



# Citizenship Report 2016

# Welcome to Nationwide's Citizenship Report for 2015/16

Citizenship is so important to Nationwide because we were born out of a social rather than a commercial purpose. And being a mutual building society, owned by our members, our sole focus is to help improve the quality of life of our members. That's why the four strands of our citizenship strategy, Living on your side, reflect our core business activities. And vice versa.

This report summarises how we've done in those areas during 2015/16. Don't hesitate to contact us if you have any questions by emailing [citizenship@nationwide.co.uk](mailto:citizenship@nationwide.co.uk)

## Living on your side



### Your Home

This aspect reflects our mortgage business; we're helping people into homes of their own both by lending to first time buyers, and by creating homes to rent by lending to private and social landlords. We're also helping homeless people and those at risk of losing their homes by partnering with organisations like Shelter.

### Your Money

This element reflects our savings business; we're helping people to start saving, as well as supporting initiatives to improve people's financial capability.

### Your Community

This area is about strengthening local communities through fundraising and volunteering, and giving employees and members a voice in directing our community investment through schemes such as Community Match.

### Your Society

This aspect underpins the whole strategy and reflects our commitment to run Nationwide in a responsible and ethical way: putting our members first, looking after our employees, working fairly with our suppliers and minimising our impact on the environment.



# Some of the things we're particularly proud of...

## We led the industry

in supporting **vulnerable customers, military families** and **young people**.

We worked with **Shelter** to beat our four year charitable target of helping

# 16,000

people into a home of their own.

Together with **Macmillan Cancer Support**, we launched our

## Specialist Support Service

for customers living with cancer.

## We scored 98%

in the **BITC\* Corporate Responsibility Index** and received **BITC's CommunityMark** re-accreditation.

\*Business in the Community

Over three quarters of our employees joined in our **citizenship activity**, volunteering almost

# 90,000

hours of their time.

We raised more than

# £150,000

for **Macmillan Cancer Support's World's Biggest Coffee Morning** and in the process broke the record for the World's Largest Cream Tea Party.

We've partnered with the **Woodland Trust** to plant

# 60,000 trees

around the UK.





# Help us write the next chapter



2016/17 is the last year of our five year Living on your side strategy. As you'll see from this report we're on course to hit our goals. So one of our top priorities for the coming year will be completing the job and doing so in style.

We're also focussing on developing a new five year plan to pursue from April 2017. As the world's biggest building society, we're committed to investing up to 1% of our profits to support good causes and make a genuine difference to society. There are many activities and partners we want to continue to support.

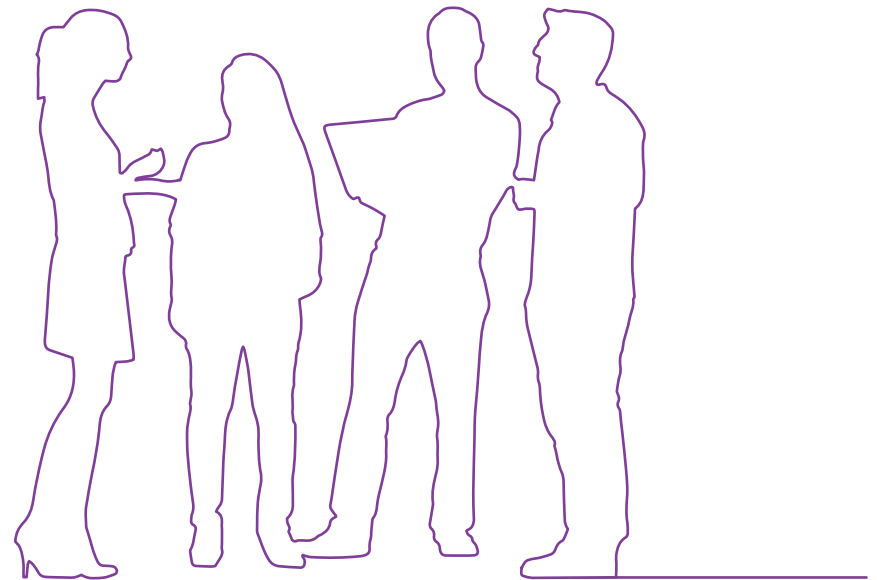
We're keen to hear from our partners, our members and employees on the social issues they think we should be tackling. If there's anything you think we should be doing to support local communities, we'd love to hear from you.

Find out more and share your ideas at [your.nationwide.co.uk/the-difference](https://your.nationwide.co.uk/the-difference)

**Stephen Uden, Head of Citizenship**

**Have your say**

**Visit**  
[your.nationwide.co.uk/the-difference](https://your.nationwide.co.uk/the-difference)



# Living on your side

We're now four years into our five year citizenship strategy.

This year we've continued to make strong progress against the targets we set ourselves in April 2012.



## Our targets

### Your Home

Our goal is to help 750,000 people to be in a home of their own by 2017.



### Your Money

Our goal is to empower 1 million people to start saving by 2017.



### Your Community

Our goal is to strengthen local communities by investing and unlocking £15 million by 2017, as directed by our customers and employees.



### Your Society

As a mutual, we will stay true to our values and run our business in a responsible and ethical way.



Your Environment | Your Workplace | Your Ethical Business



## Our achievements in 2015/16

### Your Home

**210,000** people helped into a home of their own.



### Your Money

**293,000** people helped to start saving.



### Your Community

**£4.98 million** channelled into local communities.



### Your Society

- 98% in the 2016 BITC Corporate Responsibility Index.
- 3rd in the Sunday Times' list of top 25 Best Big Companies to Work For.
- One of the UK's top 50 employers for women in The Times' list.
- Partnering with the Woodland Trust to plant 60,000 trees.

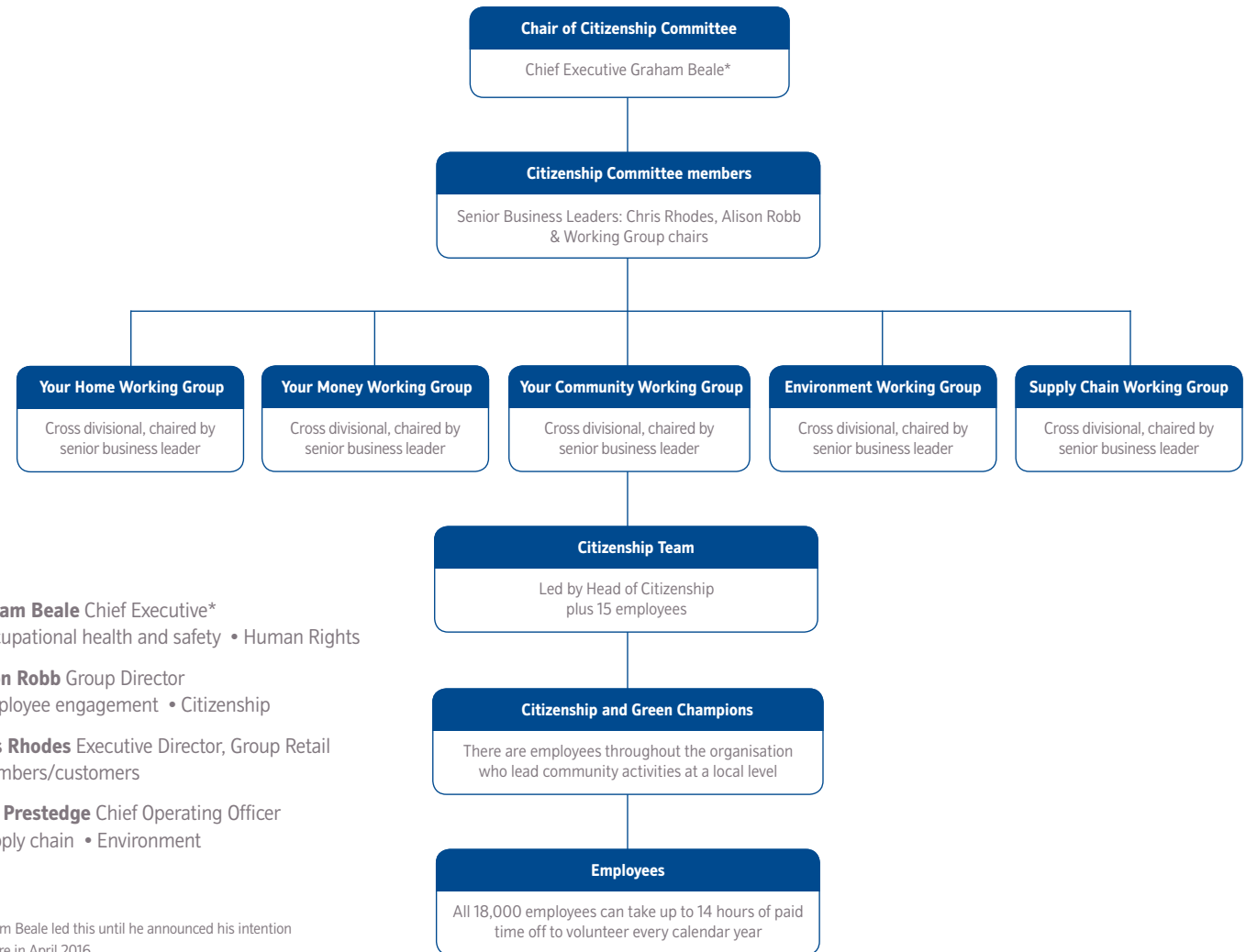
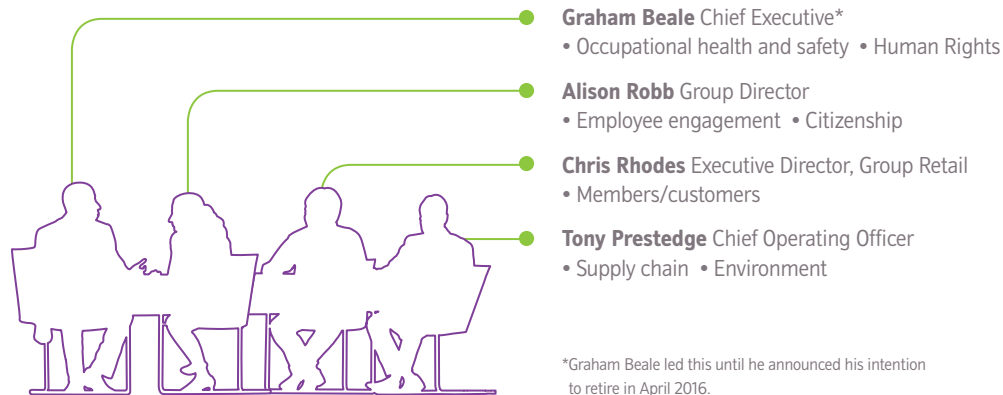


# Governance

The Citizenship Committee meets quarterly and oversees all citizenship activity.

Reporting to the Committee are Working Groups, led by senior leaders within the business, which review progress against targets, assess corporate risks and opportunities in our priority areas, and report back quarterly. Our dedicated Citizenship Team manages the programme on a day-to-day basis, with the support of a network of Citizenship Champions around the UK.

Our citizenship programme is owned by all our employees. But overall accountability for the strategy rests with our senior management team and the Board of Directors.



# Stakeholders

We have a wide range of stakeholders. These include our members, Government, employees, media and suppliers. We maintain a conversation with them through a range of channels and use their feedback to enhance our activities.

## Members

Members can express their views and opinions through:

- TalkBacks – regular events around the country giving members the chance to talk to directors and members of our Board
- Nationwide Connect – a group of around 6,000 members who give regular feedback on our products, services, advertising and new initiatives
- member suggestions – customers and members can make improvement suggestions on our products and services, either online ([your.nationwide.co.uk/improvements](https://your.nationwide.co.uk/improvements)) or by completing a form in branch
- social media – via Facebook and Twitter
- our Customer Service Tracker – an independent research company contacts customers to ask them about the quality of the service they receive from our branches, over the phone and through our Internet Bank
- our Annual General Meeting (AGM)
- nominating charities for [Community Match](#).

## Government and elected representatives

We're in regular dialogue with political, regulatory and other stakeholders at local, national and international levels. We're active in the public policy debates around housing, savings, regulatory reform and many other issues that impact our members and our business.

We pursue our public affairs work through a range of activities including:

- senior and working-level contact programmes with politicians and officials
- responses to public consultations
- hosting and participating in 'roundtables' and other events.

We also work closely with, and are an active member of, financial services trade bodies (such as the Building Societies Association) as well as sector specific trade bodies (such as the Council of Mortgage Lenders).

Our approach to public affairs is fully consistent with our policies on gifts and hospitality, and anti-bribery and corruption.

## Employees

We've a range of forums and feedback channels for our employees:

- our ViewPoint employee survey
- online forums, TalkBacks with senior managers and internal communication events (Corporate Plan cascade)
- our Pulsecheck survey, which is conducted every year to seek employees' feedback on the effectiveness of our internal communication channels, measures enablement, understanding, belief and trust.

## Media

We regularly engage with journalists to discuss their issues and interests.

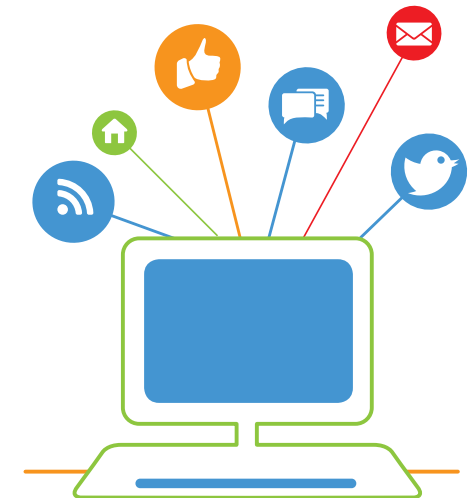
## Suppliers

We look to partner with organisations that demonstrate a commitment to our mutual values, ethics, policies and standards. It's also vital for us that our suppliers feel able to contribute their own ideas and expertise to help us achieve the best possible results.

## Non-governmental organisations

We work with a range of non-governmental organisations, such as charities, on a variety of topics and projects through:

- strategic partnerships
- our Citizenship Champions
- our [Community Match](#) scheme.



# Reporting parameters

The content of this report reflects activity in the April 2015 – March 2016 financial year, which is in line with Nationwide's financial year. We also provide regular news updates on our website, in our member newsletters and at our AGM. We'll continue to do this in 2016/17.

The content reported within this citizenship report is directly linked to our five year citizenship strategy and the targets we set ourselves in 2012. Before the launch of Living on your side, we conducted extensive research with our key stakeholders and members to establish what our citizenship activities should focus on. They told us to concentrate on those areas where we have real expertise and could achieve the greatest impact, like housing, money, management and community.

As a direct result, Living on your side was launched with the aim of addressing these issues through three core pillars: Your Home, Your Money and Your Community. It's underpinned by Your Society, which outlines our commitment to operate as a responsible business in terms of our business practices, our people and our impact on the environment.

The information reported is based on ongoing feedback we receive from internal and external stakeholders, the primary users of our report. It fully reflects LBG guidelines, Business in the Community public disclosure requirements and Global Reporting Initiative principles. The key performance indicators we report on are those most relevant to the nature of our business and identified risks and opportunities.

We've commissioned Corporate Citizenship, the Corporate Responsibility Consultancy, to provide an ISAE 3000-based assurance of our report this year. This provides an external assessment of all the data that we are reporting. The Assurance Statement is available on [your.nationwide.co.uk](http://your.nationwide.co.uk)

We aim to make our citizenship reporting as open and transparent as possible. You can find summaries of how we're getting on against our goals in this report.

We're happy to answer any questions relating to this report. Please get in touch by emailing us: [citizenship@nationwide.co.uk](mailto:citizenship@nationwide.co.uk)

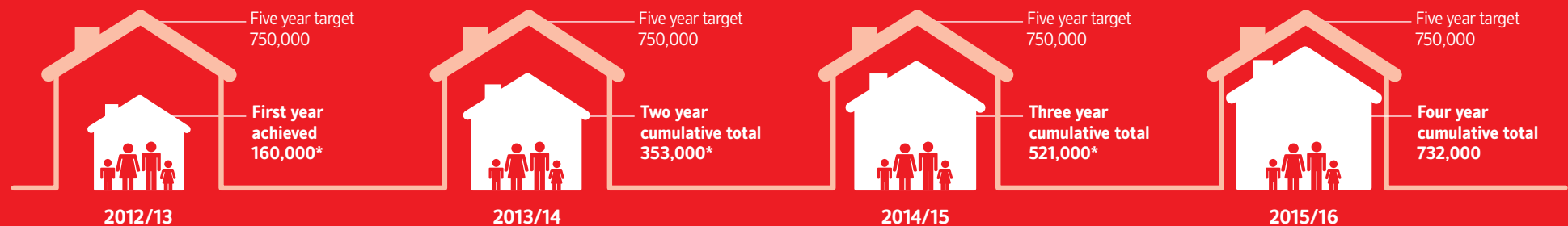




# Your Home

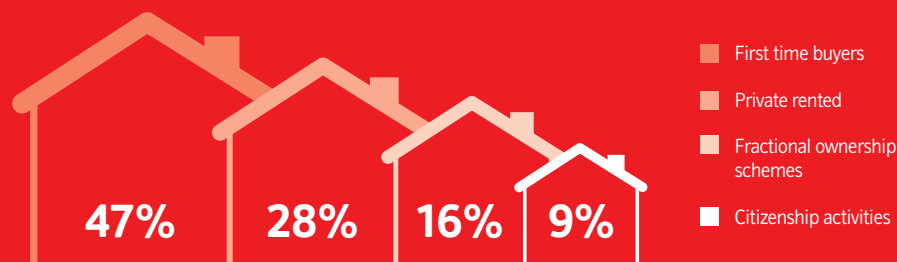
Whether renting or buying, everyone in the UK deserves to have a home they can call their own. And being one of the top three mortgage lenders in the UK, we can do something about that.

**How are we doing?** Our goal is to help **750,000** people into a home of their own by 2017. We're nearly there (98%).



\*Figures restated from further qualifying data.

**How we're getting there.** Our target for 2015/16 was to help 174,000\* people into a home of their own and we actually helped 210,000. How did we do that?



\*In our 2014/15 report, we incorrectly stated that our target was 217,076.

## Other 2015/16 highlights

We helped **Elderly Accommodation Counsel** keep  
**5,600**  
older people  
in their homes.

We helped  
**32,600**  
households  
onto the property ladder  
through fractional and  
home ownership schemes.

Since 2012, we've worked  
with **Shelter** to help  
**29,000**  
people  
into a home of their own  
(our target was 16,000).

# Our performance in context

The housing market in some parts of the UK is still battling short supply. But we're continuing to provide all the support we can.

There were around 140,000 completions in 2015/16\*, up from 125,000 in 2014/15. But the number of households in England is projected to grow to 27.5m from 22.3m by 2037 – an increase of 5.2m or 24% from 2012. That reflects an increase of 210,000 households a year\*\*.

With demand outstripping supply, there's a knock on effect on prices in some areas such as London and the South East, and that can make securing an affordable home a challenge.

## We continue to do all we can to support the market:

- We remain the second largest lender with mortgage balances of £162.1bn. In 2015/16 we helped 210,000 people into a home of their own.
- We also continued to pay special attention to the needs of first time buyers.
- Going forward, we're looking at how we can help more families secure their first home while enabling empty nesters to downsize into homes more appropriate to their needs as they get older.

\*DCLG, Housing Completions (total).

\*\*DCLG Household Interim Projections April 2015.



In 2015/16 we helped **210,000** people into a home of their own



# How we're meeting our targets

We meet our targets through lending to first time buyers, housing associations and landlords, the way we conduct that business and through the partnerships we've developed with organisations like Shelter.

## First time buyers

We've always recognised the importance of helping people take their initial steps onto the housing ladder. Therefore, we provide a comprehensive range of mortgages designed to help make buying a first home more affordable. Over the year we provided finance for 57,200 first time buyer mortgages, one in six of all such mortgages in the UK.

For people to make informed decisions about buying a house, they need to really understand how the process works, so we avoid jargon and help people develop their knowledge. In 2015/16, we delivered 35 first time buyer seminars through our branches and member engagement events. These sessions take people through the steps they need to take to buy their first home, so they go away with a much clearer picture of what they need to do. We're looking at how we can also deliver such sessions online.

On the product side, we continue to support affordable housing initiatives, shared ownership and equity share schemes.

## Affordable housing

We've been lending to the affordable housing sector for over 50 years and in 2015/16 provided £7.6 billion of lending to support affordable housing throughout the UK.

Our customers are both traditional and large scale housing associations. This helps to provide affordable homes, whether rented or partly owned.

## The private rental market

The private rental sector continued to grow throughout 2015/16. Buy to let (BTL) mortgage advances grew 56% year on year and total market lending increased to £44.9bn. Activity during Q4 was fuelled by the changes the Government announced to Stamp Duty from 1 April 2016. House buying activity jumped significantly in the quarter as people rushed to beat the increases in Stamp Duty.

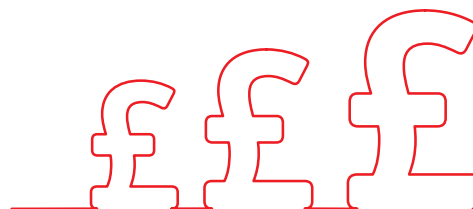
Through **The Mortgage Works (TMW)**, we offer BTL mortgages to support both experienced and first time landlords. In 2015/16 TMW gross advances accounted for £7.1 billion (2014/15: £4.7 billion) of our total mortgage lending, representing a market share of 15.9%, with net lending of £4.5 billion.

## Homelessness and people at risk of losing their homes

Supporting people to remain in their homes is a vital part of our strategy. As a mortgage provider we do our best to support members who are experiencing financial challenges and encourage customers to let us know as soon as possible if they are.

Our Mortgage Charter sets out how we work with and help customers in administering their mortgage during a period of temporary financial difficulties. One of our teams provides support for our customers who aren't yet in arrears but have money worries or are suffering from financial difficulties.

In 2015/16 our residential arrears rate was 0.45% compared with an industry average of 1.04%.



We've been lending to the affordable housing sector for over **50 years**

# How we're meeting our targets

## Supporting older people at home



Elderly Accommodation Counsel (EAC) helps older people remain independent in their own home and provides a national information and advice service called FirstStop. We fund its 'Live Safely and Well at Home' campaign as well as supporting its telephone advice service.

The 'Live Safely and Well at Home' campaign focuses on helping elderly people to stay safe and comfortable in their homes by preventing the kinds of falls and accidents that can sometimes occur. Safer homes mean fewer falls, fewer trips to A&E and less need for residential care. This may involve giving people advice when they've been in hospital and are ready to go home. And it may involve working with agencies like 'Care and Repair' that go into people's homes to assess how safe they are and install useful things like ramps and grab rails.

EAC's FirstStop telephone advice service gives older people information about their future housing options, how they could remain at home or move into a supported home, like sheltered accommodation for example.

This year we've helped EAC keep 5,600 older people in their homes.

## Supporting military families into a home

No one should lose out because they've served their country. Which is why we signed up to the Armed Forces Covenant in 2014 and why we're now making it easier for military people to access our products and services.

- We're participating in the Government's 'Forces Help to Buy' scheme.
- We allow military personnel to let their property from day one of their mortgage if they're posted elsewhere in the UK or abroad. At no extra charge.
- We also held 'Big Brew Ups' in aid of one of the country's oldest tri-forces charities – SSAFA.



We've helped EAC keep **5,600** older people in their homes

## Call in Time

We've introduced an employee 'Call in Time' volunteering befriending scheme, developed in partnership with Age UK. This involves our employees making a weekly call to vulnerable older people, the aim being to address the loneliness and isolation they can sometimes feel. In 2015/16 our people made over 340 hours of calls.



# How we're meeting our targets

## Shelter – we all need a place to call home

Shelter helps millions of people every year struggling with bad housing or homelessness through their advice, support and legal services. And they campaign to make sure that, one day, no one will have to turn to them for help. That's why we support them and why we've worked with them for over 15 years. It's a partnership we're proud of.

- Our members and employees raised £116,000 for them in 2015/16.
- In 2012 we set ourselves a goal for the partnership of helping 16,000 people into a home of their own by 2016. In 2015/16 our support helped 12,900 people. Since 2012 we've helped 29,000 people in total – easily beating our initial target.
- We support the following Shelter services:
  - **Birmingham Family Support Service** which works with families who are at risk of losing their home
  - **Sheffield Education Training Learning Project** which gives people the opportunity to access education and training courses which help to support them back into work, enabling them to improve their home or find a more suitable place
  - **Shelter's helpline** which is a free national helpline, open all year round, to help anyone struggling with issues related to housing or homelessness.



Members and employees raised **£116,000** for Shelter



# The Nationwide Foundation

The [Nationwide Foundation](#) is a registered charity which was set up in 1997. We agreed to donate 1% of pre-tax profit to charitable causes from April 2008, one quarter of which goes to the Nationwide Foundation.

The **Nationwide Foundation** takes the funds we provide and uses it to award grants and social investments to charitable causes for work that fits with its current funding strategy. Since it was established, the **Nationwide Foundation** has awarded over £31 million to more than 3,000 charitable causes across the UK. The Nationwide Foundation is dedicated to improving the lives of people in need through the causes it supports. It does this not only through awarding grants but also by providing additional support to the causes it funds.

## Governance

Funding and strategic decisions are made by the Nationwide Foundation's Board of Trustees, which is independent of Nationwide. We respect the Nationwide Foundation's right to create its own strategy to tackle social issues.

The Nationwide Foundation's Board comprises ten trustees who meet quarterly, with sub-committees which meet regularly. The trustees are drawn from a wide variety of professional backgrounds, including the voluntary, public, private and commercial sectors. The trustees are all members of the [Nationwide Foundation](#) and serve a maximum term of six years, except the chair who may serve a maximum of nine years. A maximum of three trustees are directors, officers or employees of Nationwide.

When vacancies arise, trustees are recruited via open advertisement on the Nationwide Foundation's website and usually in relevant press publications such as Third Sector and The Guardian.

## Charitable assignment

The **Nationwide Foundation** is a registered charity (number 1065552) established in 1997 and capable of carrying out all charitable purposes under English law.

The Nationwide Foundation is the beneficiary of the charitable assignment scheme put in place by the Society with effect from 3 November 1997. The scheme was put in place to address the disruption caused to the Society's business from people seeking to make short term gains from a demutualisation of the Society.

Customers who have become members of the Society since 3 November 1997 have (with certain exceptions) been required under the scheme to assign their rights to conversion benefits to the Nationwide Foundation in the event that the Society's business is transferred to a company. On acceptance of an application to the Society and opening an account, customers automatically become members of the Nationwide Foundation. It's intended that both the Society and the Nationwide Foundation has the right independently to enforce the scheme against such members.

## Who are Nationwide Foundation members?

If you joined the Society from 3 November 1997, you'll automatically have become a charity member of the Nationwide Foundation and, in the unlikely event of conversion, any conversion benefits you would've received will instead be given to the [Nationwide Foundation](#) to support its charitable objects.

Members who joined the Society before 3 November 1997 can also join the Nationwide Foundation, but must give up their right to any potential conversion benefits. If you'd like to know more about this, ask at your local branch, or call 0800 30 20 11.



## Feedback from members

The trustees of the Nationwide Foundation continually welcome feedback on its work, particularly from Nationwide Foundation members.

## How can I contact the Nationwide Foundation?

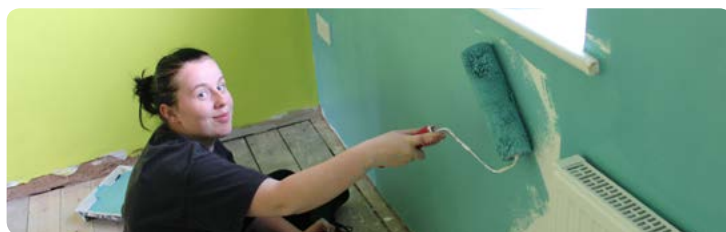
- [enquiries@nationwidefoundation.org.uk](mailto:enquiries@nationwidefoundation.org.uk)
- 01793 655113
- The Nationwide Foundation, Nationwide House, Pipers Way, Swindon, Wiltshire SN38 2SN
- on Twitter @NationwideFdtn

More information about the Nationwide Foundation is available at [nationwidefoundation.org.uk](http://nationwidefoundation.org.uk)

# The Nationwide Foundation

## Creating Decent Affordable Homes

Everyone in the UK should have access to a decent home they can afford. This vision is what underpins the Nationwide Foundation's funding strategy.



Canopy Housing,  
Leeds

## Empty properties become homes for people in need

Many people struggle to access decent affordable housing, including young people who are leaving care, people trapped in poor quality or overcrowded private rented sector accommodation, or people rebuilding their lives after domestic abuse, addiction or mental health issues. The Nationwide Foundation funds charitable work which brings empty properties back into use to create safe and secure homes for these people. But the community-led organisations that the Nationwide Foundation supports don't just deliver homes; bespoke support is provided for those who need it, so they can adapt to living independently and overcome their complex problems, allowing them to rebuild their lives and sustain their tenancies.

During 2015/16, 22 people who had been homeless or in severe housing need were able to move into their new homes in properties brought back into use in Leeds, the Scottish Highlands, Liverpool and King's Lynn.

In addition, the community-led organisations that the Nationwide Foundation funds often help other vulnerable people living in the community. They offer support to local unemployed people who need help developing work-skills; giving them opportunities to gain work experience, training or apprenticeships, as well as helping them to find paid employment.

And in spring 2016 the Nationwide Foundation awarded over £1 million of grants to bring more properties back into use, helping to create homes for 80 people in housing need.

## Alternative housing models

The Nationwide Foundation also funds the development of alternative ways to create genuinely affordable housing. That's why it's a firm supporter of community-led housing, such as community land trusts, co-operative housing, self and custom-build and cohousing. To grow these models, in 2015/16 the Nationwide Foundation provided grants to a range of projects including:

- the launch of an alliance to represent organisations with a passion for community-led housing, supporting the delivery of more homes
- support for early-stage community-led housing projects located in deprived urban areas in England
- two research projects: the first exploring what needs to change to enable local communities to provide more of the homes they need using alternative housing models; and the second looking at how giving communities more power over local housing developments can help to get more homes built
- the launch of an online toolkit intended to help council leaders take forward initiatives to boost the number of affordable custom and self-build homes.

## Living Wage Friendly Funder

In 2016 the Nationwide Foundation joined the Living Wage Foundation's scheme for charity funders ensuring that where its grants are supporting employment, those workers are paid a Living Wage. The Living Wage reflects the real cost of living and is a simple way of tackling poverty and disadvantage.



Helped to create decent,  
affordable homes for  
**1,000** people since 2012



# Looking forward

Although we're almost there with our 750,000 target, we'll continue to fund projects and programmes to support people into a home of their own.

- We'll keep supporting the housing market, in particular by helping first-time buyers onto the property ladder.
  - We'll still support Shelter, now in its 50th year, including its Bristol Family Support Service.
  - We'll continue to support Elderly Accommodation Counsel.
  - We'll expand our employee 'Call in Time' volunteering programme.
- We'll fund the Nationwide Foundation to continue delivering its Decent Affordable Homes strategy.
  - We'll keep supporting military families looking to buy a home, ensuring that Armed Forces personnel get a better understanding of their housing options.
  - We'll partner with SSAFA to provide homes for veterans. We'll also work with the Royal United Services Institute (RUSI) to research the Armed Forces Covenant and how it's implemented and share the findings with other global organisations, subject experts and the NGO sector.
- Through The Mortgage Works, we'll continue to offer ten year products to help landlords offer longer tenancies so that tenants have greater long-term stability.
  - We'll work with the Prudential Regulatory Authority to ensure appropriate future affordability testing for landlords and we'll review our term expiry process to support those coming to the end of their mortgage term.



We'll continue to support **Shelter**, now in its 50th year

# Your Money

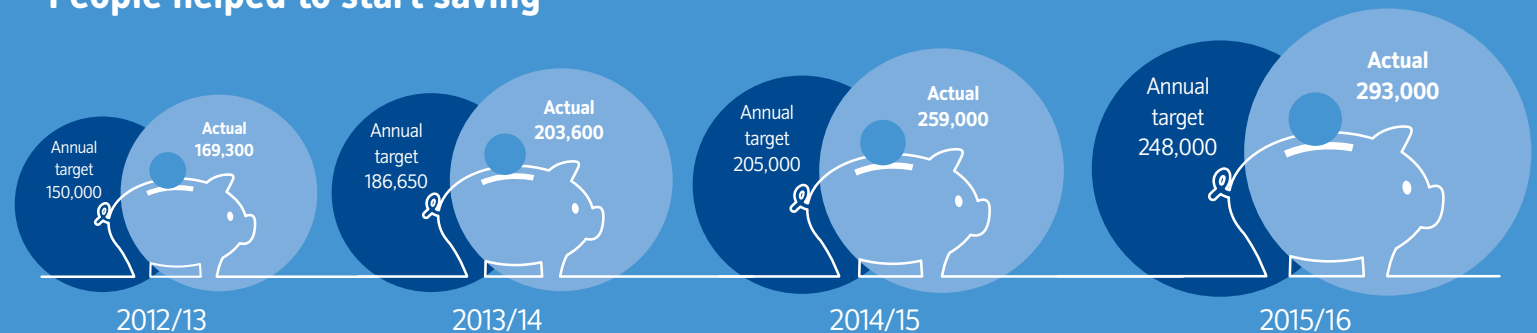
Setting aside money for the future can make such a big difference to people's financial resilience and ability to get what they want out of life. As one of the UK's largest savings providers, we can play an important role in building a stronger savings culture. That's why this is a key strand in our citizenship strategy.

To improve the financial capability and resilience of the UK population, our Your Money strategy aims to show people the value of saving, budgeting and reducing debt. We focus particularly on young people taking their first steps into adult life. And we make it as simple as possible for everyone to start to build up a savings pot, no matter how small.

## How are we doing?

Our goal is to empower **1,000,000** people to start saving by 2017.  
We're nearly there – since 2012 we've helped 925,000 people become savers\*.

## People helped to start saving



Of our 293,000 new savers, 55.8% opened children's savings accounts. The remaining 44.2% were new adult savers, including those taking out a Help to Buy ISA account where money is put in order to help secure a mortgage, and those also benefiting from tax-free savings in our Regular Saver ISA.

\*This figure represents new savers to the Nationwide Group who have not had a savings account in the last financial year.

# How we're meeting our targets

We define 'start saving' as those people who aren't currently saving, including young people who haven't yet opened their first savings account. Our aim is to help people to adopt the savings habit and to influence behaviour by encouraging them to save on a regular basis.

That also means tackling those issues that stop people from getting on top of their money and being able to save, like low levels of numeracy or problem debt.

## We have four key areas of focus

1. Offering simple savings products.
2. Addressing low levels of numeracy and financial capability through education.
3. Encouraging young people to establish a savings habit.
4. Helping people to avoid and manage problem debt.



## 1. Offering simple savings products

We've introduced Regular Saver and Regular Saver ISA accounts specifically to encourage new saving.

In December 2015, Help to Buy ISA was launched to support people saving for their first home. This provides up to £3,000 Government bonus.

We created our new FlexBasic current account for people that don't have a credit score or who may have faced financial difficulties in the past. To support this we launched the Your Money website [yourmoney.nationwideeducation.co.uk](http://yourmoney.nationwideeducation.co.uk), a no-nonsense guide to money, budgeting and credit ratings.





# How we're meeting our targets

## 2. Improving numeracy skills by 'Talking Numbers'

Talking Numbers is Nationwide's education programme created to improve the everyday number skills of more than 200,000 young people by 2017.

In 2015/16, it reached **58,000** young people.

We work with teachers and partner organisations to help improve numeracy skills, making numeracy relevant and fun for young people and boosting their confidence and skills. The programme includes a number of initiatives.



Image courtesy of The Transformation Trust.

### Number Crunchers

- This is our volunteering programme designed to support children in primary schools by helping them improve their number skills.
- It involves visiting a local school for short sessions to help those children who need a little extra support.
- In 2015/16, 10 Number Cruncher schemes helped 12 schools and 300 school children.

### Rock Club

- Nationwide works with the Transformation Trust, which works with schools in areas of high levels of social deprivation to support the social mobility of young people who really need it.
- It develops pupils' maths skills by asking them to plan their own music concert, with the added incentive of winning tickets to a real-life event, the Rock Assembly, at Wembley Arena.
- Resources have been created in conjunction with an advanced skills maths teacher, and pupils have to use maths to manage a budget, design stage layouts and lighting, estimate quantities for catering and decide on the most popular line-up of artists and bands.
- 8,000 students took part in Rock Club during the 2015/16 academic year in schools across the UK.



# How we're meeting our targets

## Nationwide Education

- [NationwideEducation.co.uk](http://NationwideEducation.co.uk) provides free, independent online resources for children, parents and teachers covering numeracy and financial capability, as well as careers, sustainability and road and home safety.
- The site is independent from Nationwide, with no product or service references, and includes suitable content for four to 18 year olds.
- Last year 113,000 people visited the site, of which 26% were return visitors.
- This year, three new supermarket games have been added for Key Stages 1 and 2. For Key Stages 3 and 4, the 'Saving the Day' game has been launched where six characters face every day financial conundrums.



## MoneyLIVE

- 18,700 young people benefited from MoneyLIVE workshops in 2015/16.
- MoneyLIVE is a series of financial skills modules which students can attend in four safety education centres in the UK: Birmingham, Bristol, North Wales and Belfast.
- Young people are taught key life skills including budgeting, saving, using an ATM, credit and debit, the perils of high interest rates, working out the best supermarket shopping deals and staying safe online. Each centre has a Nationwide branch.
- This year, we've helped set up a new partnership in Belfast with RADAR – Northern Ireland's first fully interactive, safety and life skills centre.



## Other achievements

- Funding ten secondary school maths teachers through education charity, Teach First.
- Working with Personal Finance Education Group (known as pfe) to develop a bespoke programme, Money-Matics, which trains primary school teachers to teach financial literacy.

# How we're meeting our targets

## 3. Encouraging young people to become savers

We focus on young people because it's important to get into the habit of budgeting and saving at an early age. And we can help them do that in a number of ways.

Young people can discover why saving is such a good idea at [nationwideeducation.co.uk](http://nationwideeducation.co.uk) - all the site's content is tailored to different age groups so there's something for everyone.

In terms of the savings products we provide, parents can open our SMART savings and SMART Limited Access accounts for their

children from the day they are born. From seven years old, children can apply for those accounts themselves.

From their 11th birthday, they can open a FlexOne current account at which point they also get access to our FlexOne Regular Saver. If young people then download our Mobile Banking app, they'll find they can move money in an instant from their FlexOne account to their savings account without even having to log on.



**MONEY**  
ADVICE TRUST

BUSINESS  
DEBTLINE NATIONAL  
DEBTLINE WISER  
ADVISER

the Money  
Advice Service

IncomeMax

**StepChange**  
Debt Charity

## 4. Helping people to avoid and manage problem debt

It's hard to start saving when you're struggling to pay off debts, so helping people work their way out of debt is an important part of our Your Money strategy.

This year we've continued our support of the Money Advice Trust, which helps people tackle debts and manage their money wisely. We've also built on our partnership with IncomeMAX which identifies ways to help people struggling on very low incomes increase their income. [You'll find more details on page 30.](#)

We also developed our award winning 'Future of Debt Management' roundtable. This is an industry forum that Nationwide has co-led with the StepChange Debt Charity to bring creditors and the advice sector together to agree a set of principles by which we can work together to ensure fair customer outcomes. Working groups have developed charters for both sectors, and alternative debt solutions for people in problem debt. The Money Advice Service is now taking forward the roundtable's recommendations and is planning to roll them out across the whole sector.



# Looking forward

Over the next year we'll continue to focus on building on our financial education, debt management, product and numeracy commitments.

- Actively support the inclusion and delivery of financial education in primary and secondary schools through our partnerships with pfeg and Teach First.
- Ongoing development of the Nationwide Education website to provide resources for teachers, parents and young people to improve their understanding of financial services and the importance of saving.
- Provide volunteering opportunities to deliver financial literacy workshops to young people in schools.
- Increase our investment in the Money Advice Trust and develop a true partnership, working together on common issues that affect people in debt.



# Your Community

Our aim is to bring our employees and members together to make a positive difference to local communities across the UK.

## How are we doing?

We came within a whisker of reaching our target of channelling £5 million into local communities this year. But we've exceeded our overall five year target of £15 million\* one year early. Since 2012 we've invested\*\* and unlocked £16 million into local communities.

Money invested/unlocked into local communities 2012/13



Money invested/unlocked into local communities 2013/14



Money invested/unlocked into local communities 2014/15



Money invested/unlocked into local communities 2015/16



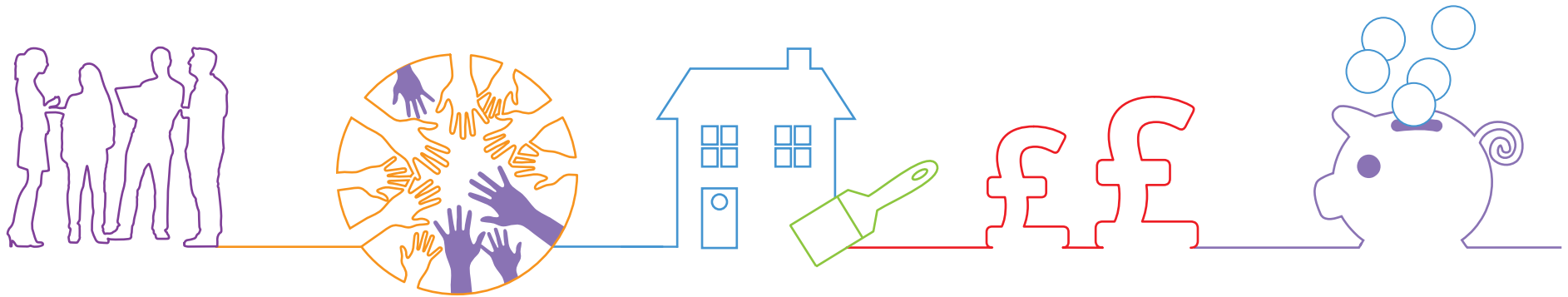
\* This £15 million commitment is on top of the funding we provide the [Nationwide Foundation](#) and our strategic national charity partners, e.g. Shelter (see Your Home). That's because those investments aren't directed by our members or employees.

\*\*We define 'invest' as the donations we make and 'unlock' as the support we leverage through employee and customer fundraising, employee volunteering and funding from our suppliers, government and other stakeholders. Critically, the charities and causes we support in this way are determined by our customers and employees.



# Our employees care

We seek to ensure that our people have plenty of opportunities to support their local communities. But it's the fact that so many of our employees take those opportunities with such enthusiasm that makes us so proud.



76%

of employees involved in some kind of **citizenship** activity during the year (64% in 2014/15).

£1.5 million

the value of all the time our employees **volunteered**.

14 hours

the **number of hours** our employees receive per year to volunteer during work time pro rata.

£1.45 million

raised for **charity** by employees.

39%

of employees donated their pennies every pay day and helped raise £38,700 for **Macmillan Cancer Support, Shelter** and **Alzheimer's Society UK**.

# Working with our members

As a mutual, it's vital that our members have a voice in how we support their local communities.

## Community Match

- Once a quarter, our branch customers vote for one of three local causes they have nominated. The charity with the most votes receives a £500 donation.
- In 2015/16 we donated £318,000 to 1,190 charities under this scheme.

## The Big Local

- Once a month, customers vote online for one of three shortlisted charities they have nominated. The charity with the most votes receives £5,000.
- In 2015/16, we supported 36 regional charities and 12 of these received a £5,000 donation such as Mary Stevens Hospice, Lincolnshire Wildlife Trust and Alder Hey Children's Hospital Charity.

## Side by Side

- This collaborative initiative invites members and employees to come together to do something special for their local community.
- In 2015/16 1,900 hours were volunteered through Side by Side.
- Tree planting at [Nationwide's woodland](#) [Raven's Retreat](#), CPR training with the British Heart Foundation, working with [Shelter charity shops](#) in and around London and working with the Victoria Education Centre in Bournemouth, were amongst the projects supported.



## Skills-based volunteering

More and more of our employees are choosing to share their business and professional skills with charities that benefit from expertise they may otherwise not be able to access or afford.

The Great Western Air Ambulance Charity, for example, has a target to recruit 60 new volunteers. A team of employee volunteers spent time with the charity to develop a new volunteer recruitment strategy.

The relationship has continued as the employees are now fundraising for the charity and continuing to support them with other activities.

## 1.2 million votes received for Big Local and Community Match

# Working with our members

We support causes close to people's hearts.

## Macmillan – a record breaking year

The Society's 23 year relationship with Macmillan Cancer Support moved up a gear this year.



WE ARE MACMILLAN CANCER SUPPORT

**Are you affected by cancer?**

You've got other things on your mind. So let us help you with your finances.

**0800 917 2393**

[nationwide.co.uk/specialistsupport](http://nationwide.co.uk/specialistsupport)

**Nationwide**  
On your side

## Specialist Support Service

With the shared aim of helping customers manage their finances and reduce the stress of money worries, the Society has worked with Macmillan to develop a first-of-its-kind Specialist Support Service for customers affected by cancer.

- In its 2013 report, 'Cancer's Hidden Price Tag', Macmillan found that as a direct result of being diagnosed with cancer, four out of five people are on average £570 worse off each month. That's as much as many people's monthly mortgage payments.
- Its 2014 report 'Counting on Your Support' showed that 98% of people chose not to contact their bank or building society for fear of not getting any help or worse, that their diagnosis would have a negative impact on their financial situation.

The Service covers the various stages a customer may experience when going through a difficult time, from immediate requests for support to the longer-term management of financial difficulties.

More than 800 Nationwide customers have been supported since the Service was set up and it is now being extended to other life limiting and life threatening conditions.



## World record

Members and employees celebrated Macmillan's World's Biggest Coffee Morning, raising more than £150,000 for the charity.

A highlight of the year was breaking the Guinness World Record for the World's Largest Cream Tea Party. 691 employees, members and their friends and family came together at our head office, Nationwide House in Swindon, to break the record – the previous one was 536 people. Never before have so many scones, cream and jam been eaten for such a good cause.

Many thanks to Baxter Storey and Communisis, two of our suppliers, for all their support.

# Looking forward

What do we want to achieve next year?

- We'll channel £4.5 million into local communities as directed by our employees and members.
- We'll keep 75% of our employees actively involved in citizenship.
- We'll increase skills-based volunteering by sharing our time and expertise with charities.
- We'll become a community partner for Macmillan Cancer Support's World's Biggest Coffee Morning.



# Your Society

This strand of Living on your side is about behaving ethically and responsibly towards the environment, our employees, suppliers and members. We focus on three areas.

## 1 Your Ethical Business

This is about doing the right thing in the way we look after our customers and manage our suppliers, from lending responsibly and developing customer-focused products to achieving high levels of customer satisfaction.

## 2 Your Environment

Reducing our environmental footprint is in the interests of our members now and in the future. It can also help us save money. Our vision is to be one of the best performers in the UK financial services sector, which is why we've set some new challenging targets for capping our carbon emissions, and reducing our water use and waste.

## 3 Your Workplace

Our success is totally dependent on our 18,000 employees. To attract and retain a high-quality workforce, we champion diversity and provide a working environment where employees have the support and tools needed to deliver high performance.



98% in the 2016  
BITC Corporate  
Responsibility Index



One of the UK's  
top 50 employers  
for women for the  
4th year running  
in The Times' list



BITC CommunityMark  
re-accreditation,  
the mark is the UK's  
national standard  
for leadership  
and excellence in  
community investment



From 1 April 2016 all  
contractors and on-site  
supplier staff are  
paid a Living Wage



3rd in the Sunday  
Times' list of top 25  
Best Big Companies to  
Work For, up from 6th  
last year



New environmental  
targets designed  
to help us cap our  
carbon emissions,  
and reduce our water  
usage and waste



# Your Ethical Business

We continue to be ranked number one for customer satisfaction amongst our high street peer group\*.

Our lead over our nearest competitor increased to 7.7% for the quarter ending March 2016 (2015: 4.5%)\*. Over a longer twelve month period we remain ranked number one with a 6.6% lead\*\*.

Our service satisfaction lead can be volatile as it's not just dependent on our performance but on that of our competitors as well. At the same time, higher customer satisfaction is the strongest possible validation of our mutual difference.

Of course, we're not perfect and with around 15 million customers and members, things do sometimes go wrong. When this happens, we always aim to investigate and resolve complaints rapidly, and deliver a fair outcome for our customers.

The number of customer complaints we receive, and how well we deal with them, is published regularly by the Financial Conduct Authority (FCA) and the Financial Ombudsman (FOS).

Data published on 26 February 2016 shows a 7.8% reduction in the number of complaints we received compared to the previous six month period, with a significant decrease in banking complaints which fell by 12.9%.

FOS data published in February 2016 shows that when cases are referred to the Ombudsman, 82% of our decisions are upheld compared with an industry average of 47%. That's quite a difference and another indication of our commitment to reach fair outcomes for our customers.

## How are we doing?



**Customer satisfaction:**  
our lead over our nearest competitor increased to  
**7.7%** for the quarter ending March 2016\*

\*© GfK 2016, Financial Research Survey (FRS), 3 months ending 31 March 2016 vs 31 March 2015, proportion of extremely/very satisfied customers minus proportion of extremely/very/fairly dissatisfied customers summed across current account, mortgage and savings, high street peer group defined as providers with main current account market share >6% (Barclays, Halifax, HSBC, Lloyds Bank (inc C&G), NatWest and Santander). Prior to April 2015, Lloyds Bank and TSB combined as Lloyds TSB Group (including Lloyds Bank, TSB and C&G).

\*\*© GfK 2016, Financial Research Survey (FRS), 12 months ending 31 March 2016, proportion of extremely/very satisfied customers minus proportion of extremely/very/fairly dissatisfied customers summed across current account, mortgage and savings, high street peer group defined as providers with main current account market share >6% (Barclays, Halifax, HSBC, Lloyds Bank (inc C&G), NatWest and Santander)

# Your Ethical Business

## Responsible lending

As a mutual, we've always been sensitive to the need to lend responsibly and, if people do get into financial difficulty, we'll always seek to treat them fairly.

- We try our best to ensure that we only lend what a customer can afford to repay, taking into account our customers' stated income and any other declared financial commitments they have.
- Whenever we offer to increase a customer's credit card limit, we only go ahead if the customer confirms that they want the increase and we believe it's a responsible decision.
- With our current accounts, customers have the ability to turn off their 'reserve limit'. This gives them more control over their spending as we will then not allow transactions that would otherwise take their account into an unarranged overdraft.
- If life doesn't go to plan, we offer various options to people struggling with their credit card, mortgage, overdraft or loan repayments. The payment solutions we offer reflect their personal circumstances and what they can afford.

- We refer borrowers on to free, independent sources of advice such as StepChange Debt Charity, Citizens Advice, National Debtline and Business Debtline – the latter provides expert advice to sole traders and small businesses.

## We've also built on our partnership with IncomeMAX

IncomeMAX is a Community Interest Company that helps people in financial difficulty with free advice and advocacy on a range of welfare benefits, tax credits and budgeting options. For some customers on limited incomes, this can include supporting welfare applications as well as obtaining grants from charities. We're the first financial services company to partner with IncomeMAX and our work with them helped us win 'Corporate Responsibility Initiative of the Year' at the 2015 Credit Today Awards.

[You can find out more here.](#)

Income**Max**

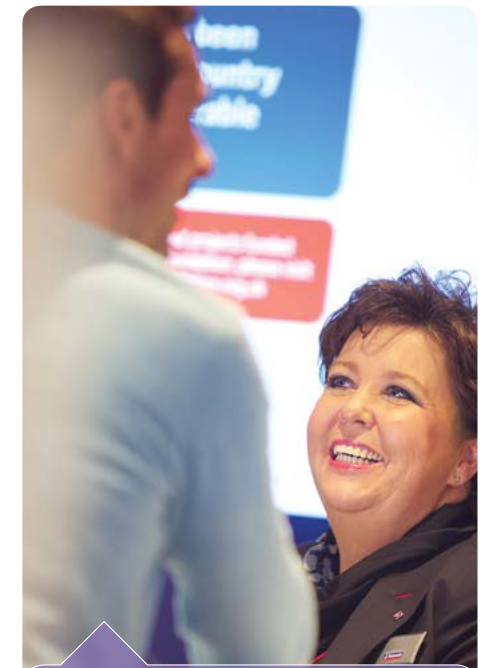
## Customer focused products and services

Central to our mutual purpose is the development of products and services that meet the needs of our members.

Developments are subject to robust governance and control through our Product and Service Design Frameworks which ensure that we:

- deliver open, honest, fair, safe and secure products and services
- treat members fairly
- provide value and
- comply with all relevant legal and regulatory requirements.

Our marketing and member communications are also subject to the same sort of rigorous governance and approval – all relevant laws, regulations, standards and voluntary codes are appropriately considered. Where relevant, communications are subject to robust review and approval from our legal and compliance, product management and brand management teams, together with third party providers to ensure they are clear, fair and not misleading.



Deliver **open, honest, fair, safe** and **secure** products and services

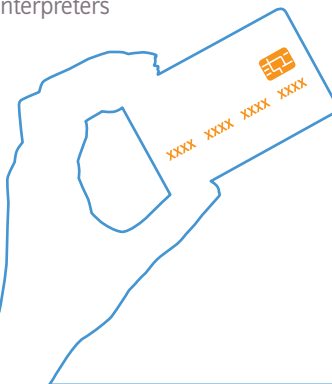
# Your Ethical Business

## Being inclusive

We offer a broad range of products and services to meet the varying needs of our members:

- a basic bank account (our Cash Card Account) that's most appropriate for customers receiving state benefits or a pension as their main source of income
- FlexOne, our straightforward current account for 11-17 year olds designed to help them learn how to take control of their money
- savings accounts that can be opened with as little as £1
- a range of facilities to help people with disabilities, such as Braille, large print and audio statements, Textphone and Text Relay facilities, hearing induction loops in branches, and access to British Sign Language (BSL) interpreters for branch appointments
- a 'Helping Hand' kit in all our branches that comes with useful tools for disabled or older customers such as magnifying glasses and pen grips
- service alerts on our customer profiles that enable us to record and recognise a customer's accessibility needs whenever they contact us
- 'Talking ATM' functionality at over 1,200 of our ATMs and revised validation processes to enable telephone calls via BSL Interpreters
- online and mobile services designed to be accessible for customers using assistive technologies or accessibility software.

The Specialist Support Service we've developed with Macmillan also reflects our commitment to vulnerable customers. [You'll find more details on page 26.](#)



## Supply chain

At Nationwide we seek to partner with supplier organisations that demonstrate a commitment to our mutual values, ethics, policies and standards. So it's important that we not only work with the right organisations, but also that they want to work with us. To ensure we create valuable partnerships we use a number of tools and approaches.

- **Commercial Due Diligence** – before engaging with a supplier we ensure they're compliant with our policies and standards around areas such as financial stability, code of conduct, legislation and business continuity.
- **Our Supplier Code of Practice** – it's important to us that all our suppliers represent us in a way that enhances our reputation and relationships with our members, employees and stakeholders. So our Supplier Code of Practice promotes fairness and dignity for the people we work with and the environments in which they operate, whatever the products, goods and services they're providing. And we expect our suppliers to understand and demonstrate their commitment to our PRIDE values. [You'll find more details on page 36.](#)
- **Our Third Party Management Framework** – once a strategic or preferred relationship is established, we use this framework to ensure that service performance is monitored.

In 2015 an Offshore Supplier Management team was established to work collaboratively and share best practice with our international partners and onshore functions to make the most of each partnership, while protecting our members.

One lovely feature of the relationships we have with our suppliers is that they often take part in our citizenship activities. For example, our preferred and strategic suppliers regularly participate in events like the Macmillan Coffee Mornings or Comic Relief.



# Your Ethical Business

## Prompt payment

Our commitment is to pay suppliers within clearly defined terms, and to ensure there's a proper process for dealing with any issues that may arise. Our standard payment terms are 45 days. That's earned us Prompt Payment Code certification. Prompt payment is of real benefit to our suppliers, especially the smaller ones who are more reliant on cash flow.

## Financial crime

Taking action to prevent and tackle financial crime helps to protect our members, our business and the integrity of the markets in which we operate. So we not only abide by all the relevant laws and regulations, we also foster a culture that detects, mitigates and, where possible, prevents money laundering, terrorist financing, bribery and corruption. As you'd expect, we have a range of policies and procedures to help us with that.

## Supporting a Living Wage

Ensuring our employees and those of our suppliers who work on site are paid fairly is something we're totally committed to. The Living Wage is good for business, improving employee morale and decreasing absenteeism. It's good for the individuals who receive it. And it's good for society as a whole as it helps tackle poverty.

Everyone working for Nationwide receives the Living Wage. From 1 April 2016 this included contractors and supplier staff who regularly work on our sites; this was achieved nine months ahead of schedule.

Our commitment to the Living Wage, over and above our statutory obligations, has raised the pay of over 1,400 contractor and supplier staff. We've become a Principle Partner of the Living Wage Foundation, we sit on their Advisory Council and the Living Wage Commission (which advises on Living Wage rates in the UK) and we chair the employer group for Living Wage Week 2016.



Our commitment to the Living Wage has raised the pay of over  
**1,400**  
contractor and supplier staff.



# Your Environment

Our vision is to be among the best performers for environmental sustainability in the UK financial services sector.

The challenges we face are those that come with a growing business – a need for new buildings, as well as increased use of digital technology and data management facilities. Despite these challenges we've continued to reduce our energy consumption and carbon emissions. We also continue to divert our waste from landfill. However, our water use and the amount of waste we produce have both slightly increased. So, we've set new targets to achieve by 2020.

These are:

- to keep our carbon emissions down to our 2015 levels
- to reduce water use by 5%
- to reduce our waste by 100 tonnes and increase the amount we recycle to at least 80%.

## Our carbon emissions

Most of our carbon emissions are from the energy we use to power our IT infrastructure, our branches, online banking and our admin centres. As a growing organisation, we've been looking at how we can become even more efficient with our resources and source more of our power from renewables.

Solar panels on the roof of our head office have been generating electricity for the last five years and from July 2016 we will be sourcing up to 50% of our electricity from a solar farm in Cambridgeshire. By increasing the amount of renewable electricity we use, we're doing our bit to manage the environmental impact of our activities and run the Society in a responsible way.



From July 2016 we will be sourcing up to **50%** of our electricity from a solar farm in Cambridgeshire

| How are we doing?   | Year to<br>4 April 2016 | Year to<br>4 April 2015 | Baseline year<br>4 April 2011 |
|---|-------------------------|-------------------------|-------------------------------|
| <b>Carbon dioxide (CO<sub>2</sub>e)<sup>1</sup> in tonnes<sup>2</sup></b> |                         |                         |                               |
| <b>Scope 1 emissions</b>  |                         |                         |                               |
| Energy  | 3,138                   | 3,498                   | 4,890                         |
| Travel  | 2,239                   | 2,243                   | 2,448                         |
| <b>Scope 2 emissions</b>  |                         |                         |                               |
| Electricity   | 44,934                  | 46,245                  | 50,802                        |
| <b>Total Scope 1 and 2 emissions<sup>3</sup></b>                          | <b>50,311</b>           | <b>51,986</b>           | <b>58,140</b>                 |
| Total carbon dioxide in tonnes per FTE                                    | 2.81                    | 2.90                    | 3.46                          |
| Water use (cubic metres)  | 198,450                 | 191,242                 | 259,718                       |
| Water use (cubic metres) per FTE  | 11.06                   | 10.85                   | 15.45                         |

1. CO<sub>2</sub>e is an abbreviation of 'carbon dioxide equivalent' and is the internationally recognised measure of greenhouse emissions.  
 2. When calculating our carbon emissions we have used the new DEFRA 2015 conversion factors.  
 3. Scope 1 covers direct combustion of fuels and company owned vehicles and Scope 2 covers emissions from electricity.

# Your Environment highlights



## Creating Nationwide woodlands

- As part of our programme to reduce our environmental impact, we pledged to plant a tree for every current and future employee and a tree for members who opted to go paperless at the 2015 AGM; that's a total of 60,000 trees to help offset our impact on the environment and provide long lasting community benefit for generations to come.
- In March 2016, our employees, their families and local members came together to work side by side to plant trees at the woodlands site, Ravens Retreat, in Wiltshire. Working with the Wiltshire Wildlife Trust, we've now planted 8,500 trees there.



## Woodland Trust

- To help create woodlands in other parts of the UK, we've partnered with the Woodland Trust.
- One feature of that partnership is to help local communities manage their own woodlands by offering start-up grants and training. Our aim is to encourage and enable people who are passionate about their local woods to take an active role in the care and management of them.
- Over the next five years, the Trust will work with us to plant the 60,000 trees we've pledged.

## Green Action Week

- In June 2015, hundreds of our people were inspired to get involved in Green Action Week – activities included a 'print free day', talks from high profile environmental speakers and various team events designed to raise awareness and money for environmental charities.
- Every employee received woodland flower seeds to plant in their local woodlands and many took the opportunity to do some environmental volunteering in their local communities.

## Supply Chain Standard

- We were one of seven UK 'pathfinder' organisations to help the Carbon Trust develop a new standard, which focuses on working in partnership with key suppliers to reduce the carbon emissions of the supply chain.
- As a result, we were one of the first organisations in the world to achieve Level One of the Carbon Supply Chain Standard when it was launched last year. Moving forward, we'll work with our key suppliers to identify innovative solutions to reduce our environmental impact.

## The Wiltshire and Swindon Declaration on Climate Change

- When world leaders gathered in Paris in December for the United Nations summit on climate change, businesses, local authorities, government agencies and charities got together to sign a Declaration asking governments to take the measures needed to control climate change.
- Alison Robb, Group Director, signed the Declaration on behalf of Nationwide. The Declaration was presented to our local MP Robert Buckland with a request that he pass it on to the Prime Minister and the negotiating team attending the Paris talks on behalf of the UK.



**8,500** trees have  
been planted so far out of  
**60,000** pledged

# Your Workplace

To be the UK's first choice for financial services we need talented and highly motivated employees who understand and believe in mutuality and stay true to those mutual values – people who really enjoy working for Nationwide who feel valued, engaged and enabled and who do their very best for our members.

## How are we doing?

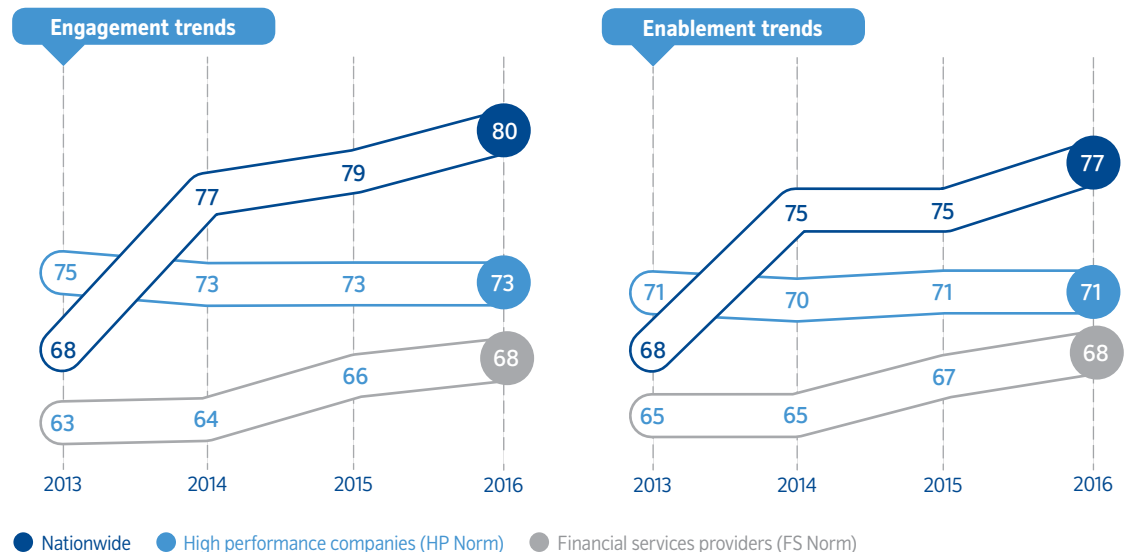
### Employee engagement

Our employees continue to believe that Nationwide is a great place to work. We were once again recognised as one of the top companies to work for in the UK after being placed 3rd in The Sunday Times' list of Top 25 Big Companies, up from 6th in 2015. We've been a Top 25 Big Company for the last ten years.

We also made The Times list of the 50 Top Employers for Women for the fourth year running.

93% of employees responded to our own internal survey and we're proud of the high levels of Engagement, at 80%, and Enablement, at 77%, both of which increased from last year and score above the industry High Performing Norms.

We measure our success in the delivery of a great place to work through an annual employee survey which is independently run by the Hay Group plc.



**Employee engagement** is a measure of the extent to which employees feel motivated to deliver. **Employee enablement** is a measure of the extent to which employees feel equipped to succeed. Benchmarks which we are measured against are:

**HP Norm:** High performance normalised scores

**FS Norm:** Financial services normalised scores

# Your Workplace



## Creating the right culture

Being a mutual, we're able to act differently because we are different. The challenge is making sure our mutual difference really does shape not just what we do but how we do it. We seek to create an environment where words like equality, diversity and inclusion genuinely characterise the organisation.

To enhance and maintain our distinctive culture, we place great emphasis on how we behave – doing the right thing, championing diversity, engaging our employees and providing them with development opportunities so that they can perform at their very best and excel at customer service. We also promote a set of shared standards or values that we've summarised in something we've called PRIDE.

“It is my perception that one of the ways that Nationwide is very different from other organisations in financial services is that people here really do care... ..about their colleagues, about their communities, and about their customers and members.”

(Joe Garner, CEO)

## PRIDE

PRIDE summarises the values we stand for at Nationwide. It has become part of the fabric of Nationwide and remains as valuable as ever. It has defined our business for 15 years and it's what makes us different. It's built into our performance management system and reflected in our recognition schemes. It helps us remain focused on our members and motivated to do our very best for them.

|                          |                         |                    |                          |                         |
|--------------------------|-------------------------|--------------------|--------------------------|-------------------------|
| <b>P</b>                 | <b>R</b>                | <b>I</b>           | <b>D</b>                 | <b>E</b>                |
| putting<br>members first | rewarding<br>membership | inspiring<br>trust | doing the<br>right thing | excelling<br>at service |





# Your Workplace

## Equality, Diversity and Inclusion

Delivering a first class service to all our members and customers means ensuring that every part of our business is tuned in to their diverse needs and expectations. That means employing a workforce that understands and can respond appropriately to difference. A diverse, inclusive and respectful culture is essential to our current and future business success, and intrinsic to our mutual values.

*‘Through a culture that puts people first, we will leverage diversity and foster the rich variety of skills, talent and innovative thinking needed to succeed as first choice for financial services.’*

*(Nationwide Equality, Diversity & Inclusion vision statement 2015)*

For us, equality is about the steps we take to ensure everyone has fair and equal access to our jobs and development opportunities. Diversity is about recruiting and developing a mix of people who are representative of society and our membership at large and of the locations in which we operate. Inclusion is about creating the right environment for that mix of people to work together to deliver excellence for our members and for each other.

Executive Committee Directors continue to sponsor different aspects of our Equality, Diversity and Inclusion agenda and we facilitate and support employee networks which focus on disability, gender, sexual orientation, ethnicity, faith and belief, carers and veterans and reservists. These, together with the Nationwide Group Staff Union (NGSU), provide ways in which diverse employees can have a voice and work together.

We encourage our employees to bring their whole selves to work and provide a range of initiatives to enable them to achieve their potential.

## How are we doing?

This year, we achieved Gold and Silver status respectively in the BITC Gender Equality Campaign and Race Equality Campaign benchmarks and were ranked within the top quintile for the BITC’s new age and gender wellbeing benchmarks. We’ve also once again maintained our position as a Times Top 50 Employer for Women.

We’ve also increased female Board representation from 18% to 27% and Executive Committee representation from 25% to 33%. We’re therefore making good progress towards our composite gender target of 33% female by 2020, for our total director population (Board, Executive Committee and Divisional Directors). However, we recognise that we have more work to do to progress against our Black Asian Minority Ethnic (BAME) target of between 8% and 15% by 2020.

We continue to deliver on key objectives within our Equality, Diversity & Inclusion Strategy, reporting on and monitoring progress quarterly at our steering committee.



**We maintained our position as a Times Top 50 Employer for Women**

# Your Workplace

## Treating our people fairly

We believe that it's everyone's responsibility to ensure the workplace remains free from discrimination, bullying and harassment and that we all have a part to play in helping to foster an inclusive workplace, where our employees are not just treated fairly but valued and treated with dignity and respect.

We work in partnership with the Nationwide Group Staff Union (NGSU), our Employee Diversity Networks and various strategic partners to ensure we provide an inclusive and supportive workplace.

We provide relevant training as well as career development and mentoring opportunities for all employees. We want everyone to have the chance to thrive.

## Working with the NGSU

We've a strong and constructive relationship with the NGSU. The recognition and procedure agreement recognises the Union for:

- collective representation and bargaining arrangements, covering around 98% of the employee population
- individual representation of all employees.

In the last year we've consulted with the NGSU on many different topics and within all business divisions through more than

70 meetings under our Employee Involvement Committee structure. These meetings act as a forum where representatives from the business and the NGSU consult, share information and develop solutions on a range of business and employment issues.

We've a set of clearly defined principles to ensure that problems at work are resolved fairly, consistently and as quickly as possible with an emphasis on support and encouragement.

## Policy statement on Human Rights

Our Fair Treatment at Work Framework sets out how all employees can expect to be treated and managed.

We review our policies regularly to ensure that they remain relevant particularly during periods of change. We ensure that they mirror our approach to equality, diversity and inclusion, are aligned to governing legislation (including the Equality Act 2010, The Human Rights Act 1998 and the UN's Universal Declaration of Human Rights) and take account of emerging socio-economic trends.

Our managers receive further support that includes training and line manager guidance to ensure consistency in the application of our policies on Equality, Diversity and Inclusion and Fair Treatment at Work.

We require all our suppliers to adhere to a clear code of practice, which includes human rights standards relating to forced or involuntary labour, child labour, working hours, wages, benefits and freedom of association, harassment and bullying.



# Your Workplace

## Training and development

We continue to invest in the learning and development of our people.

- Our learning and development philosophy is underpinned by our understanding of the values, behaviours and skills required to support our business strategy and deliver good customer outcomes.
- Our range of flagship talent programmes spans the organisation from graduates and apprentices to directors.
- We've invested in emerging talent through the recruitment and development of graduates and apprentices. We've seen a significant increase in apprentices, with 117 joining the Society since the start of our Apprenticeship Programme in 2013, and that's set to increase still further.
- 440 people have participated in our leadership talent programmes since 2010. We're opening up these programmes in 2016 to self-nomination to create a more open and inclusive approach to our talent development.

- All employees participate in regular performance reviews and have a twice yearly performance rating agreed. Development planning is an integral part of this process and added investment in a new system will support this further in 2017.
- We enable employees to quickly find the most effective development opportunities available to them through the new MyCareer Academy. This includes online learning tools. 620,000 online learning modules were completed in 2015/16.
- A suite of programmes are available to all middle managers to help them develop their skills and behaviours, including coaching, skilful management conversations, inspiring and engaging people and influencing. These are accessed through individual self-nomination or on a team basis. Over 5,000 managers participated in these programmes in 2015/16.
- 50,000 delegate training days were delivered to support our customer facing people in branches, telephony and Nationwide Now.

## Supporting the military community

Our Military Transition Programme, which was launched in May 2015, focuses on recruiting former Armed Forces personnel into project manager posts within our Business Transformation Department. The programme offers new recruits extra support, recognising the challenges that often exist when moving from the military into a corporate environment.

This year we also launched our Military Employee Network, which will establish a formal group of ex-Armed Forces personnel and reservists. They will champion the aims of the Armed Forces Corporate Covenant, support each other and look for further business opportunities to support the military community.



# Your Workplace

## Health and safety

We're committed to providing a positive and proactive working environment that supports the health and safety of our employees, customer and third parties and is considered by the Health and Safety Executive to be a 'Low Risk' environment.

To ensure that this remains the case, we work with the NGSU to develop and promote effective policies and practices across the organisation and closely monitor key risks, including:

- **Verbal and aggressive behaviour:** we don't expect our employees to tolerate verbal abuse or aggression, and have a robust reporting structure and controls in place with support mechanisms.
- **Working with IT equipment:** in a business where IT plays an important role for employees we develop our ergonomic solutions to minimise health and safety risks with testing and design. Bespoke solutions are provided for employees where these are required and we offer an Occupational Health Service through Santia.

- **Workplace stress:** we have guidance and management tools, together with an independent helpline managed by Validium offering counselling support, legal information and debt guidance and our Employee Assistance Programme now offers online counselling.
- **Overseas travel:** while the frequency of overseas travel and working is low, we've appropriate policies and procedures in place to help mitigate risk for employees travelling overseas.

**To monitor overall performance, we've a number of measures that are regularly reviewed by the Group Health and Safety Committee. These include:**

**Training and awareness:** all employees, contractors and temporary employees are required to confirm that they're fully aware of their responsibilities with regard to the management of health, safety, fire and security when they first join us and every year after that. As at the end of April 2016 compliance was 95.8%. Employees can get further support and training through our internal intranet and Ask HR Helpline.

**Enforcement activity:** like all businesses, we're subject to inspections from environmental health and fire authorities. During 2015/16 we had five fire authority visits, with no improvement notices issued.

**Major accident reporting:** our aim is to minimise the number of major accidents reported to the Local Authority, and we record and review all accidents and near misses quarterly. In 2015/16 there were twelve major accidents, with eight affecting employees and four affecting a member of the public.

**Our employee survey, ViewPoint:** we use the results from this survey to benchmark ourselves against the Health and Safety Executive's stress management standards. There's been a positive increase in the number of employees that believe that they work in a good, stress-free working environment where they're well supported and are valued. This has increased from 68% in 2008 to 84.1% in our 2015 survey.

**A formal health and safety committee:** this meets every quarter with the trade union to discuss any accidents, audits or statutory inspections along with other local and policy issues. A range of topics are covered in formal agreements with the

trade union, including Health, Safety and Risk Management policy, Fire Safety policy and risk assessment reviews.

**External audit of our Health and Safety Management Systems:** the last audit was carried out in early 2016 and a score of 83% was achieved with nine minor actions to be implemented over the next 12 months (Health and Safety Executive Guidance Note, HSG 65: Managing for Health and Safety).

**Innovative fire safety partnership:** working in partnership with West Midlands Fire Service (WMFS) we maintain appropriate fire safety standards and compliance with UK fire legislation. We're working with WMFS to help us meet our operational and training requirements for fire safety, and we're also making a positive difference to safety in the local community by supporting their Community Learning Centre, Safeside.

Safeside is a state-of-the-art, scenario-based, experiential learning centre that provides an innovative, interactive and enjoyable learning experience, inspiring visitors (of all ages) to think and act safely. It is managed and funded by WMFS and we sponsor it as part of our partnership.