diligence ("EDD") on customers, relationships and transactions assessed as higher risk, such as those involving Politically Exposed Persons ("PEPs"), their family members and known close associates, higher risk third countries and significant one-off or linked transactions;
- Establishing processes and systems to monitor customer transactions for the purpose of identifying suspicious activity;
- The investigation and subsequent reporting of suspicious activity to the appropriate authorities;
- Mandated, regular Financial Crime prevention training (including the corporate offence of facilitating tax evasion) of our employees including contractors, temporary workers and relevant associated persons or agents whose work is relevant to Nationwide's compliance with UK Money Laundering Regulations

Sanctions: Nationwide is committed to complying with the sanctions laws and regulations of the United Kingdom ("UK"), the United Nations ("UN"), the European Union ("EU") and the United States ("US"), and any other applicable sanctions requirements for the local regimes in which Nationwide operates. This commitment includes, but is not limited to:

- Screening customers, relationships and transactions against sanctions lists issued by the UK, UN, EU and US and any other relevant regimes;
- Ensuring that no unlicensed funds or economic resources are provided, either directly or indirectly, to a target of a sanctions regime;
- Prohibiting business activity that may violate applicable sanctions laws, including prohibitions on entering into or maintaining business relationships, providing products or services or facilitating transactions. This includes prohibitions on individuals or entities named on a sanctions list or activity, directly or indirectly, involving countries or territories subject to comprehensive sanctions;
- Restricting certain business activity involving, directly or indirectly, countries or territories subject to more selective or targeted sanctions programmes that apply restrictions on some types of products or services or target certain industry sectors or governments;
- The investigation of all customer/relationship alerts or transactions that are stopped within Nationwide's screening systems;
- Blocking or rejecting transactions where required under applicable laws or regulations, or where they fall outside of Nationwide's risk appetite;
- Reporting breaches of sanctions laws to the relevant regulatory authority, including internal or external attempts to evade sanctions laws

Anti-Bribery and Corruption: Nationwide is committed to implementing and enforcing effective systems to counter bribery and corruption, to meet its legal and regulatory obligations. The Board is committed to operating with honesty and integrity in all its business activities and to promoting an Anti-Bribery and Corruption culture across the business. This commitment includes, but is not limited to:

- Setting a 'Tone from the Top', where Nationwide's Board makes it clear that the requesting, offering and/or receiving of a bribe will not be tolerated;
- Completing due diligence on all third parties, to assess the bribery & corruption risks of the relationship and inform any mitigation activities required;
- Gifts and Hospitality (G&H) that is accepted or offered must be appropriate, proportionate and never used to influence any business decisions or negotiations. Any G&H that is, or perceived to be, disproportionate, lavish or inappropriate should not be accepted or offered;
- Suspected breaches must be reported using internal reporting mechanisms or (when necessary) the confidential Whistleblowing process

Corporate facilitation of Tax Evasion: Nationwide is committed to implementing and operating reasonable prevention procedures that minimise the risks of the deliberate facilitation of tax evasion by any of its associated persons (including employees, contractors and third parties). The Board is committed to operating with honest and integrity and promotes an anti-facilitation of tax evasion culture. This commitment includes, but is not limited to:

- Setting a 'Tone from the Top', where Nationwide's Board makes it clear that the facilitation of tax evasion by any associated person will not be tolerated;
- Providing a communication programme, colleague training and independent monitoring and review of our anti-tax evasion policies and procedures;
- Completing due diligence on all business partners, to assess the relationship's facilitation risks and inform any mitigation activities required ;
- Suspected instances of facilitation must be reported using internal reporting mechanisms or (when necessary) the confidential Whistleblowing process

Financial Crime Due Diligence – Responsibilities of our Third Parties

To support the identification, assessment and management of our financial crime risks, Nationwide completes due diligence on the third parties that it contracts with. The level of due diligence applied is appropriate to the relationship, including whether services are being supplied to or operated on behalf of the Society. Nationwide requires these parties to provide the following information for it to assess and verify, during both the establishment of a relationship and at any point in a contract lifecycle. The information required by Nationwide includes, but is not limited to:

- Registered Company name, Company Registration Number (or VAT number), Registered/Trading addresses and legal form (e.g. Limited, LLP, PLC)
- The full underlying ownership and control structure of the Company, including any Parent, Group and/or Subsidiary companies;
- The Beneficial Ownership of the business, including individuals and/or entities with 10% or more ownership or control of the third party;
- The Board of Directors or equivalent management body of the immediate third party, and the senior persons responsible for running the entity;
- The presence of any nominee shareholders, nominee directors, trust arrangements or any other professional service providers;
- The signatories to the business relationship, and evidence of their authority to act on behalf of the third party;
- The industry sectors that the business trades in, the products it provides, the nature of its customer base and the jurisdictions that it operates in;

Failure to provide any requested information during the establishment of a commercial relationship (or at any point in the relationship lifecycle) may prevent Nationwide from entering or continuing a relationship with a third party.