Building a more sustainable society

2019 Responsible Business Report

Nationwide Building Society
Welcome

Welcome to Nationwide’s first Responsible Business Report – a companion to our 2019 Annual Report and Accounts.

While our Annual Report and Accounts focuses on our financial results and strategy, and reviews our business performance, this report takes a broader view and looks at all aspects of our sustainability:

• our social impact
• our environmental impact
• aspects of our governance – specifically how we ensure that Nationwide Building Society is responsibly and ethically managed and how we manage the environmental, societal, technological and conduct risks we face so that we can continue building a more sustainable society well into the future.

About the facts and figures in this report

All facts and figures are for the 2018/19 financial year, or as shown in our 2019 Annual Report and Accounts, if different.
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1. Why this report

And why the issues it covers matter so much to us
1 Why this report

Highlights

15.9 million members
2018: 15.5 million

No 1 for customer satisfaction amongst our peer group with a lead of 4.8%
2018: 4.6%

£705 million financial benefit to our members
2018: £560 million

Which? Banking Brand of the Year

£3.9 million awarded to over 100 local housing projects across the UK

£2.4 million donated to the Nationwide Foundation to help people in the UK have access to decent affordable homes

Our Oakfield development: working with local people to build a new community of 239 homes in Swindon

£3 million Open Banking for Good challenge: partnering with fintechs to improve financial inclusion

Our branch promise: every town and city which still has a branch today will keep one until at least May 2021

17% fall in Scope 1 and Scope 2 CO₂ emissions
2018: 16% fall

3% increase in waste generated
2018: 12%

6% fall in water use
2018: 6% fall

Carbon Trust Triple Standard and Supply Chain Standard accredited

79% employee engagement, 2%pts above the high-performing benchmark
2018: 78% / 1%pt

Senior Managers
35% female and 5% BAME
2018: 28% / 2%
BAME = Black, Asian and Minority Ethnic

We are a living wage employer

63% of employees involved in community activities
2018: 66%

1 © Ipsos MORI 2019, Financial Research Survey (FRS), 12 months ending 31 March 2019 and 12 months ending 31 March 2018, c.60,000 adults surveyed per annum. Proportion of extremely/very satisfied customers minus proportion of extremely/very/fairly dissatisfied customers summed across main current account, mortgage and savings. Peer group defined as providers with main current account market share >4% (Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB).
The big picture

As a building society, we have been guided by a social purpose since we were founded 135 years ago. Behaving responsibly, acting with integrity, and contributing to society have always been integral to who we are and what we do.

However, the world has moved on; society is facing new opportunities, challenges and threats, three of which are particularly relevant to us: the national housing shortage, the speed of technological innovation and climate change.

The shortage of decent affordable housing and the impact that has on families and communities across the UK is of course an issue that is very close to our hearts and it’s where we focus much of our attention.

The fact that technological change is revolutionising consumer behaviour, employment and service delivery across every sector is also shaping our thinking and priorities. Staying relevant in this context, continuing to help our members with their financial needs, buy homes, save for their futures and make the most of their money is both a huge opportunity and a challenge, but one that we wholeheartedly embrace.

In relation to climate change, our focus is first on ensuring that we are controlling our own environmental impact. Beyond that, we need to understand and plan for the risks to our business, and investigate any opportunities we have to support society and help our members to prosper through greater and faster adoption of green practices and standards.

This report is designed to explain how we are rising to these challenges, as well as how we do business and how we manage our risks. But we also want to use this report to identify some of the areas where we do not yet have all the answers, where we need to make more progress specifically in setting out our responsible business strategy and targets.

To that effect, we have signed up to the United Nations Global Compact\(^\text{2}\), and one of our first tasks will be to consider how we align our strategy with the UN Sustainable Development Goals. We will share how we will do this in due course.

We are also enhancing our governance and approach to responsible business by creating a Responsible Business Committee which will be chaired by our Deputy CEO, Tony Prestedge. This Committee will establish the Society’s responsible business agenda, tracking the Society’s impact right across our business, setting targets for improvement and reporting back to the Executive Committee and the Board.

I hope you find our Responsible Business Report useful, honest and interesting.

Ultimately, as a building society, we do not believe sustainability should be something extra we do, we believe it should characterise everything we do. This therefore is only the beginning of our journey to set out a more systematic approach to sustainability within the Society.

David Roberts

\(^2\) For more information, see www.unglobalcompact.org
The Nationwide perspective

Social responsibility has been at our core for over 135 years. We were founded with a clear social purpose, and being a mutual organisation allows this purpose to remain front and centre of everything that we do.

Travel back in time to London in 1884 and the creation of the Southern Co-operative Permanent Building Society, from which we trace our roots. Our founders were concerned to improve the lot of, as they termed them, ‘the industrious classes’, forced to live in over-crowded, damp and dirty slums, at the mercy of unscrupulous landlords.

By encouraging people to save prudently and share their resources, the co-operative movement brought people and money together, extending the ‘independence and security afforded by the ownership of their houses’ to working people, dramatically improving their lives. Beyond that, home ownership meant the vote (if at first, only for men) so the impact of this social revolution was huge.

We are still motivated by this social purpose today. It is what inspired me and many other colleagues to join Nationwide. By helping people save, buy homes, and manage their money efficiently, we help people build secure and happy lives and communities. We are a building society, and we are building society, nationwide.

We believe this is overwhelmingly the biggest contribution we can make to society and we support numerous activities which bring substance to that purpose. We continue to believe everyone should have a place fit to call home but, beyond that, it is our job to make sure how we do business contributes positively to the lives and wellbeing of our stakeholders and the environment.

I am also profoundly conscious that, in a time of breakneck technological change, our continued impact and our relevance depend on how we operate, the investments we make, the culture we create, the values we share, and the controls we put in place; and a great many people depend on us getting those things right.

Our stakeholders include our 15.9 million members, our 18,000 colleagues, the 650 or so high streets which are home to our branches, and the wider communities in which we all live and work. We have members who expect the highest standards, investors with a strong interest in sustainability issues and, of course, a large supply chain.

The increasing fragility of our environment due to human activity is undoubtedly the greatest issue of our time and, as a parent myself, I am acutely aware of the responsibility we have to future generations. We still have some work to do to identify how we can best respond to that challenge.

This report is an important way for us to be accountable for our policies and practices, and to ensure that we review and improve our sustainability over time. It will serve as a baseline from which we can review our impact and continuously improve, to help Nationwide achieve its purpose: building society, nationwide.

Joe Garner
Chief Executive
1 Why this report

Our mutual business model

Our mutuality, the fact that we are owned by our members and run for their benefit, makes us fundamentally different from our big competitors.

This is how we summarise our business model in our Annual Report and Accounts.

Our strategy

Our mutual difference means we can pursue a strategy built around our members’ needs and priorities, which we describe using what we have called our five cornerstones:

- Building thriving membership
- Built to last
- Building legendary service
- Building PRIDE
- Building a national treasure

PRIDE is the way we summarise our values. It is an acronym that stands for:

- Putting our members and their money first
- Rising to the challenge
- Inspiring trust
- Doing the right thing in the right way
- Excelling at relationships
Our strategy (continued)

Building Thriving Membership

is about helping more members make more of their money

because...
the more members we help, whether it’s to buy a home of their own, save for the future or manage their everyday finances, the bigger difference we can make.

To achieve this, we will...
develop our core and ‘just for members’ products and enter new markets where we can make a mutual difference for more people

which will mean...
more than 4 million members will be using at least two of our products by 2022.

Our priorities for 2019/20 are to...
develop our range of later life mortgage products and an everyday current account for small businesses.

Built to Last

is about keeping our Society and our members’ money safe

because...
our members need to know that their money, and personal data, are safe and secure and that they can access their money wherever and whenever they need it.

To achieve this, we will...
use our members’ money wisely, and strike a balance between retaining profits, rewarding members and investing in the future of our Society

which will mean...
our capital levels give confidence that we can withstand future challenges and we are profitable, resilient and sustainable for the long term.

Our priorities for 2019/20 are to...
maintain strong capital levels and progress our technology investment, which will help us to grow, support and protect future generations of members.

Building Legendary Service

is about striving to serve our members better every day

because...
our members want the best service, with both the convenience of digital and the human touch of face-to-face service.

To achieve this, we will...
transform our service so that things work seamlessly for our members whether they are online, in a branch or speaking to us on the phone

which will mean...
we are recognised as one of the best for customer service, both amongst our peers and in the UK as a whole.

Our priorities for 2019/20 are to...
continue our £350 million branch transformation and extend and improve our digital and mobile experiences.
Our strategy (continued)

Building PRIDE

is about creating the right culture to do the best for our members

because...

a positive and energising work environment, where our colleagues are trusted to make the right decisions at the right time, will in turn benefit our members.

To achieve this, we will...

create a distinctive experience for our colleagues that supports their performance and growth, and recognises their contribution

which will mean...

we are recognised as one of the best places to work in the UK.

Our priorities for 2019/20 are to...

attract and develop the digital and data talent we need for the future, grow our leadership capability, and inspire and enable our colleagues to keep learning.

Building a National Treasure

is about supporting communities and making a difference

because...

we have a social purpose, to build society, nationwide, and believe that everyone deserves a place fit to call home.

To achieve this, we will...

make sure our actions are consistent with our values, take a bolder stand on issues affecting society, and invest in local communities

which will mean...

consumers think of and trust us to meet their financial needs, and we make a difference on the things our members care about.

Our priorities for 2019/20 are to...

continue our five-year social investment via our Community Boards, our Oakfield housing project and our Open Banking for Good challenge.
The context for this report

Much of the work we do to build a more sustainable society is captured by our cornerstones and we have tried to draw out those connections in the following report. Over the coming year we will review our strategy to make sure it fully reflects our Responsible Business goals and measures.

We recently set up a Responsible Business Committee under the leadership of our Deputy CEO, Tony Prestedge, which will report to our Executive Committee. Its remit will include establishing our vision, how we will turn that into reality, tracking our progress across the Society and identifying the key objectives our stakeholders want us to report on. We’re committed to continuously improving our disclosures and we will report on our progress next year.
2. Our opportunities

How we build society, protect the environment and enable others to do the same
2 Our opportunities

2.1 Building society through our core business activities

We principally build society through our core business of helping our members with their personal financial needs.

We try and do that with fair, member-focused propositions that can support our members wherever they are in life and help them make the most of their money (our building a thriving membership cornerstone).

In addition, we aim to provide truly helpful, personal service (our building legendary service cornerstone) and keep our members’ money and data safe (our built to last cornerstone).

The goals we have in this area are:

Building a thriving membership
- helping our members make more of their money and achieve what they want out of life
- extending our propositions to help our members with even more aspects of their lives – many of our members run their own businesses, so we will soon be launching business banking for small businesses

Building legendary service
- sustaining significantly better service than our peers – both in person and across our digital channels
- ensuring that in the future we can compete on quality of service with the fintech providers

Built to last
- doing all we can to keep our members’ money and data safe.

Chris Rhodes
Leader of Product & Propositions

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In addition, we aim to provide truly helpful, personal service (our building legendary service cornerstone) and keep our members’ money and data safe (our built to last cornerstone).
Members not customers

The Building Societies Act specifies that people who have deposits or mortgages with a building society are members of that society and can vote on how it is run. Current accounts, savings accounts and owner-occupier mortgages are our core member-making products and are key to the impact we have on our members’ lives and on society as a whole.

In 2018/19:
- Our membership increased from 15.5 million to 15.9 million.
- We helped one in five first-time buyers into a home of their own.
- We looked after £1 in every £10 saved in the UK.
- Almost 10% of all current accounts in the UK, and 8% of main current accounts were with us.

We do, in addition, offer buy to let mortgages through our subsidiary The Mortgage Works, but these products do not confer membership.

Making membership meaningful

Making membership meaningful is partly about making it feel valuable.

This year, we returned £705 million to members through ‘member financial benefit’; this is the extra value we deliver to our members, through better average interest rates, fees and incentives than the market average. For example, members can earn up to £500 a year when they recommend us to friends or family members who go on to open a current account with us.

You can find more information on Member Financial Benefit in our Annual Report and Accounts.

The more members we have and the more we do for them, the more we can help them make the most of their money and achieve their goals, and the bigger the difference we can make to their lives and so to society as a whole. That is why we are focussing on broadening and deepening our relationships with our members. Of our 15.9 million members, 3.4 million have two or more of our products.

The chart shows how we are deepening our relationships with more of our members. We are on track to have 4 million members with two or more products by 2022.

Members with two or more of our products

3.0 3.1 3.2 3.4 4
2016 2017 2018 2019 2022
target

Source: CACI (February 2019) and internal calculations. ‘Main current accounts’ includes main standard and packaged accounts.

Members with their main personal current account with us, a mortgage with a balance greater than £5,000, or a savings account with a balance more than £1,000 and at least one other product.
Helping our members with more of their financial needs

Entering new markets where we can make a mutual difference

Later life lending

Recent figures from the Office of National Statistics (ONS) reveal that auto-enrolment has increased participation in workplace defined contribution pensions but also reveal that many employees and employers are only contributing at low levels. At the same time, even though life expectancy appears to have plateaued recently, people are generally living longer than they were at the start of the millennium. Structural societal changes such as these are creating both new challenges and new opportunities for people as they approach or enter retirement.

For those who do so with less income or fewer resources than they would ideally have liked, borrowing in later life can expand their choices.

The fact that many of our members are at the point where later life borrowing might help them has also shaped our thinking.

So this year we launched our later life lending range to help our older members looking to access the value in their homes and we have trained a team of dedicated advisers to advise members on the right option for them.

Nationwide for Business

Business banking too is an area where we feel a mutual provider could make a big difference, shake up the market and provide a real, more customer-focused and caring alternative. It’s a market which is 85 per cent dominated by five big banks and where switching levels are low, despite the view that many are being underserved.

As a result, we will soon inject much-needed competition into the market and launch our business banking proposition focussed on supporting the UK’s 5.6 million small businesses.

Our account will meet the needs of small businesses in a straightforward way, combining fair value with market-leading service levels. Our business customers will be able to access our nationwide network of around 650 branches along with dedicated UK-only call centres. They will also benefit from the latest technology through our investment in a new state-of-the-art digital banking platform.

Our successful bid for £50 million from the Capability and Innovation Fund, administered by Banking Competition Remedies Limited will enhance these plans. We will deliver a fully-fledged business banking proposition including savings, credit cards and unsecured loans. We will also develop a suite of associated products and services aimed at making the lives of business owners easier, from support with accountancy and cashflow to assistance with foreign payments.

1 Source: ONS, ‘Pension participation at record high but contributions cluster at minimum levels’, May 2018.

2 Source: ONS, National Life Tables, UK: 2015-17, September 2018.

3 See, for example, the final report of the CMA retail banking market investigation, August 2016.
2 Our opportunities

2.1 Building society through our core business activities

Helping our members with more of their financial needs (continued)

Delivering new propositions through new partnerships

In 2018, we set up Nationwide Ventures. Our goal is to accelerate innovation by working in new ways with start-up businesses. We look for inspirational teams to partner with and invest in – those that are developing solutions that could benefit Nationwide’s members and society. We invest globally in companies at ‘seed’ and ‘series A’ investment stages.

Our first investment was in June 2018, when we invested in acasa, which runs a new kind of payments platform for the home.

The acasa app enables renters to set up and manage their core household bills and expenses. It makes life easier for those who live with friends or a partner, and need to split bills and payments. With the acasa app, they can set up core utilities in minutes, log household costs and payments, and check in and out of their home at the press of a button.

The acasa team also partners with utility providers to benefit their customers, such as Octopus Energy. With Octopus Energy, acasa offer their own unique ‘acasa Green’ tariff through the app, which provides 100% green energy at affordable prices.

Lending to the social housing sector

We are proud to support providers of affordable housing throughout the UK and have been lending to the social housing sector for over 50 years.

We lend to housing associations ranging from small almshouses to the large national providers and with £6.0 billion of outstanding lending (4 April 2018: £6.8 billion), we are one of the key lenders to social housing providers in the UK.

Our support for the sector is a strong fit with our social purpose, and the homes we are helping to finance equate to housing a population the same size as Manchester. Our relationship managers are experienced in the social housing sector, which means our customers benefit from our strong sector knowledge and dedicated customer service. We maintain regular dialogue with the Social Housing Regulator and other key sector stakeholders to contribute on social housing issues and policy.
Our service proposition

Convenient, caring service plays a big role in our proposition – it’s another way in which we can make our members feel valued and membership of their Society feel meaningful.

That’s why we are so focused on achieving leading levels of service satisfaction. Our members tell us that the strength of our customer service is an important factor in their decision to choose our products⁸, and we believe that over time our service proposition will help us attract many more members.

Measuring our service satisfaction

Market research experts, Ipsos MORI, conduct the independent Financial Research Survey (FRS) which measures customer satisfaction. Our customer satisfaction is currently benchmarked against a peer group of providers with a main current account market share greater than 4%. In March 2019 we had a lead of 4.8% over our nearest peer group competitor for customer satisfaction⁹.

We are required by the Competition and Markets Authority to publish a comparison of service quality amongst the 16 largest current account providers in Great Britain. On this measure, we rank third for overall current account customer service¹⁰.

We also measure customer satisfaction in each of our distribution and service channels. As the table below shows, in 2019, net customer satisfaction with our branch and digital channels was close to or slightly above 90%¹¹, very similar to that in 2018. Customer satisfaction with our telephony service was also stable this year, although at a slightly lower level than our other channels.

Members’ satisfaction with our channels¹¹

We recognise, however, that what people consider to be great service is shaped not just by our largest competitors. That’s why we compare our service against the best in the UK, tracking our place in the all-sector UK Customer Satisfaction Index. In 2018/19 we achieved our goal of breaking into the top five, being ranked joint fifth in January 2019, up from joint seventh in January 2018¹².

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⁸ Source: Online survey conducted by Join the Dots | InSites Consulting (a global market research agency) in April 2019 with 372 Nationwide members via the Nationwide Connect online community. Results based on the proportion of those who found customer service a very / quite important factor in taking out a new product with Nationwide in relation to other factors.

⁹ © Ipsos MORI 2019, Financial Research Survey (FRS), 12 months ending 31 March 2019, c.60,000 adults surveyed per annum. Proportion of extremely/very satisfied customers minus proportion of extremely/very/fairly dissatisfied customers summed across main current account, mortgage and savings. Peer group defined as providers with main current account market share >4% (Barclays, Halifax, HSBC, Lloyds Bank, NatWest, Santander and TSB).

¹⁰ These results are from an independent survey carried out between February 2018 and December 2018 by GfK UK Limited as part of a Competition and Markets Authority regulatory requirement. To find out more, visit ipsos.uk/personal-banking-service-quality.

¹¹ Source: Member surveys commissioned by Nationwide, and collated by KPMG Nunwood. 12 months to March 2019 and 12 months to March 2018. KPMG Nunwood has not independently verified the information provided and accepts no liability for any inaccuracies or omissions.

Our service proposition (continued)

Staying ahead of the competition

Technology is transforming how people manage their money. Our own mobile app usage for instance is growing rapidly: this year, the number of members using our mobile app rose by 32.6%, and logins increased by 43%. People’s expectations around service are rising and we are facing growing competition, not just from traditional banks but also new digital challengers.

This revolution poses opportunities as well as threats, so we are investing an additional £1.3 billion in technology over the next five years, bringing our total strategic investment to £4.1 billion, to help us meet these rising expectations and equip the Society for the future. See page 55 for more details.

That investment is already feeding through into improvements in our branch, telephone and digital services.

Transforming and committing to our branches

We know that branches are still important to members, with around 40% of current account openings still happening in a branch.

To make experiences in branches even better, in 2018/19 we converted over 100 branches to our new open plan format, which combines the latest technology with spaces for face-to-face conversations, as part of our ongoing £350 million branch investment.

And we have recently promised that every town and city which has a branch today will keep one until at least May 2021.

This commitment to our branches is also part of our commitment to our high streets in our towns and cities. We are working with some of the leading experts in this area to develop new insights and solutions to help high streets thrive. We will be taking this agenda forward over the coming year.
Improved digital services

Alongside our branches, members want to make the most of the speed and convenience of digital devices. We now have over 2.7 million members who are active mobile users – almost a third more than last year – and they are logging in, on average, nearly every day.

Net satisfaction with our app is over 90%13 but we are not complacent and we continue to invest in our digital services to give members more control over their money. New mobile functionality means members can now set up new payees, report lost or stolen cards, set up standing orders, and change their passcode on the move.

We’ve redesigned some of our processes to make it faster and easier to take out a mortgage or open a current account online, and we will be extending these improvements to more of our services over the next few months.

We’re also exploring how we can use Open Banking rules that apply across our industry to put members in control of their money. Since last year, members have been able to share their financial data with Open Banking approved third parties. We’ve also created – in collaboration with the Inclusive Economy Partnership – an Open Banking for Good challenge, working with partner organisations and fintechs to create apps using Open Banking technology that will help financially squeezed people manage their money. See page 35 for more information.

We will be able to go further and faster in developing our digital services over the next few years, thanks to our technology investment. This will help the Society meet the changing lifestyles of our members, providing them with excellent service however they choose to deal with us. See page 55 for more on that.

Improving our telephony service

We have worked hard to address capacity constraints in our contact centres this year. We have also empowered our people to do what matters, and given them access to a knowledge base that helps them answer queries quickly and efficiently, reducing repeat calls.

“As a mutual, we exist to serve the needs of our members and we are driven by that purpose. Our members tell us they want digital convenience and a human touch. That’s why we are both investing in technology and making a promise to maintain our branches. Even with the latest technology, members appreciate being able to meet with real people who can help them with their financial affairs or even just listen.”

Joe Garner, CEO

13 Source: Member surveys commissioned by Nationwide, and collated by KPMG Nunwood. 12 months to March 2019. KPMG Nunwood has not independently verified the information provided and accepts no liability for any inaccuracies or omissions.
Emma’s sons told her they wanted to look after their own money. That’s why she took Carl and Jacob into their local branch to open their very own FlexOne current accounts.

‘I chose Nationwide because I wanted an organisation that I can trust to look after my sons’ interests. The team were so welcoming and I knew instantly that I’d made the right choice. To me, a building society feels safer and more caring than the big banks, and that’s what I want for my boys.’

Carl and Jacob had a great time when they went into branch and met Luke, one of our Personal Banking Managers.

‘We loved opening our accounts. Luke was really nice and he told us all about saving our money. He even told us we own Nationwide and that we’re his boss!’

Emma’s really pleased that she and her family have a branch nearby.

‘It means we feel like we have a real relationship with Nationwide. It makes us trust them and know that we’re part of something. And thank you so much to Luke for being so amazing. You made my boys feel like they matter. That they’re not just a number.’
2 Our opportunities

2.1 Building society through our core business activities

How we handle complaints

Another key measure of our service performance is how we respond when our members complain. We aim to manage complaints in the best possible way for members, and we quality assure our responses to ensure our members get fair outcomes.

During 2018/19 we saw a 2% annual reduction in our complaints figures, even though our membership has been increasing. And we resolved 75% of member complaints within 14 days. But we know we can do better. Over the next 12 months, we want to increase this percentage to at least 85%.

If anyone feels we haven’t dealt with their complaint fully or fairly, we ensure they know they can approach the Financial Ombudsman Service (FOS), as required by the regulator. The FOS then makes an independent judgement; they can either uphold the complaint or endorse our response.

During 2018, we had a lower uphold rate than most of our peers and performed well compared to the industry as a whole. Recent data (H2 2018) shows that our uphold rates were 25% for banking & credit against an industry average of 45%; and 16% for prime mortgages and home finance complaints against an industry average of 25%. The uphold rate for buy-to-let mortgages and home finance complaints was higher, at 29%. However, an improvement has been seen in recent months and we expect to be below the industry average in 2019.

As a mutual building society, we seek to resolve complaints in the best interest of all our members. Sometimes we get individual cases wrong, but we will continue to focus on improving our complaint performance and learning from experience to reduce the uphold rate further.

We regularly report our performance in this area direct to the Board and its Executive Committees. Senior managers charged with responsibility for the Society’s everyday operations and service review the data weekly.

Enabling our people to be their best

Our opportunities

Improving how we talk to our members

Tackling overly technical language

Historically, the financial services industry has tended to use overly complex language that puts consumers at a disadvantage and can lead to poor outcomes. According to the National Literacy Trust, over 7 million adults in England alone have very poor literacy skills which mean that reading information from unfamiliar sources, or on unfamiliar topics, could cause problems. Improving the clarity and simplicity of the language we use is therefore a priority for the Society. We share tone of voice guidance with all our marketing, digital content and compliance teams as well as external agencies.

Letting our members choose how we communicate with them

Marketing and communicating digitally has its benefits. For example, it’s cost-efficient and convenient, and allows organisations to capture data. Many of our members prefer that option and choose to go paperless. But some of our members prefer post to email or text. To make sure we include all members, we continue to offer everyone printed communications (except for our online only products and services, such as FlexDirect).

How we communicate with customers who need extra help or support

We want to make it easy for everyone to use Nationwide’s products and services and are working hard to continually improve how we communicate with members who need extra help or support.

Many factors, including illness, disability or life events such as redundancy, bereavement or a relationship breakdown, can put a member at greater risk of suffering detriment. However, members whose personal or financial circumstances could make them vulnerable might not actually be vulnerable or recognise or think of themselves as vulnerable. If we believe a member is potentially vulnerable, we focus on whether their circumstances change what they need and how we can help them.

For members with sight loss, we can provide communications, including letters, account statements and terms and conditions, in large print, Braille or audio CD, and over 80% of our ATMs have speech functionality. We can provide chip and signature card to allow members use debit or credit cards without a PIN, and we will soon move to dot and notch cards which are RNIB approved.

We’ve partnered with SignVideo to give deaf or hard of hearing members access to an online British Sign Language interpreter. With prior notice, we can arrange for a sign-language interpreter to accompany them to branch appointments.

All of our branches have induction loops, which improve sound quality for people with hearing aids with a T setting.

We do all we can to ensure that people who do not speak or speak only limited English are treated fairly and are not excluded from accessing our products. We give guidance to our branch colleagues to ensure non-English speaking members are given the advice and information they need and can arrange appointments using a translator or an employee that speaks their language.

Helping members borrow what they can afford

When we talk to members about borrowing, we follow the rules set out by our regulator:

• We ensure members are aware of all their options.
• We provide clear information on the cost of borrowing, any fees and charges, and our terms and conditions, and
• We encourage members to borrow only what they can afford.

15 literacytrust.org.uk
Supporting members through challenging life events

How we help our members when they most need us is perhaps the litmus test of our commitment to caring service.

When members struggle with their finances, we need to spot the signs that they might need our support. It could be a health issue, a life event such as redundancy or just low financial resilience. Sometimes their ability to cope might be damaged by a combination of factors. We can often identify members who might be struggling by picking up on their behaviour as well as external data.

Once we know they need a little extra help, then there are a number of ways in which we can make a real difference, and that may well mean involving other organisations and agencies.

In branch and over the phone – our member-facing colleagues often know our members well, so they adapt their approach to provide support in the best way for the member. This local personal support, provided by people who are familiar to members and trusted by them is so important to helping members to stay independent and in control; another reason why our members value our branches so much.

Specialist support – if colleagues recognise that a member needs more specialist support, they get in touch with our centralised specialist support service, which we launched in 2015 with Macmillan Cancer Support. The service has since evolved to support over 14,000 members with many different needs. The service also provides a help desk for colleagues.

The specially trained team’s support is tailored for individual members and includes:

- helping assess and manage changes to members’ finances and Nationwide products such as current accounts, savings, loans, mortgages and credit cards
- helping members look to the future, plan, and understand their choices so they can stay in control, and
- a dedicated specialist support manager when a member’s concerns are complex or take a little longer to resolve.

Sometimes, we can help reduce the financial impact on members after reviewing their situation. If a member has different products, the team can also coordinate questions and solutions across our business.

If members need other types of support, we can guide them to the right places, such as charities. This includes working with Macmillan Cancer Support and accessing their financial guidance service and grants programme which might unlock more financial support.
Supporting members through challenging life events (continued)

Where members are facing serious financial difficulties

We aim to support everyone sympathetically in ways that reflect each member’s circumstances.

Our service teams establish how much support a member needs. They do this by considering when their situation might improve. That’s because extended periods of financial difficulty might need longer term solutions, consistent with our lending policies. The teams can also explore various forbearance options with members based on their circumstances. In short, our members’ wellbeing is at the heart of the triage team’s work. Their aim is to provide affordable and sustainable solutions that put members in the best possible situation as quickly as possible. The sooner we can address problems, the better the outcomes for our members.

We don’t advise on debt, or deal with debts owed to other creditors. But we do tell members where they can get free advice and practical support – see overleaf, ‘Working with others to support our members’ and our partnership with PayPlan. We also communicate with members in other ways, for example, in writing with year-end statements or change of payment letters; or through our website’s ‘Money worries’ section, which offers support tools.

Some of the options we may agree to are:

- a temporary concession to pay less than a regular payment for an agreed time
- extending a mortgage term or changing the date or method by which a payment is made, or
- giving members time to obtain independent financial advice.

Repossessing responsibly

If we cannot find a solution that’s in our members’ collective best interests, as a last resort we may need to go to court to recover the debt and seek to possess their property. When we possess a property, we give written notice to all legal and equitable charge holders that we intend to sell it. We also confirm, where applicable, that the member voluntarily surrendered the property.

We aim to get the best possible price for a property. To do this, we obtain two agent appraisals and a RICS16 valuation (or a Home Report in Scotland). If there’s over 10% difference between valuations, we ask for another. To secure the best price, the asset manager will set the sale price – which is the highest of either the average of the estate agents’ appraisals or the projected market value. We market possessed properties for sale as quickly as possible, typically within 14 days of taking possession.

This is subject to any delays due to the property’s condition; the expiry of a period when a grant is repayable on resale; resolving issues regarding title; or not having vacant possession.

We apply the net proceeds from selling the property to the member’s mortgage account. We deduct any costs from selling the property – such as conveyancing, additional solicitor fees and asset manager fees – from the sale proceeds, and pay the relevant parties. We then return the surplus to the member.

We provide members with all the support and advice they might need to understand each step. This includes areas such as how legal action may affect them, legal costs, benefits they might be entitled to, and issues involving finding a new home.

We were recognised for going above and beyond in supporting our members through the collections process, and were awarded the Outstanding Conduct in Collections award at the Credit Awards in 2018.

16 Royal Institution of Chartered Surveyors
2 Our opportunities

2.1 Building society through our core business activities

Working with others to support our members

CareerCake

We piloted a ground-breaking initiative with CareerCake, providing unemployed members with web-based video support. The support included coaching for finding jobs, writing CVs and interview skills.

The first member using the CareerCake service had been in and out of work for six years, and was suffering from anxiety and depression. We contacted her three months later, and she was excited to say she had secured employment. She was very complementary about the support, and told us the coaching had led to more interviews and, ultimately, a job. She can now fulfil all her commitments with no more forbearance from us or other creditors.

Now we’ve completed the one-year pilot, we’re rolling it out across the Society, so as many members as possible can benefit.

PayPlan

We were the first high-street lender to partner with PayPlan using its web enquiry form to refer members to free debt advice.

This improved member outcomes with a six-fold increase in engagement. In an industry first, we pioneered a web enquiry form through parts of our branch network. We’re also working with the Money Advice Service to share the outcomes of our work.

Our partnership has enabled PayPlan to engage with various high street financial services organisations.

IncomeMax

Members sometimes need a little extra help to make ends meet. In many cases, extra financial support is available to them but they need help understanding what they are entitled to and how to claim. This is where the advice services provided by IncomeMax comes in, helping people find ways to increase income, reduce bills and deal with problem debts.

IncomeMax can also assist members by calling Government departments, helping them complete claim forms and resolving incorrect benefit decisions.

Since working with Nationwide, IncomeMax has helped members access over £1 million of extra income.
Helping to keep our members’ money and data safe

**Preventing fraud**

UK Finance reported that in 2018 £354 million was lost in the UK through authorised push payment scams, which is when a customer is duped into authorising a payment to another account controlled by a criminal. Behind those figures there are thousands of human stories. Fraud can and does damage lives, so we do all we can prevent it.

We monitor our members’ current accounts round the clock for any unusual activity. We have a whole department as well as robust systems dedicated to detecting fraud and we are constantly on the look-out for warning signs. If we spot anything unusual, we contact our members to check it’s them making the payment.

We recognise that we can only beat the fraudsters by bringing our members with us and giving them the know-how they need to keep safe. Our website’s Security Centre provides information on the latest scams as well as tips on how members can protect their devices, details and money.

Our branches provide a powerful human touch to help tackle fraud – intervening when something appears out of character or doesn’t feel right. Our branches also run community events about fraud (often in partnership with the Police) to help members learn how to protect themselves from the scammers. We also give our members face to face training on how to protect themselves against fraud at events like our Annual General Meeting and the TalkBacks we hold around the country. (TalkBacks are sessions where our members meet with our directors to share views and ask questions.)

Our Digital Promise means we will refund any money taken fraudulently from members’ accounts through our Banking app, Internet Bank or Open Banking service. But we make sure that members are aware that the Promise doesn’t protect them if they make the payment themselves because a fraudster convinced them to. They need to play their part in helping us keep their money and data safe and be aware of the scams and risks. To promote awareness of the risks, we now show our members prominent warnings relevant to the payment they are making whenever they want to pay someone new on our Banking app or Internet bank.

Generally, we believe it would be unfair to expect members who are careful with their transactions to pay for the actions of others who don’t exercise the same degree of care. However, we also believe that as a member-owned organisation we have an opportunity to support each other when times are tough so if a member is vulnerable and that vulnerability led to them making a payment or allowing access to their account, then we would typically refund them. This is a wider industry initiative that we have signed up to because we think that’s something our members would expect of Nationwide.

**Strengthening our cyber security**

We work hard to protect members’ data, and have invested considerably in cyber security and resilience, focusing on developing robust preventative controls, intrusion detection systems and response plans to protect services and member data.

Our cyber security programme has a multi-million-pound annual budget. The programme has been running for four years, and our current plan covers the next three. See section 4 page 63 for more details on the policies and plans we have in place to strengthen our defences.

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**Source:** UK Finance Press Release March 2019
Our building a national treasure cornerstone reflects our ambition to be seen and recognised as a responsible and caring provider of financial services, and a leader on the issues that matter to our members.

We cannot hope to make that impression and achieve that recognition unless we show people that we really are different. This means taking every opportunity to substantiate or prove our difference. Our social investment programme is an essential and wonderful part of that.

In 2007, members voted to invest at least 1% of our pre-tax profits in charitable activities. In 2017 we developed a new social investment programme focused on making a lasting difference to local communities by finding and supporting local solutions to national housing issues, as directed by our members.

Members told us to concentrate on housing issues partly because this is our area of expertise and partly because the lack of decent affordable housing is one of the most pressing social problems in the UK today. It not only harms individuals and families with many people living in unsuitable, unsafe or unaffordable accommodation; it also hurts communities and society as people struggle to put down roots and build relationships.

Our vision is for everyone in the UK to have a place fit to call home.

Our goals are to:

- involve our colleagues and our members in picking and funding local grassroots housing charities that make a real sustained difference to their communities
- provide funding to the Nationwide Foundation to enable it to identify and support potentially radical changes to the housing sector
- plan and build a housing development of 239 homes – that will also provide a blueprint to inform future developments across the country
- improve standards in the private rental sector
- work with key partners to prevent homelessness and help the homeless get the support they need.

Social investment statements in this section have been assured to ISAE 3000 standard by Corporate Citizenship, an external Corporate Responsibility Consultancy. The assurance statement is available on our Corporate Information page on nationwide.co.uk
Our community grants programme

This is our flagship social investment programme. It enables local organisations with great housing solutions to apply for grants up to £50,000. First, we shortlist applications, then our local Community Boards – comprising members, employees and housing experts – come together to award the grants.

Over the course of the 5-year programme, we will be awarding £22 million in grants across the UK. In 2018/19, we awarded £3.9 million to over 100 housing projects across the UK.

All projects receiving a community grant must meet certain eligibility criteria, such as addressing local housing needs and operating a project that will last beyond the life of the grant. We also monitor and assess the grants over the course of the project to ensure they meet the original aims.

We measure the additional impact they have, such as how many Nationwide volunteers work with the project and any extra community support provided.

To find out more go to nationwide.co.uk/communityfunding.
The Rock Trust aims to prevent youth homelessness and support young people to build better futures. Last year, they received a £50,000 grant from Nationwide’s Community Board in Scotland.

Ally is Head of Services at the Rock Trust.

‘When young people leave foster care, they face temporary accommodation and uncertain futures. Our Housing First project helps them break out of that cycle by offering them a permanent place to live and support to stand on their own two feet. With Nationwide’s help, we’ve doubled the number of young people we can support.’

Hannah is 17 and used to be Scotland’s most reported missing person.

‘The Rock Trust stepped in when I most needed it. I used to run away all the time and I didn’t feel like I could trust anyone. Now I’ve got a place to call my own, I’m at college and I don’t drink or do drugs anymore. I feel like this is my home. And I know I have help no matter what.’

Adam (pictured) is one of Hannah’s Rock Trust project workers who supports her day-to-day.

‘The biggest change I’ve seen in Hannah is her confidence. She lives on her own, supports herself and has made such a positive change to her life. And Nationwide’s grant is helping us do that for so many others now, too.’
Our Oakfield development in our home town of Swindon is part of our commitment to find local solutions to the housing shortage.

We’ve employed a Community Organiser to work with local people, giving them a powerful voice in shaping the community we are creating, and worked in partnership with Swindon Borough Council. The development is not for profit and is making use of a brownfield site that failed to attract commercial developers. It will create a new neighbourhood of 239 homes.

This is about more than houses, it’s about community, fostering neighbourliness through shared gardens and places to get together. Unusually, we are also bringing together older and younger people who told us they would like to live side by side. Through clever design, people will be able to stay in their homes through later life.

We received our planning approval from Swindon Borough Council in July this year.

Our hope is to be on site by the end of 2019, with homes ready to move into in 2021. You can find out more at nationwide.co.uk/oakfield

We’ll share what we are learning – to encourage other responsible businesses to follow and learn from our example – as well as to challenge housing suppliers and policy makers to think differently.

‘Building on our housing heritage, our mutual purpose, and our founding principle that people can achieve more together than they can alone, we aim to show that it’s possible to develop quality homes at fair prices.

By challenging existing practice in just a small way here in Swindon and ensuring the views of locals shape our development, we hope to make an innovative contribution to the national housing debate.’

Joe Garner, CEO
2 Our opportunities
2.2 Building society by investing in our communities

Raising standards in the private rental sector

Many people now rely on the private rental sector for their long-term housing needs and our members include landlords and tenants.

Through our subsidiary, The Mortgage Works, we are a significant lender in this sector. That’s why we want to raise standards in private renting, in ways that consider everyone’s needs.

Over a year ago, we established the Private Rental Sector (PRS) Partnership Board. Its aim is to work with tenant, landlord and agent organisations on improving the sector.

So far, we have supported Karen Buck MP’s Fitness for Human Habitation Bill, which became law in March 2019. We also campaigned for greater access to the Government’s rogue landlord database, which it has now promised.

Most recently, the PRS Partnership Board agreed a joint response to the Government’s consultation, supporting a dedicated housing court. Together, we agreed seven strategic themes for change, which will be the foundation for our work in the immediate future.
The Nationwide Foundation

Nationwide gives 0.25% of its pre-tax profits to The Nationwide Foundation which is an independent charity. Its Decent Affordable Homes strategy is closely aligned to the Society’s objectives, and encompasses three programmes:

- Nurturing ideas to change the housing system: backing promising housing ideas, allowing them to be tested, and ultimately helping them become implemented widely
- Backing community-led housing: strengthening, supporting and championing the growth of community-led housing, so more people who need affordable homes will benefit, and
- Transforming the private rented sector: ensuring the sector provides more affordable, secure, accessible and better-quality homes for people in need.

Examples of projects funded by the Nationwide Foundation:

**Affordable Housing Commission**

In October 2018, the leading thinktank, the Smith Institute, launched the Affordable Housing Commission with funding from the Nationwide Foundation. The commission is examining what causes the housing affordability crisis and how it affects people – and will propose solutions. The commission will define, agree and apply a clearer definition that will help make homes in England genuinely affordable.

**Reviewing the private rented sector**

The Nationwide Foundation funded a landmark review of the private rented sector in England, which provided robust insights and evidence. Housing experts, politicians and charities welcomed its launch in 2018. Academics at the University of York conducted the review ‘The evolving private rented sector: its contribution and potential’ independently analysing who lives in private rented housing, how the sector meets their needs, and how policies have changed the situation over the last ten years.

**Citizen-led homes in Bristol**

The Nationwide Foundation is funding Knowle West Media Centre in Bristol to help the community deliver its own affordable housing and address the shortage of homes on this high deprivation housing estate.

The innovative We Can Make project is supporting people who want to move, typically to downsize, but who also want to stay in the community they call home.

We Can Make will create up to 350 new one and two-bedroom homes using micro-site space that already exists in Knowle West, typically in large back gardens, on land between buildings and on grassed verges.

Find out more about the work the Foundation supports at nationwidefoundation.org.uk or follow @NationwideFdtn

The Nationwide Foundation is a registered charity (No. 1065552) and a company limited by guarantee in England and Wales (No. 3451979).
2 Our opportunities
2.2 Building society by investing in our communities

Supporting our people’s volunteering and fundraising

We don’t just support our communities with grants, we encourage our people to give of their time, energy and talents too.

In 2018/19, 63% of our people were involved in supporting community activities, including fundraising, volunteering and payroll giving.

Our members and colleagues raised £870,000 for charity.

We run an employee matched funding scheme, which enables colleagues to apply for up to £500 of extra fundraising each year.

Our Colleague Funding programme allows employees to apply for a grant of up to £5,000 for their local charity. We granted £500,000 to 129 local charities in 2018/19.

Each employee has up to 14 hours each year to volunteer for local good causes during working hours. Based on the 34,000 hours they logged, the value of the time they gave last year was £650,000.

A network of over 350 employees across the UK help champion, shape and co-ordinate our social investment programme, organising and galvanising their colleagues to support their communities.

72 colleagues from across the UK, from both our administration sites and our branch network, are members of our Community Boards, helping us allocate community grants.

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19We work out the monetary value of our people’s volunteering using their individual hourly rates.
Our charity partnerships

We partner with Shelter and St Mungo’s to help us find solutions for the housing crisis and support vulnerable people with housing issues. In 2018/19 we donated a total of £840,000 to our charity partners.

We also support Macmillan Cancer Support and the Woodland Trust (see page 42).

Shelter – a home for everyone

We’ve supported the housing and homelessness charity, Shelter, since 2001, and raised more than £5 million for the organisation. We help fund Shelter’s national helpline, which provides free expert advice all year round. We also work with Shelter on projects such as campaigning for change and encouraging other businesses to do so. To help spread the word about Shelter, we donate £5 for every first time buyer mortgage taken out with us.

For Shelter’s 2018 Christmas campaign, we ran UK-wide employee fundraising days and a Christmas hamper gift collection. We also sponsored Shelter’s Christmas carol concerts and matched all the funds raised. And for the first time, we produced a television advert supporting Shelter and its work as part of our Christmas TV advertising.

St Mungo’s – supporting rough sleepers

This year, we launched a new partnership with homeless charity St Mungo’s, to help our colleagues know what to do if they find a homeless person sleeping rough. For many of our branch-based colleagues, this is an everyday challenge as so many rough sleepers seek shelter in store fronts.

We’ve worked with St Mungo’s to create a new e-learning module for our branch-based colleagues, providing the tools and knowledge to support rough sleepers. We’ve also developed a HomelessWise portal together, so we can respond consistently and compassionately to people sleeping rough. We plan to encourage other retailers to follow suit in 2019.

Macmillan Cancer Support – helping people stay in their homes

Last year, our administration centres and over 90% of our branches took part in Macmillan’s World’s Biggest Coffee Morning event, raising £154,000, for Macmillan’s grants programme. The grants are used to help people living with cancer stay in their homes. We have been working for more than 25 years with Macmillan and over this time raised more than £9 million. See page 22 for more details on the work we do with the charity to support people needing specialist support.
Nationwide funds two telephone advice posts at Shelter to help people who urgently need housing advice - just like Kimberley.

Kimberley, her husband Mark and their son Kai lived in a privately rented flat.

Kimberley was 36 weeks pregnant with Mya when their landlord decided to evict them.

The family was re-housed into temporary accommodation, which meant they all had to live in one damp and mouldy room that wasn’t safe for the children.

Kimberley contacted Shelter’s helpline when she received the eviction notice. A Shelter adviser helped her through the entire process of moving from their home into temporary accommodation – and finally secured a housing association flat for the family.

“Nationwide funds two telephone advice posts at Shelter to help people who urgently need housing advice.”

Shelter and Nationwide believe everyone should have a place they can call home. Together, we’re well placed to tackle the housing shortage and help people who are denied the right to a safe and secure home.
Innovating to improve financial inclusion

Our CEO, Joe Garner, is co-leading the Inclusive Economy Partnership’s work to improve financial capability and inclusion in the UK.

The Inclusive Economy Partnership is a cross-sector collaboration between business, civil society and government to create and scale solutions that promote a more inclusive economy. The partnership is driven by the Cabinet Office and Department for Digital, Culture, Media and Sport.

Open Banking for Good

Open Banking was launched in January 2018 to increase competition in the financial services sector and, ultimately, to help people make the most of their money. It does this by allowing third parties to offer services on behalf of established banks and building societies.

Nationwide created an Open Banking for Good challenge to create apps using Open Banking technology that help people manage their money.

We have chosen seven fintech companies to take part in the challenge. They are working on various financial capability challenges:

- income and expenditure: Openwrks and Ducit.ai
- income smoothing: Trezeo and Flow, and
- money management and help: Toucan, Squad and Tully.

The challenge – created in collaboration with the Inclusive Economy Partnership – will see Nationwide, partner organisations and the fintechs work together to help the most financially squeezed. Nationwide is supporting the challenge with a £3 million fund. The start-ups can also draw on expertise from Nationwide, Money Advice Trust, Citizens Advice, The Money Charity, Money and Mental Health Policy Institute, Accenture, Doteveryone and Nesta.
2 Our opportunities

2.2 Building society by investing in our communities

Working with others to maximise our impact

Social Enterprise UK

We work with several social enterprises, and to pledge our commitment, we’ve signed up to Social Enterprise UK’s Buy Social Corporate Challenge. The challenge is for a group of high-profile businesses to collectively spend £1 billion with social enterprises by 2020\(^2\) — and we’re thrilled to be involved.

WildHearts

Following an extensive competitive market tender for our office supplies, we’re now working with a supplier called WildHearts. It aims to use its work and profits to change the world for the better, from equipping young people in the UK with key development and employability skills to tackling gender inequality in the developing world.

The company also provides an environmental product range with recycling initiatives and sustainable packaging.

Wates

We have an ongoing partnership with Wates, which runs a mental health programme for all workers on their sites, including sub-contractors. Suicide is now the most common cause of death among construction workers. Wates’ programme aims to recognise when someone’s mental health is poor and that they need support.

We also worked with Wates last year to deliver a training and education programme for key suppliers working in our Construction Alliance. And we supported a communications campaign across our branch transformation programme to make more people aware about mental health and wellbeing, and guide them to support networks.

\(^2\) https://www.socialenterprise.org.uk/corporate-challenge
Reducing our own environmental impact and working with others to reduce theirs

Our goals are to:

- sustain the progress we have already made in becoming a zero to landfill business by increasing our recycling rates
- sustain the reduction in our carbon emissions and having switched our electricity supply to 100% renewable sources, understand how we can reduce our energy usage
- develop new solutions to reduce the impact of our employees’ travel
- understand what more we can do work with our suppliers, colleagues and members to tackle climate change, waste reduction, and water usage.
Managing our impact

We have an impact on our environment, directly through our own premises, services and people and indirectly through the suppliers we engage with.

We believe we can manage our impact by:

• ensuring we know precisely how we are doing – having a robust set of measures

• embedding sustainability in the way we do business

• bringing our suppliers with us – ensuring they understand their responsibilities in cutting carbon emissions, and helping them do so

• involving our colleagues and members, making the most of their enthusiasm and commitment and helping them find and reduce carbon emissions in their homes and workplaces, and

• providing members with products and services that help them live low-carbon lives and reduce the impact of climate change.
Measuring and reporting our impact

We have developed an Environmental Management System with our supply partners. The system provides detailed information on how we affect the environment, manage waste and reduce carbon emissions, which enables us to report on and benchmark our performance and identify areas for improvement. To ensure that our environmental reporting is a true and accurate reflection of our performance, we undertake bi-annual verification via the Carbon Trust Triple Standard certification process.

We report environmental performance within our business, and measure our efforts against our published 2020 targets\(^1\). We are ahead of our original targets (set in 2012) but slightly behind our stretch targets for water and waste recycling (set in 2015). As the Carbon Reduction Commitment ended in March 2019, we are preparing for the introduction of Streamlined Energy and Carbon Reporting (SECR).

We will do more than comply with SECR. In the future, we will report on how we’re progressing in our wider activities, including those involving waste and water. As we develop our understanding of Scope 3 emissions\(^2\), we’ll consider how in future we target and report upon them to provide a comprehensive carbon picture.

We achieved the Carbon Trust Triple Standard in 2014 – the first high street financial services provider to do so – in recognition of our success in cutting our carbon emissions, water use and waste and have recertified to the standard every two years since then. In 2015, we were one of the pathfinders piloting the methodology for the Carbon Trust Standard for Supply Chain, successfully achieving the award due to our engagement with suppliers to reduce the emissions associated with the goods and services they provide us.

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**Carbon dioxide (CO\(_2\)e) in tonnes (notes i and ii)**

<table>
<thead>
<tr>
<th>Scope 1 emissions</th>
<th>Year to 4 April 2019</th>
<th>Year to 4 April 2018</th>
<th>Baseline year 4 April 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Energy</td>
<td>3,721</td>
<td>4,374</td>
<td>4,890</td>
</tr>
<tr>
<td>Travel</td>
<td>2,190</td>
<td>1,624</td>
<td>2,448</td>
</tr>
</tbody>
</table>

**Scope 2 emissions**

| Electricity       | 23,446               | 29,268               | 50,802                    |

**Total Scope 1 and 2 emissions (note iii)**

<table>
<thead>
<tr>
<th>Total Scope 1 and 2 emissions (note iii)</th>
<th>Year to 4 April 2019</th>
<th>Year to 4 April 2018</th>
<th>Baseline year 4 April 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>29,357</td>
<td>35,266</td>
<td>58,140</td>
</tr>
</tbody>
</table>

**PPA carbon reduction (note iv)**

| PPA carbon reduction (note iv)         | (22,187)             | (19,972)             | -                         |

**Absolute carbon outturn**

| Absolute carbon outturn               | 7,170                | 15,294               | 58,140                    |

**Total carbon dioxide in tonnes per FTE**

| Total carbon dioxide in tonnes per FTE | 0.39                 | 0.87                 | 3.46                      |

**Water use (cubic metres)**

| Water use (cubic metres) per FTE       | 195,854              | 209,207              | 259,718                   |
| Water use (cubic metres) per FTE       | 10.56                | 11.87                | 15.45                     |

**Waste generated in tonnes**

| Waste generated in tonnes              | 2,581                | 2,516                | 4,554                     |

**Percentage of waste recycled**

| Percentage of waste recycled           | 63%                  | 68%                  | 43%                       |

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**Notes**

\(^{1}\) See, for example, our 2018 Annual Report and Accounts.

\(^{2}\) Scope 3 emissions are in simple terms our suppliers’ emissions, our indirect product related emissions and other emissions not directly under our control.

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\(\text{CO}_2\text{e}\) is an abbreviation of ‘carbon dioxide equivalent’ and is the internationally recognised measure of greenhouse gas emissions.

\(\text{ii.}\) When calculating our carbon emissions, we have used the DEFRA 2018 conversion factors.

\(\text{iii.}\) Scope 1 covers direct combustion of fuels and company owned vehicles and Scope 2 covers emissions from electricity.

\(\text{iv.}\) Represents the contribution of a solar power purchase agreement, producing emissions free energy backed by renewable obligations certificates.
Reducing and offsetting our carbon emissions

Our total Scope 1 and 2 emissions have fallen by half since 2011, and by 17% during 2018/19, driven by a decline in the emissions associated with our electricity consumption. This reflects a combination of the greening of the electricity supply and the introduction of low-carbon technologies in our properties.

We receive over 50% of our electricity supply from a Solar Farm Power Purchase Agreement (PPA) that’s been in place for over three years. Our remaining supply comes from renewable sources through a green tariff agreement with our preferred supplier.

We’ve offset our total carbon emissions for the past four years23, having signed an agreement to pay a fixed amount each year that initially met – but now exceeds – our total emissions. This money funds wind power projects at two sites in India: Andipatti and Thenai.

The deadline to comply with the ESOS (Energy Savings Opportunity Scheme) is December 2019. We are planning to comply before then, ensuring we include any recommendations in our longer-term energy strategy.

Travelling sustainably

We recognise that there has been growth in business-related travel and we’re exploring ways to reduce or avoid the impact of that travel24. The solution lies in encouraging employees to use alternative arrangements like video conferencing or home-working and in making our business travel more efficient and effective and reducing the daily commute.

We are introducing low-carbon technologies in our company car fleet, and promoting Ultra Low Emission Vehicles (ULEVs), such as hybrid, plug-in hybrid, and electric vehicles, and adding charging points across our administration sites. We are also participating in a European trial with the Hydrogen Hub. This will help us build the infrastructure we need to support the next generation of zero-emissions transport, such as hydrogen fuel cell powered vehicles.

To meet our people’s needs, we work closely with public transport providers at some of our larger buildings. For example, the providers hold seminars for our colleagues, explaining the services and showcasing the latest apps that make travelling easier.

Our Property Services team is also working with the providers, checking the current routes and schedules against our people’s requirements (such as earlier, cheaper, quicker and more accessible services).

In early 2018, we launched a website in partnership with car-sharing experts, Liftshare. The website connects people for sharing car journeys to work – helping reduce carbon emissions and fuel costs. Almost 500 of our colleagues have signed up to the scheme, although not all of these are likely to be active lift sharers.

We’re designing our workspaces to help our people choose where, when and how they want to work. The scheme will help us reduce costs, better collaborate and innovate, strike a good work-life balance, and improve our environmental performance.

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23 In addition to Scope 1 and 2 emissions, we also offset estimated Scope 3 emissions associated with upstream supply chain activities and business travel.

24 Business-related travel includes Scope 1 emissions associated with company-owned vehicles, business mileage reimbursed through business expenses, and air and travel transport for business purposes.
Managing our impact (continued)

Recycling and reducing waste, in particular single use plastic

In recent years, when refurbishing our offices and branches, we have recycled the old desks and chairs to help equip over 700 schools in 18 countries.

Altogether, we have made good progress in reducing our waste over the past few years, albeit the reduction has largely been in recyclable waste, meaning that our recycling rate fell this year. As we’ve improved our understanding of our waste flows, we’re starting to measure additional waste streams and we are continuing to seek ways to improve our waste management.

Some of our people have formed a team to help us reduce our use of single-use plastic. We’ve worked with our catering partner, BaxterStorey, to understand how much plastic we use, costs, alternatives, and options for reusing and recycling.

We are targeting high-value, high-cost plastic waste and introducing alternative options with much lower environmental impacts. Although it’s early days, the initial results are promising. We’ve removed plastic drinking cups from the stand-alone water machines and are looking to remove plastic cutlery, replacing it with metal cutlery where appropriate. We’re selling reusable items, including water bottles, coffee cups and keep cutlery, in our staff shops. We’ve also refreshed all signage on bins to make it easier for our colleagues to sort their waste.

‘As catering partner for Nationwide Building Society, BaxterStorey strives to support its wider sustainability agenda while being mindful that our operation creates a vast range of products that contribute to waste streams. We continually review disposable product usage across all locations, and aim to reduce or remove it where possible.’

Scott Harding
BaxterStorey
Employee initiatives

Our Arthur Webb Challenge gives our employees a fun way to come together to propose big changes to our processes or practices. This year, two of the ideas that got through to the final focused on environmental issues. The project to reduce our use of single use plastic (previous page) being one of them. This, our Responsible Business Report, being the other.

Working with the Woodland Trust - planting for future generations

In 2016, Nationwide committed to plant a tree for every current and future employee, and for members who opted for paper-free Annual General Meeting packs. We have partnered with the Woodland Trust to plant 60,000 trees in new woods across the UK.

To date, almost 400 colleagues have planted more than 20,000 trees in five new woods. Nationwide and the Trust have also joined forces to create a Community Woodland network. The network supports local communities that want to take over a wood or create their own. A pilot project in northern England has seen us provide £370,000 to help establish 30 community wood groups and improve their sites.
Enabling our people to be their best

So that they feel empowered and equipped to make the most of our opportunities
Making the most of our opportunities

Our goals are to:

Building PRIDE:

• support and reinforce ‘PRIDE’ which defines our values and underpins our culture - these values reflect our mutuality and effectively place our members at the heart of our business and decision-making

• ensure our colleagues feel empowered to seize the opportunities they see to make things simpler and easier for each other and our members and to provide new, even better solutions to their changing needs

• create a more diverse and inclusive workforce, so that we truly reflect the communities which we serve and have the diverse range of perspectives we need to succeed

• ensure we have effective policies and processes in place to recognise, manage and develop our talent.

Built to last

• ensure our colleagues have the systems, skills and knowledge they need to make a difference.

We cannot make the most of our opportunities unless our people feel empowered to act and make a difference.

We are therefore focusing on creating a much more dynamic, collaborative and less hierarchical and siloed organisation, fit to take on all-comers. At the same time, we want our decisions and interventions to be shaped by our shared values. We remain heavily invested in PRIDE – which is the way we define those values.

This is partly about creating the right cultural environment for our people to succeed. It’s also about ensuring that they have the right tools and skills – so you can read about our technology investment in this section too.

Alison Robb
Leader of People and Culture

Enabling our people to be their best
Supporting and reinforcing our culture and values

PRIDE is a statement of the culture, values and principles we strive to live by. It’s how we want people to experience being part of our community.

It’s how we support our mutual heritage and take opportunities to make a difference. It’s how we work together, encourage and support each other. It’s key to the way we minimise conduct risk. Most of all, it’s us at our best, ensuring members get the best possible service and outcomes from us – day in, day out. It has been the way we have summarised our values since 2002.

Recognising behaviours and achievements

We support our PRIDE values by recognising and celebrating our people when they make a difference. People can use PRIDE cards to recognise their colleagues for everyday achievements. Every month or quarter they can nominate their colleagues for a range of behaviours and achievements.

It culminates in our annual awards event where we celebrate those who have been truly exceptional. It gives us the chance not just to say thank you, but to also champion individual and team achievements to inspire everyone in Nationwide.

Long tenures are common at Nationwide and 38% of our people have more than 10 years’ service. We recognise our colleagues’ loyalty at five-year intervals, culminating in a six-week paid sabbatical for individuals reaching their 25-year anniversary.
Creating the right culture for the future

An organisation’s culture depends on its leaders leading with integrity and conviction. As we seek to reinvigorate the Society’s pioneering spirit and keep improving how we do things, we have become conscious that many of our people feel that our culture is too hierarchical and our decision-making too slow. We are asking our leaders to focus on the three Es of leadership: envision, empower and energise.

• **Envision** – make their people feel part of something special: a building society of over 15 million members, building society, nationwide.

• **Empower** – demonstrate to their people that they have the accountable freedom to make things better. For our leaders, that might mean being prepared to be less controlling, to let their people have a go and support them if things go wrong. For our people, it means seizing the right opportunities and being prepared to test and learn in a supportive environment.

• **Energise** – this is about setting our people free: removing the straitjacket of corporate conformity and asking them instead to be themselves, to take care of themselves as well as their colleagues, and to really enjoy working for Nationwide.

Over 1000 of our leaders have now taken part in our flagship Leading for Mutual Good programme which is helping instil this mindset in our leadership community. External organisations also take part – without charge – to challenge our thinking and theirs and to create wider interest in this concept of co-operative leadership.

Evaluating our culture

Our annual employee survey (ViewPoint) gives everyone working for Nationwide the opportunity to give feedback about their experience at Nationwide, our leadership, service to members and strategy. It also provides insights into how our people are intellectually and emotionally connected to Nationwide. The results tell us that we have a strong culture and committed colleagues.

This year’s survey showed a 1% increase in engagement to 79%, above the high-performing benchmark of 77%25. We know from independent surveys that our care for members and each other is strong. For example, the Banking Standards Board (BSB) culture survey helps us understand how our organisation’s behaviour and capabilities compare with other UK financial services providers26. In 2018, 92% of people surveyed believe that ‘the organisation puts customers at the centre of business decisions’, a clear indication that our mutual values are shared throughout the Society.

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25 The high-performing benchmark is based on data from more than 35 companies around the world across a range of industries. It covers more than 450,000 employees.

26 This is an annual survey covering 26 UK banks and building societies undertaken by the Banking Standards Board, an independent body that promotes high standards of behaviour and competence across the sector.
Supporting and reinforcing our culture and values (continued)

Focusing on wellbeing

We are proud of our commitment to helping our people achieve a good work-life balance, and maintain positive mental and physical health. Our CEO is a huge supporter, and has discussed and promoted the importance of wellbeing in various ways, such as blogs, training and workshops. He has, for example, led physical work-outs in the main meeting area of our administrative HQ in Swindon and championed the importance of greater mental wellbeing.

In 2017, we signed the 'Time to Change' pledge, showing we’re committed to changing how we view mental health – and acting on it.

In 2019, we launched initiatives to get our people thinking about their wellbeing, and encourage them to learn and do something new. In the year, we launched the Energise campaign, which focuses on different energy sources: physical, mental, social, emotional and financial. To improve wellbeing, we want to make people more aware of the issues, help them gain an all-embracing understanding of what it means, and encourage them to try new things.

And most recently we received a silver award from MIND as a result of our participation in their workplace wellbeing survey, measuring the engagement and support of our people in wellbeing, as well as our underlying policies and processes.

Flexible working can improve people’s working conditions because it helps them balance their lives inside and outside work. It also boosts morale, reduces absenteeism and helps us retain talent. Working with the Nationwide Group Staff Union (NGSU), we want to further develop our flexible working practices to meet the needs of our people and business.

Colleagues can see the flexible working policy on our intranet, which outlines our approach and explains how they can change their working patterns. We operate various working patterns, including reduced hours, job sharing and term-time working.
Diversity and Inclusion

It’s essential that we reflect and embrace the diversity of the communities each of us is a part of, to help us achieve our vision of building society, nationwide.

Core to our approach is inclusive behaviours. We look for these in everyone we hire and promote, as well as in our leaders to lead by example in building diverse teams and promoting inclusive ways of working.

However, we know we need to do more to create a truly diverse and inclusive workplace. Targets are one way to measure how successful we are in doing this – so we set ourselves diversity targets for 2020 for gender, ethnicity and disability.

Our goal is for women to fill at least 33% to 35% of our most senior roles. We’re pleased to have met this ahead of schedule (currently 35%) and we will continue to strive for gender balance at all levels, particularly within our leadership teams (our Board is 36% female). Our disability target of 2.6% across all levels is also on track to be met (currently 2.5%) and we will have a growing focus on tackling the stigma of disability through education and support.

However, achieving our target of having at least 8% to 15% BAME27 senior leaders is proving much more challenging. Currently only 4.7% of our senior roles are filled by BAME employees. So we are redoubling our efforts through, for example, improved sponsorship and mentoring programmes and creating new learning journeys to help people understand cultural differences and the barriers to inclusion.

We will be setting bolder diversity targets for 2025 that reflect our commitment to Diversity and Inclusion (D&I). These will be announced in due course.

Our new D&I strategy

Our D&I strategy is being refreshed and will continue to develop in line with the cultural evolution of our Society.

The aim is to create an approach that truly puts understanding and empowering our people at the heart of what we do. This involves being transparent about our progress to date, our opportunities to do more, and the challenges we currently face or will experience in the future.

Over the last 9 months, we have focused on understanding the barriers to D&I. For example, we’ve looked at our people data and what that tells us about who works for us, we’ve identified the challenges for different diversity groups across the employee lifecycle, and we’ve spoken to our people about their experiences of working at Nationwide – the good and the not so good. We’ve shared the key insights with our senior leaders.

Our strategy is business led. Each area has developed a D&I action plan tailored to addressing their specific challenges to meet the needs of their people. We’ve also started to embed D&I into key levers of change (such as our recruitment, talent and performance management processes, in the review of our services and products, and in the design of our workplaces). Combined, these actions are anticipated to have a big impact over the next few years.

Already we’ve seen more females applying for roles in traditionally male-dominated business areas due to the improvements we’ve made in our recruitment process – which include gender-neutralising our job adverts to encourage applications and ensuring diverse shortlists.

We’re also committed to being a family-friendly organisation, so we’ve recently enhanced our maternity policy to include additional leave for mothers whose babies are born before the 37th week of pregnancy. From 1 January 2020, we will be increasing paternity leave from two weeks to six weeks full pay. See page 68 for more details.

We have refreshed our D&I governance so that senior leaders are accountable for progress against our key success metrics and for taking action that makes a difference. Our Strategic D&I Action Group, which is chaired by our Chief Operating Officer, Patrick Eltridge, works alongside our Culture & Inclusion team to review our diversity insights and key metrics, updating our Executive Committee and Nominations and Governance Committees on a quarterly basis.

Finally, we’ll be bringing together the story of our journey through a narrative underpinned by our people’s voices to share what we’ve been doing (internally and externally) and the difference it has made.

27 BAME = Black, Asian and Minority Ethnic people
Diversity and Inclusion (continued)

Our D&I policy

Our D&I Policy is available for all colleagues, including temporary workers and contractors, to see on our intranet. It shows how we are committed to being a fair employer with a supportive, equal, diverse and inclusive culture for our people, members and third-party partners. Nationwide observes and adheres to anti-discrimination laws and wherever possible will look to go beyond minimum statutory requirements.

That includes ensuring discrimination doesn’t arise due to:

• age  • race
• sexual orientation  • pregnancy and maternity
• political opinion  • gender
• religion & belief  • disability
• gender reassignment  • marriage and civil partnership

Our approach covers all areas of the employment relationship, including job advertisements; recruiting and selecting; training and developing; promotion opportunities; conditions of service, pay and benefits; conduct at work; work-life balance; managing performance; disciplinary and grievance procedures; and the end of employment.

Our Employee Networks

We have eight employee network groups (ENGs), led by our people for our people. As well as supporting and connecting their members, these groups channel the voice of our people into the business to shape how we design our people experiences (for example, through influencing policies and practices). Our ENGs are:

• Disability Network
• Ethnicity Network
• Faith and Belief Network
• Gender Network
• Sexual Orientation and Gender Identity Network
• The Veteran and Reservist Community
• Working Carers Network, and
• Working Families Network

To ensure we value D&I in its broadest sense and intersectionality, the ENGs are collectively known as the United Networks and now have a raised profile within the organisation – including a seat at the Strategic D&I Action Group and visibility at the Executive Committee on a quarterly basis.

Our ENGs have led multiple events to raise awareness of, and celebrate, what makes us different. For example, each year the ENGs walk together in Pride parades around the country with Nationwide as a headline sponsor for Reading (2018) and Swindon (2019).

They’ve also supported their members through various networking and support groups. A carers’ passport was launched in 2018 to support managers’ conversations with working carers, with a new adjustments passport for disability due to be launched later this year. Wellbeing will be a growing focus for the employee networks: they will work closely with the Culture & Inclusion team and our business leaders to raise colleagues’ awareness of how to support the wellbeing of themselves and others (through the lenses of mental, physical, emotional, social and financial wellbeing).
3 Enabling our people to be their best

Rewarding our people fairly for what they do for our members

We’re committed to paying the living wage and proud to be a principal partner of the Living Wage Foundation. We review our salaries annually to ensure we pay the living wage as a minimum.

Salaries for our executives are agreed and negotiated individually, supported by robust job evaluation and market-matching processes. All other employees have similar job evaluation and market-matching processes, plus scrutiny through our recognition agreement with NGSU. We negotiate pay reviews for our people annually with the NGSU and operate pay awards linked to performance and appraisal ratings.

Sharing in Success – an employee incentive scheme built around meeting our members’ needs

Our Sharing in Success (SIS) pay award is a non-contractual annual arrangement. All employees have the opportunity to receive an annual pay award based on Nationwide’s success rather than their individual performance. We monitor and communicate quarterly to our people about conditions that trigger payment. Our people can find everything they need to know about SIS on our intranet.

SIS is only available to those we employ directly – not contingent workers. Providing they are assessed as ‘achieving’ in their year-end appraisal, every eligible employee receives the same percentage award, no matter where they work or the role they do.

Importantly, the scheme is built to ensure that we are rewarding the right behaviours and delivering what our members need from their Society – security and financial strength, excellent service and efficiency as well as support with more of their financial needs.

There are also certain gateways that must be passed before any payments will be made under SIS. These gateways are:

- capital strength, measured by our leverage ratio; and
- statutory profit; and
- conduct risk.

The Board must also be satisfied that there are no significant risks – reputational, financial, operational – or other reasons why awards under SIS should not be made.

There’s more information about our approach to remuneration in our Annual Report and Accounts.

We are a Living Wage Employer

2019 Responsible Business Report
Rewarding our people fairly for what they do for our members (continued)

Gender pay gap

Our Gender Pay Report published in March shows that, along with many organisations, we have more men than women in senior roles, and more women than men in junior positions. We have started to address this in our Board, where we now have an equal number of female independent directors. We can and will do more to make sure more women and BAME employees enter senior roles. As of 5 April 2018, our mean average gender pay gap was 28%.

Nationwide takes a rigorous approach to preparing its gender pay reporting data in accordance with the Equality Act 2010 (Gender Pay Gap Information) Regulations 2017.

‘At Nationwide we’re committed to working together to become even more open, fair and inclusive, where our people reflect and understand our diverse members’ needs and expectations. Gender pay gap reporting is an important measure in helping us towards this goal. We’re committed to making headway against the gender diversity targets, and we will continue to identify ways of making further progress.’

Joe Garner, CEO

Driving wider change

We were one of the first organisations to sign HM Treasury’s Women in Finance Charter in 2016 – committing publicly to having more women in leadership roles. You can read more about the charter and our progress on our ‘Women in finance’ pages at nationwide.co.uk

We were one of the eight founding members of the Equality and Human Rights Commission’s Working Forward campaign, supporting pregnant women and new parents.

We played a big role in developing the Tech Talent Charter. This government-backed initiative aims to increase diversity in technology-related roles. It emphasises representing more females, and encouraging young women and girls to consider technology careers.

We’re also members of the 30% Club28, and support its cross-organisational mentoring scheme. Our CEO, Joe Garner, and Chairman, David Roberts, have pledged their commitment to the initiative.

28 https://30percentclub.org/
Managing, developing and fostering our talent

Performance management

We encourage our people to meet with their manager at the start of the performance year to discuss their goals for the year ahead. We remind them to consider what they need to do (aligned with our strategic cornerstones), and how they need to do it (demonstrated through our PRIDE values).

At the end of the performance year, colleagues complete a self-review. This involves considering progress against their goals, any feedback they have received, and conversations with their manager which are discussed in a performance review.

Following this process, we use the ratings in our performance management system to administer pay awards individuals might be entitled to. We review the distribution of ratings retrospectively to ensure we are assessing performance fairly, but we don’t force a certain proportion of staff into each rating band.

Developing our people

We use the Nationwide Development Framework tool to guide our recruitment, assessment and selection decisions; and help plan and discuss development and set goals.

The framework is made up of 15 skills and behaviours that describe what our purpose, cornerstones and PRIDE values look like in everyday practice. This means that everybody in the Society has an opportunity to identify strengths and development areas to proactively drive their career and demonstrate how their skills and abilities contribute to our shared success.

Developing careers isn’t just about moving up in the business. It’s about incorporating people’s various experiences and the skills they gain. We believe it’s important our people consider moves across business areas as part of their development alongside traditional promotions.

Such moves can give people new experiences of our business, and help grow their network and skills. They also strengthen core skills, and let our people use those skills in different ways while seeing our business from another perspective.

Know, Grow, Flow

Our Know, Grow, and Flow principles ensure that we evolve and respond to changes in our organisation, culture and leadership.

- **Know**: We know about our top talent and their potential, ensuring they will help us meet our organisation’s current and future needs.

- **Grow**: We grow our talent to help them develop successfully in their careers, and strengthen our intake of talent.

- **Flow**: We plan the flow of talent across our business to help people achieve their goals and meet our organisation’s needs.
Managing, developing and fostering our talent (continued)

Driving our talent agenda

We’re establishing Talent Forums across our business to strategically monitor and focus on our career and talent development agenda. The forums will help create a culture where our people own, drive and manage their careers and development, to ensure we can meet future demands.

Emerging talent

We want to employ people from many different backgrounds. And we’re committed to helping students and graduates of all ages kickstart their careers with us.

All our Emerging Talent schemes provide valuable on-the-job learning, and help develop and support managers and candidates. Each year, we have vacancies in six schemes:

• Work experience
• Summer internships
• Apprenticeships
• Industrial placements
• Graduate programmes
• Specialist career development programmes.

Our Emerging Talent people work in communities across Nationwide. From the start, they receive real, meaningful and challenging roles that help them understand how we work and the part they play in our success.

We offer many development opportunities, including a business mentor relationship, soft-skills training, professional qualifications, and blended solutions for developing their current and future careers.

We’re delighted to see so many young people developing through our schemes and building careers with us. Work experience placements often become apprenticeship applications, while industrial placement students frequently return to us as graduates when they finish university courses.
And we know that those differences make us stronger and help us understand our members, who are also hugely diverse.

Some of our people have been with us for over 40 years, some are brand new. Some have come from university, others have joined us from other organisations. And recently, we’ve had more and more apprentices coming to work with us.

Elrich is 21. He went to school in Swindon and as the time came to leave, he decided to look into an apprenticeship. That’s when he thought of us. He joined the Society’s apprenticeship scheme back in 2016.

‘Since then, I’ve been promoted to IT Disaster Recovery Analyst and have been given extra time to study for my degree in Business Management. I feel like Nationwide has really supported me, both in my work and my studies.’

Kate, our Emerging Talent Manager here at Nationwide, looks after our apprentices.

‘We believe that encouraging our employees to build their careers in the way that’s best for them means they’re happier at work. And that means they’ll be doing their best for our members, too.’

“I feel like Nationwide has really supported me, both in my work and my studies.”
Ensuring our people have the right tools and skills – our technology investment

This year saw us decide to invest an extra £1.3 billion in technology, bringing our total strategic investment over five years to £4.1 billion. We have already touched on some of the reasons:

- a growing membership
- massively increased use of our digital services (50% more contactless payments and over 40% more logins to our Banking app)
- our members’ expectations around service resilience - they expect our digital services to be always on - there whenever and wherever they need them
- the emergence of new digital challenger banks
- a greater industry and regulatory focus on making sure that customer data is secure and used appropriately.

What will our investment achieve?

Our technology investment will increase our agility to deliver better digital capabilities, improve our use of data and make us more resilient and secure. It will streamline our technology and reduce costs, meaning we can use our members’ money more efficiently.

It will enable our people to:

- deliver new features and services to our members more quickly, especially on our digital platforms, by using new tools and techniques, and changing how we work
- keep Nationwide, our members’ money and their data safe and secure by using state of the art security solutions to make sure we’re protected against potential threats
- ensure we are there when our members need us by using technologies like cloud computing, and by improving the way our systems are designed so that our services are always available
- keep improving our products and services incorporating smarter data analysis into our services and back office processes
- give our members faster service by using automation to support our everyday tasks
- use our members’ money more efficiently by streamlining our technology, which will reduce how much it costs to deliver our services to our members.

Ensuring we have the right people with the right skills

As well as ensuring we have the right tools for the task ahead, we need to be sure our people have the right technology skills. So we are developing the skills of our existing employees and hiring over 1,000 specialists to our new technology hubs in Swindon and London. That process has already started.
Governance

How we manage the risks we face and the safeguards we put in place
4 Governance

Our members need to be able to trust us

Julia Dunn
Chief Risk Officer

Keeping this Society safe and secure and ensuring that we act in the best interests of our members is the responsibility of everyone who works for Nationwide.

We have extensive safeguards in place in the shape of policies and codes of conduct. That is in addition to our PRIDE values and the ethic of care we nurture in our culture.

You can find full details of our governance practices in our Annual Report & Accounts, where you will also find details of our Enterprise Risk Management Framework and our Business and Risk Report.

Here we have focused on the ways in which we manage the risks we face in relation to the activities identified in this report: our core business activities including how we bring our suppliers with us, our community investment, the environment impact and the way we look after our people.
4 Governance

Our core business activities

Setting good standards and managing our conduct risks

Our Code of Conduct Policy (which all employees can find on our intranet) informs and guides our people on some of the standards of conduct and behaviour we expect from them. It covers areas such as confidentiality; competition law; dress; arrests and convictions; drug and alcohol problems; personal relationships in the workplace; personal use of ancillary services and equipment such as computers, telephones and postal services; and our commitment to provide a smoke-free working environment. We are also clear in our policy that we won’t tolerate modern slavery in any form – directly or through our suppliers.

The policy reinforces the importance we place on good conduct and on everyone’s personal responsibility for good conduct. The Financial Conduct Authority (FCA) has focused on ensuring financial services firms’ culture and conduct lead to fair outcomes every time. For us, this is more than a compliance issue, however; it is also about living up to our PRIDE values – putting our members first and doing the right thing, embracing not just the letter of the law but its spirit too.

We have two annual e-learning courses covering conduct:

Conduct Risk is about making informed decisions and judgements to create fair outcomes for members. We want to do the right thing. That should drive every decision, big or small, and whatever our people’s roles and responsibilities.

Conduct Rules is a regulatory regime that strengthens individual accountability in the financial services sector, and there are rules everyone must adhere to. The Conduct Rules influence our culture, standards and policies, and promote positive behaviours.

Speaking up

We support, promote and encourage our people to speak up whenever they experience wrongdoing. Our people can use various channels to let us know. We also encourage our contingent workers and suppliers to tell us when things don’t seem right or don’t match our values.

People can report issues to their manager, their manager’s manager, any other senior employee, or the Case Management Team in the People & Culture team. The People & Culture team performs discreet duty-of-care investigations.

Speak Up @ Nationwide (including our intranet site, helpline and annual e-learning) informs all colleagues, including temporary workers and contractors, about the many internal and external channels they can use to report concerns. We encourage people to raise concerns through the normal reporting channels. However, we understand that, sometimes, they’ll want to do it confidentially or anonymously through our whistleblowing process.

Our 2019 Viewpoint survey showed that 75% of our people felt they could share their views without fear of negative consequences (2018: 70%), but we recognise that there is more than we can do to encourage people to speak up. This year, we ran an initiative encouraging managers to practise ‘Listen Up’. To enhance our current whistleblowing channels (including a telephone hotline and email address), we will be introducing a 24/7 external web portal and mobile app during 2019.
Whistleblowing

Nationwide has arrangements for employees, contractors and temporary workers to raise concerns in confidence about possible misconduct, wrongdoing and behaviour towards others, including non-financial matters.

We manage whistleblowing at Nationwide confidentially. A dedicated whistleblowing team stays in touch with and supports individuals who raise concerns. The team also ensures that any individual or third party can raise concerns in confidence, without fearing retaliation. We don’t tolerate adverse or detrimental treatment of anyone raising a concern – and we treat any act of retaliation as a disciplinary matter.

Concerns are investigated thoroughly and fairly in accordance with our Whistleblowing Policy and Society-wide Internal Investigation Guidelines.

All investigations also follow robust governance on decision-making. Senior managers from across the business (Fraud, Information Security, Internal Audit, Distribution, Legal, and People & Culture) meet to agree and oversee the outcome of investigations. If we find evidence of wrongdoing, we consider further action, including minimising the risk of it happening again, and applying lessons learned across Nationwide.

The annual training we provide also includes information on how employees can raise a whistleblowing concern directly with the Financial Conduct Authority or Prudential Regulation Authority, without first reporting internally.

We inform the Board at least annually of the number of reports we receive, the types of misconduct, and how we responded. We also report regularly to the Board and other stakeholders to reassure them. Our reports give them regular opportunities to challenge the operation and effectiveness of our whistleblowing arrangements. Our Chairman is our designated Whistleblowers’ Champion.

Ensuring our people understand their responsibilities

We have additional policies and mandatory annual training requirements to cover our legal and regulatory requirements on bribery and corruption, money laundering, insider dealing, conduct risk, and whistleblowing.

To ensure we meet our money laundering requirements, we have a Money Laundering Officer (MLO). And to help us comply with various regulations and make sure our people understand their individual responsibilities, we use mandatory learning tools (e-learning modules recorded on a central system).

Many of our customer-facing colleagues also follow a ‘training by role’ schedule that helps them serve members in line with their roles and responsibilities.
Designing responsible products and services – our principles and framework

We design our propositions with these seven member-centric principles in mind:

• Does it prove (again) that I can trust Nationwide to do the right thing?
• Does it make me better off and give me better value in the long term?
• Does it come with caring and convenient service?
• Does it recognise my loyalty?
• Does it show Nationwide leading on issues?
• Does it demonstrate what we can accomplish together (member supporting member)?
• Has it been shaped by member views and can I continue to shape it?

The way we design our products and services is governed by our Initiative Development Framework.

The framework involves monitoring and reviewing our existing offerings regularly to make sure they continue operating as we and our members expect them to, as well as rigorously assessing new ones. This includes analysing target markets, stress testing, and ensuring products still offer value for money. We want our products and services to do more than give our members fair outcomes. We want to be sure they are built to last.

Our Conduct and Compliance Committee periodically reviews the drivers of conduct and compliance risk for the Society and provides senior oversight for our Initiative Development Framework. This ensures we adequately and appropriately identify, mitigate and manage risk.

To make sure we meet our conduct, compliance and regulatory obligations, the committee oversees and challenges our products, services, procedures and policies.

We have policies and clear guidance on changing and withdrawing products and services, and always carefully consider the possible outcomes for members. Senior governance committees, with representation from senior managers and experienced risk professionals, must approve our decisions before we act on them.

To ensure we are always delivering exceptional and compliant products and services, our people and online channels adhere to formal processes and standards. To check how well we’re doing, we call members through ‘outcome calls’.

These calls confirm whether the products or services they’ve signed up for are suitable and that they understand them. They also make sure we have documented our interactions accurately. Our Mystery Shop Teams support this work. The teams independently assess outcomes for members, and help our people adhere fully to our policies and processes.

We don’t allow local sales incentive schemes, and test regularly to ensure we are not operating detrimental sales or reward practices. We reward all our people through our Sharing in Success variable pay plan. You can find out more information on Sharing in Success on page 50.
Doing the right thing and training

We have learning schemes and specialist training teams for all our member-facing colleagues. These maintain and improve their knowledge and skills from their first day – and ensure they can communicate with members skilfully and in a compliant way. To make sure our member-facing people give members the great service they expect, we test their knowledge and competency regularly. If someone hasn’t met these expectations, we’ll provide members with appropriate redress as part of any remediation. If we find our products and services led to unfair member outcomes, we escalate them to the appropriate risk committee to address them.

Marketing clearly and fairly – our policy and standards

We want to make sure our members can make informed choices about their finances. It’s important therefore that we provide balanced information about the risks, benefits and pricing of our products and services – consistently, clearly and without jargon.

We carry out the following steps to make sure our marketing and communications meet the regulatory requirements of being fair, clear and not misleading:

• We have an overarching Policy and standards to make sure we have processes in place to control the creation, approval and distribution of communications, which is owned by the Risk, Governance and Controls team
• Our Chief Marketing Officer is accountable for producing, controlling and distributing marketing materials and communications, and
• If the controls aren’t working, we will solve the issues through an action plan.

Our core business activities (continued)

Our policy and standards at a glance

Key points of our Member Communications Policy

All communications carrying the Nationwide brand (unless they are exempt) must:

• Comply with mandatory statements outlined in the Member Communications Policy
• Meet Principle 7 of the Financial Conduct Authority’s (FCA) Principles for Businesses. This requires regulated firms to ‘pay due regard to the information needs of its customers, and to communicate information to them in a way which is clear, fair and not misleading’
• Align with our business strategy and risk appetite to make sure we deliver the right information at the right time, leading to fair outcomes for members, and
• Use data correctly and in line with all current regulation and legislation, ensuring we deliver the right information to the right people.
Reducing advertising risks

Our advertising is subject to the controls in our Member Communications Policy and Standards to make sure it’s fair, clear and not misleading.

To ‘clear’ our adverts, we use Clearcast for TV, and the Radio Advertising Clearance Centre for radio, in line with regulatory requirements. We also adhere to the Nationwide Digital Brand Safety Policy when advertising on digital media channels, including display advertising, social media and online video. This reduces the risk of our adverts appearing next to unsuitable content or in inappropriate places.

Protecting ourselves from cyber attacks

Cyber attacks can stop us providing services to members and lead to losing member data. We expect the threat to remain high. Heightened geopolitical tensions may also increase the threat to the UK and result in more sophisticated cyber attacks. We are mitigating the risks in these ways:

• Continuing to invest in cyber security, focusing on developing robust preventative controls, intrusion detection systems and response plans to protect services and member data

• Collaborating with industry bodies and law enforcement agencies, to better understand and respond to evolving cyber threats; the Nationwide Security Operations Centre cooperates with internal, industry and national cyber intelligence bodies, and shares information

• The Security Operations Centre focuses on operating and improving technical security controls to better detect and respond to cyber threats, and

• People can request access to systems and personal data only through a formal request process, which requires authorisation from the line manager and relevant business owner. This is in line with our central Access Control Policy.

To stay ahead of cyber risks, we continue maintaining and building our security, with support from our Board IT & Resilience Committee. We also work proactively to protect our members. To share good practice and understanding about new and evolving threats, we work with the wider industry and the government’s National Cyber Security Centre.

To strengthen how we manage security, the Audit Committee monitors our security agenda. To strengthen how we manage security, the Audit Committee monitors our security agenda. During the past year, the Committee received updates on our security activity, reviewed the robustness of our cyber defences and co-operation with anti-crime agencies, and discussed the findings of relevant audits completed by both internal and external auditors. These discussions helped shape our security development agenda for the coming year, which the Committee supports.
4 Governance

Our core business activities (continued)

Governing security controls

The Director of Security is directly accountable for the performance of security controls across Nationwide. In many cases, responsibility for operating these controls is delegated to other business areas. The Director of Security oversees cyber security, regularly briefs the Board and Risk Committees on security risk and control effectiveness measures and reports to the Board via the Chief Operating Officer.


To make sure we’re implementing security controls effectively and managing risk properly, we have a rolling programme of information security assurance and compliance across our three lines of defence and obtain external assurance where appropriate.

Educating our people about security

To educate our people, improve behaviour and measure effectiveness, we regularly target groups and individuals in our business with simulated phishing campaigns. We also perform physical and system penetration testing of branch and head office locations. We perform penetration testing using traditional and Red Team methods.

We’ve designed and delivered our security training to create a culture where colleagues value behaving in secure ways. During induction and every year, our people must complete primary security awareness training. We also provide various reinforcement training and engagement campaigns throughout the year.

Our awareness training covers information, physical and data security (including GDPR). The training also helps us protect members and colleagues from threats to their assets and information. This helps us achieve scheme requirements, such as PCI DSS.

For further information on the key risks Nationwide faces and how we address them, please see our Annual Report and Accounts.

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29 NIST = National Institute of Standards and Technology;
30 ISO/IEC = International Organization for Standardization/International Electrotechnical Commission
31 SANS refers to the Escal Institute of Advanced Technologies. SANS = SysAdmin, Audit, Network and Security. CIS = Center for Internet Security
32 COBIT 5 = Control Objectives for Information and related Technologies version 5
Bringing our suppliers with us

Each year we spend around £1.5 billion with approximately 1,200 suppliers. We have created a cross-functional team, which works with our business and suppliers to maximise economic, social and environmental value. This is a key part of our business plan. And it’s vital that we’re clear with suppliers about what we expect of them today and in the future.

We’re working with a group of suppliers to share best practice on policies and processes for environmentally sustainable initiatives, and exploring current activities for improving environmental impacts. The group includes IT providers, consultancies, catering businesses and construction companies within our top 60 suppliers for spending. Together, we have been developing a scorecard for agreeing and tracking target performance.

Our procurement process

It’s important that all suppliers represent us in ways that enhance our reputation and relationships with members, colleagues and stakeholders.

In our procurement process, we send suppliers pre-qualification questionnaires (PQQs) asking if they can comply with health and safety legislation and the Environmental Protection Act. We also ask if they have a policy and objectives for corporate and social responsibility.

As part of our PQQ, we also ask suppliers if they can adhere to our Supplier Code of Practice (the Code). The Code aims to ensure we treat the people and places where we work fairly and with dignity. This includes the products, goods and services our suppliers provide.

The Code defines what we expect from our suppliers and asks them to:

- respect the values and human rights of their employees, and the employees in their supply chain
- comply with the relevant legislation in the countries and communities where they work
- never use child labour
- never use forced or involuntary labour, through slavery, servitude, forced or compulsory labour, human trafficking or any other means
- make sure working hours are within local regulations and industry practices
- respect the legal rights of employees to join, or decide not to join, worker organisations and associations, and
- provide clear disciplinary and grievance procedures.

Compliance with the Code is a standard clause in our contract precedents. We expect every supplier to do business fairly and ethically. Where possible, we encourage them to have their own policies or principles on ethical working.

We subscribe to the Financial Services Qualification System (FSQS). The system helps standardise and manage requests for compliance and assurance data for major financial services organisations that have adopted FSQS.

You can find further information on our Third Party Portal.
How we choose our charity partners

In relation to our grant funding and choice of charity partners, we run charity checks through an organisation called Charities Trust, which distributes our grant funding and performs due diligence (PEPS and sanction checks) prior to issuing any funding.

Engaging with policymakers

Nationwide engages with a range of policymakers across the political spectrum on issues which matter to our members, such as housing. Nationwide did not give any money for political purposes during the year.

We encourage our people to get involved with public duties in the community. This includes giving people time off to be an elected member of a local authority; perform duties for a political party; and take roles such as a justice of the peace, member of a statutory tribunal, prison visitor, or a member of an education or health body.

We worked with Social Enterprise UK on a report looking at how we contribute to the social purpose sector, including the economy and employment. The report quantifies this sector for the first time and has been used as a basis for engaging with politicians and policymakers on responsible business matters.

Nationwide is a member of the Public Relations and Communications Association (PRCA). We sign up to its Public Affairs Code and are registered on the EU Transparency Register and the Scottish Lobbying Register. Nationwide makes representations to government and politicians directly. We’re also engaged through our trade association memberships, including UK Finance and the Building Societies Association.
Understanding how climate change might affect us

Climate change brings with it two types of risk that may affect our business: physical risks (which arise from climate change and weather-related events) and transitional risks (which come from us needing to adapt to a low-carbon economy). We support the recommendations of the Financial Stability Board Task Force on Climate-related Financial Disclosures (TCFD), which were released in June 2017. We are assessing how we can best implement the recommendations, and you can find out more in our Annual Report and Accounts.

We have a retail lending business model, with 94% of business assets being loans fully secured on residential property. (The Building Societies Act requires us to secure at least 75% of our lending on residential property.) This means we are not significantly exposed to any industries that might be affected by adapting to a low-carbon economy. This also means that it’s not very likely that we will have material stranded assets (assets with values that could be harmed by climate-related events). That said, we assess how transitional risks coming together might affect us.

For example, we consider potential risks and opportunities relating to new government policies, investors’ expectations relating to sustainability and changes in consumer demand as individuals become more environmentally-conscious.

Physical risks mainly arise in our residential and buy-to-let mortgage portfolios. In the longer term, these risks could arise from more extreme weather events. While our mortgage assets are not concentrated in certain areas, we are working to better understand the nature and potential effects of physical risks. This includes assessing our exposure to flood risk and understanding how it might affect members.

To model how climate change might affect our housing stock, we have worked with various third-party geospatial modelling, geological and hydrological experts. We’re using these insights to support our mortgage strategy and monitor environmental risks in our mortgage books.

Over time, the insights will allow us to conduct ‘What if?’ analysis for different climate change situations. This will help us understand how risks might affect properties, remedial work and insurance costs, and how we can support our members.

To help us manage risk, we assess the potential effects of climate-related financial risks, and consider how we can include them in our stress testing and scenario analysis. We note the recent publications from the PRA and FCA relating to these risks, including the PRA’s Policy Statement 11/19, setting out their expectations for how firms manage the financial risks arising from climate change. We will work with the PRA as they develop their approaches for managing and monitoring threats, including through the development of future stress test scenarios to deepen our understanding of the financial implications of climate change.
Our people

Being a responsible employer

We care about providing our people with secure, long-term and meaningful employment. We always try to avoid compulsory redundancies and consider many ways to minimise such situations. But there may be times when changes in our working environment – such as patterns or volumes of business, our working methods, or technologies – make redundancies unavoidable.

In line with our relationship with NGSU, we have an agreed Job Security and Redundancy Policy for restructuring and redundancies. If this happens, we will try to minimise the effect of redundancies by following the policy’s steps and observing our commitments under our Diversity and Inclusion Policy. These policies are available to our people on our intranet.

Nationwide observes and adheres to employment law and wherever possible will look to go beyond minimum statutory requirements.

We aim only to make compulsory redundancies as a last resort. To help avoid or reduce the need for compulsory redundancies, we’ll consider such actions as:

- redefining or reallocating roles and responsibilities
- adopting flexible working arrangements
- reducing overtime, and
- reviewing our current recruitment programmes.

Whenever we need to consider compulsory redundancies, we will:

- consult with individuals and the NGSU in line with our policy
- follow a fair selection process where necessary
- always treat people fairly and with dignity, and
- look to redeploy people to another role or location.
Supporting our workforce

We are proud to have a diverse and varied workforce, and various worker arrangements that suit the needs of individuals and our business. We deliver our strategy through various employment types: directly employed individuals, contractors, temporary workers and partner suppliers. The ratio of directly employed to non-directly employed is 9 to 1, and 3.4% of our total workforce are temporary workers.

We offer our directly employed workforce various contractual arrangements. Full time employees are typically contracted for a 35-hour week, spread over a five or six-day week from Monday to Saturday. Working outside these hours can attract overtime at an enhanced rate or time off in lieu.

We have many policies that are designed to reassure our people of Nationwide’s intent and the behaviour we expect of them. Each policy shows just how important good conduct and behaviour are to our business. Our caring nature drives us to do the right thing, and act fairly with integrity when managing our people.

Our policies are grouped into 13 categories and available on our intranet for our employees to read. They include shift working arrangements; allowances and overtime payments; standard contractual terms such as notice periods and pay; and family-friendly policies detailing our maternity, paternity and shared parental leave provisions.

Beyond the statutory requirements, our maternity provision allows for 52 weeks leave (whatever people’s tenure). From January 2020, our maternity and paternity pay provision is being enhanced; we’re extending our paid maternity leave from 22 weeks to 26 weeks (depending on tenure, at full pay), with matching adoption leave provisions and a six-week provision for paternity leave (previously two weeks).

We will also give employees more flexibility in how they may wish to use their maternity leave. We provide shared parental leave in line with statutory requirements. We also provide reasonable time off, depending on needs, for people to attend pre-birth appointments.

Our military mobilisation policy enables members of the territorial armed forces to meet their commitments. We’re signatories to the Armed Forces Covenant and provide members of the British armed forces with employment opportunities and access to preferential products.
4 Governance

Our people (continued)

Protecting our people

Our Health and Safety Policy is designed to keep our people safe in the workplace. The CEO, Board and Executive Committee are committed to providing a working environment that fully supports the health and safety of our colleagues, members and third parties.

Together with the NGSU, Nationwide develops effective policies and practices to keep our people healthy and safe at work with a good standard of wellbeing overall. Investing in health and safety and providing good welfare facilities helps prevent injuries, accidents and illness. It also helps us reduce unnecessary losses and liabilities, and keep our costs down, so we can give members more.

In partnership with NGSU, we’ve developed and continue to promote safe and healthy ways of working. And we do everything possible to protect our colleagues, members and partners from harm.

But we recognise accidents, ill health and incidents can occur. We’re responsible for having the right management controls to investigate them. We:

- manage health and safety in a planned way, by having appropriate policies, procedures and governance structures in place to meet legislative and best-practice requirements
- maintain a suitable organisational structure for planning, implementing, monitoring and reviewing health and safety activities
- consult with NGSU to make and maintain effective health and safety arrangements
- provide the resources, financial and otherwise, we need to meet our responsibilities, and
- make sure our people receive the right training, information and guidance for their role and responsibilities.

Working for a financial service provider may expose our people to various risks. We have policies and procedures to manage such risks as stress, security, display screen equipment, road safety and fire safety.

We actively monitor enforcement notices and RIDDORs (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) that occur in the workplace and at 4 April 2019, the Society was performing within management risk appetite in this area. This data is reported to the Operational Risk Committee on a monthly rolling basis.

Nationwide participates in the Health & Safety InterBank benchmarking group, managed by the Bank of England. The Society has consistently been in the top three, and most recently in second place in 2017.

Health and safety is a key risk indicator for us, and our Health and Safety Committee regularly reviews our performance. As well as this, the Society is independently audited against HSG65 Managing for Health and Safety every 5 years. This audit reviews the framework Nationwide deploys for the Plan, Do, Check, Act approach.
Representing our people

Nationwide and the Nationwide Group Staff Union (NGSU) have entered into a mutually binding recognition agreement. This means Nationwide recognises NGSU as the sole representative body for collective bargaining for all employees (or individual representation for executives). Nationwide and NGSU share a common aim: to achieve an efficient and successful business in the best interests of employees and members. The agreement enables Nationwide and NGSU to work together towards this aim and develop high levels of employee commitment.

Mutual respect is at the heart of the relationship between Nationwide and NGSU. It’s a relationship conducted openly with trust and integrity that acknowledges the legitimate differences and interests of each party. Our relationship operates as a partnership, and we have worked together since 1972.

The NGSU began life as a staff association and became a fully independent trade union affiliated to the TUC in 1999. It focuses solely on Nationwide and has no overt political affiliation. This is in line with Nationwide’s own political position. We have a unique relationship with NGSU which, while often tense and challenging, is always respectful and professional.

NGSU operates with 18 permanent employees and a network of 20+ disciplinary officers who are Nationwide employees. Membership is high, and of our 18,000 employees, 12,800 are members. NGSU has negotiation rights over various factors including pay, overtime, holiday and family friendly leave policies.

Tackling modern slavery

The Modern Slavery Act 2015 (the Act) requires that certain commercial organisations (including Nationwide) state on their website how they’re tackling the risk of slavery and human trafficking in their business or supply chains. We fully support the Act and how it encourages businesses to tackle modern slavery. We have a working party dedicated to dealing with the issue, supported by our executive community. The working party prepares the annual statement, monitors industry developments, and champions innovations to minimise the risk of modern slavery and human trafficking.

We are always looking to improve how we work with our suppliers to identify ethical issues and incidents of slavery or human trafficking. Our contracts with them ask that they monitor their operations and supplier networks, and tell us how they identify and tackle modern slavery. For larger suppliers, this means meeting their own obligations under the Act.

You can read our Slavery and Human Trafficking Statement here.
Finally

Our next steps and vision for the future
The power of the collective to change society for the better

For many businesses, sustainability is an obligation - a set of requirements they need to meet to satisfy regulations or consumer expectations.

For us, however, building a more sustainable society is something we are engaged with every day.

It’s hardwired into our purpose and every aspect of our business which is why we want to make the most of the opportunities we have, to achieve the greatest possible positive impact. Robust, appropriate and accurate reporting is obviously key to that.

So thank you for reading our Responsible Business Report and if there are any deficiencies, we promise to address them in future years. In fact, one of the first tasks the Responsible Business Committee, which I chair, will embark on is to clarify and set our ambition and identify the measures that we and our stakeholders believe we should be held accountable for.

I firmly believe we can set a hugely ambitious agenda, one that reflects our building society purpose, galvanises our colleagues, engages our members and makes a lasting and tangible difference to our members, our communities and our environment. Once again, we have the opportunity to show how powerful people can be when they come together to solve problems.