

# REAL HELP WITH REAL LIFE





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## Our reporting suite

The full YBS reporting suite brings together the Society's financial, non-financial, risk and sustainability performance for 2025. Alongside this Sustainability Report, please refer to the following documents:

- **2025 Annual Report and Accounts** - includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations.
- **2025 Sustainability Reporting Framework Index and Datasheet**
- **Gender Pay Gap Report**
- **YBS policies**



2025 Annual Report and Accounts



AGM Magazine

# SCOPE OF THE REPORT

Our Sustainability Report complements our Annual Report and Accounts (ARA) by providing a more in-depth update on the progress we're making against our Purpose and sustainability strategy.

The report reflects activities undertaken from 1 January to 31 December 2025, and the information presented refers to Yorkshire Building Society (YBS) and its subsidiaries (collectively 'the Group' or 'the YBS Group'), as detailed in our 2025 ARA, unless otherwise stated.

The report has been produced with reference to the Global Reporting Initiative (GRI) standards 2021. Using the GRI standards has helped us consider the disclosure requirements of our stakeholders and focus on issues that align with our material topics; the sustainability topics most important to us and our stakeholders.

## Statement on assurance provider

Selected climate-related and colleague-related data within this report have been subject to independent limited assurance by PricewaterhouseCoopers LLP (PwC), as indicated by a star (★).

The PwC assurance engagement was conducted in accordance with the International Standard on Assurance Engagements (ISAE) 3000 (Revised) - Assurance Engagements other than Audits or Reviews of Historical Financial Information - and ISAE 3410 - Assurance Engagements on Greenhouse Gas Statements. The work performed for independent limited assurance is substantially less than the work performed for a reasonable assurance opinion, such as that provided for financial statements.

Please note that the PwC independent limited assurance report is separate from

PwC's audit of our financial statements. The PwC limited assurance report is available in the 2025 Sustainability Reporting Framework Index and Datasheet on our website.

## Contacts

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# Welcome to Yorkshire Building Society

## Our Purpose

### REAL HELP WITH REAL LIFE

Members coming together to make good homes possible for more people.

Because we're owned by our members, we do things differently. As a building society, it's our job to help people save and take steps towards secure, sustainable homes, whether owned or rented. Because good homes aren't just bricks and mortar - they shape health, happiness, opportunity, and our path to a greener future.

## Our strategic pillars



Double reach and deepen impact



Create joyful experiences



Cultivate an ambitious culture



Build a future-ready Society

## Our behaviours



We care about people



We say it straight



We reach for better



We make it happen





“  
The Society has refined its Purpose with a new focus on making good homes possible for more people.  
”

**Janet Pope**

# WELCOME

## FROM THE CHAIR OF THE BOARD ENVIRONMENTAL AND SOCIAL PURPOSE COMMITTEE

I'm delighted to introduce the Sustainability Report for 2025.

As Chair of the newly formed Board Environmental and Social Purpose Committee, I see first-hand just how committed the Society is to responding to the social, economic and climate challenges the UK faces.

The introduction of this new Board-level committee, and the creation of a Chief Strategy and Sustainability Officer role signals the priority the Society places on supporting the people and places it serves.

The Society's newly sharpened Purpose now sits at the heart of everything the organisation does and helps to clarify decision making.

The choices we make today have the potential to influence the homes, communities and environments of tomorrow. It's important this translates into action that delivers real outcomes for members, customers and colleagues. I'm proud of the work done and showcased in this report.

For example, we know we need to act fast, and we've agreed to accelerate the Society's own ambition, already putting plans in place to make it happen - such as bringing forward our target to be Net Zero in Scope 1 and 2 from 2035 to 2030 with a science aligned transition plan in place.

The Society has a strong strategy and a committed team that I know will contribute greatly to a resilient, inclusive and sustainable future. With strengthened governance and increased accountability, I'm excited by what can be achieved.

**Janet Pope**  
**Non-Executive Director and Chair of the Board Environmental and Social Purpose Committee**





“  
It's a real privilege to lead an organisation that cares so deeply about doing the right thing.  
”

Susan Allen, OBE

# INTRODUCTION

## FROM OUR CHIEF EXECUTIVE

For 160 years, we've been delivering **Real Help with Real Life** - our Purpose that continues to drive us every day.

We're not bound by shareholders, but by our members. They're the reason we exist, and in a defining year, we took steps to better align how we meet their needs.

We've sharpened our Purpose - Real Help with Real Life. For us, it means members coming together to make good homes possible for more people. That starts with our savers. Using their deposits, we can lend money to help people buy homes that are not only safe and affordable, but sustainable, resilient, and rooted in thriving communities. Our Purpose isn't new, but sharpening it has given us fresh momentum and focus to deliver meaningful outcomes.

Every decision we make, every product we launch and every partnership we build will contribute positively to the world around us, while delivering the value our members deserve. We've worked hard this year to understand what value means to people, and we'll be finding new ways to reward those who save with and borrow from us. We've already seen great progress.

From supporting people into homes with innovative products like our £5K Deposit Mortgage, to proudly being a voice for our savers in the face of ISA reforms, or our partnership with Snugg to help our members and customers make energy efficient improvements. It shows what's possible when we put our Purpose into action.

But we know there's more to do. The challenges facing our members and our planet are complex and pressing, which is why our ambition matters. It's a real privilege to lead an organisation that cares so deeply about doing the right thing and in the coming year and beyond I'm confident our work will enable us to go further, faster and make good homes possible for more people.

Susan Allen, OBE  
Chief Executive

### Highlights

**Lobbying to retain cash ISAs**

**Making energy-efficient improvements**

[Find out more](#)

# PURPOSE IN ACTION

## IN THIS SECTION

- [Number one choice for savers](#)
- [Making homeownership more accessible](#)
- [Helping people make the most of their homes](#)
- [Supporting responsible landlords](#)
- [Investing in creating more good homes](#)
- [Calling for change in the housing system](#)



# PURPOSE IN ACTION

## Sharpening our Purpose

Our Purpose to deliver Real Help with Real Life is the reason we exist and the role we want to play in the world. But we knew we wanted to make this even clearer.

We brought colleagues, members, customers and partners together to sharpen our Purpose. Through almost 500 survey responses, alongside workshops with colleagues and members, we listened to the voices that matter most.

The insight we gained showed strong support for us to do more to help people into safe and secure homes, which led us to:

**Real Help with Real Life means members coming together to make good homes possible for more people.**

We haven't replaced or changed our Purpose. We've just sharpened it to make it clearer.

As a building society, it's our job to help people save and take steps towards secure, sustainable homes, whether owned or rented. Because good homes aren't just bricks and mortar - they shape health, happiness, opportunity and our path to a greener future.

By offering a safe and rewarding place to save, we're able to lend responsibly and help more people take steps towards homeownership or secure rental homes.

Our business model is built for both savers and borrowers, and it's built to last.

## Purpose Prompts

Our Purpose is so much more than words on a page, it guides every decision we make. We've developed 'Purpose Prompts' to support our colleagues to make decisions in line with our Purpose. They are:

- **Mutual at heart** - are we meeting the current and future needs of our members, helping more people save and take steps towards having a good home?
- **Leading value** - are we using our members' money wisely to make a difference and provide benefits they value in return?
- **Real care** - are we acting with care towards everyone we interact with - especially in the moments that matter most?

- **Sustainable growth** - are we growing our impact, while maintaining financial strength and creating positive change over the long-term?

We're starting to embed them across the organisation, from Board papers and discussions to leadership events and cascades, to set the tone for alignment and Purpose-driven delivery across the business.

## Bringing our Purpose to life

Putting our Purpose into action starts with being the number one choice for savers. By delivering great service, fair rewards and products that meet our members' needs, we can encourage more people to save with us. In turn, we can use those balances to help people take steps towards secure, sustainable homes, whether owned or rented, across five areas (as seen in the graphic).

Some of these we've been doing for a long time, some will require us to work in new ways. We're starting to develop our action plans within each of these areas, building on what we've already started. We're passionate about what we've already done and excited by what's possible.



# NUMBER ONE CHOICE FOR SAVERS

To truly live our Purpose, we know it starts with our savers. As a mutual, every pound saved with us helps open the door to homeownership for someone else. It's really that simple.

But we know people manage their money in different ways, and no one size fits all. Be it the type of account they want to save their money in, or the channel in which they pay in or take it out, we give people choice.

## Competitive savings rates

In 2025, our savings rates were on average 0.62<sup>1</sup> percentage points higher than the market average. We also celebrated giving our savers almost £1.5bn in extra interest when compared to the average interest rates of other providers, over five years<sup>2</sup>.

While interest rates fell following the Bank of England's decision to reduce the Bank Rate, we reduced our savings rates by less than the fall in base rate. Even in this environment, we kept a competitive

minimum rate to give fair value for our members and customers. It's been one of the highest when compared to other financial services providers<sup>3</sup>, giving people who save with us the confidence their efforts will be rewarded with competitive returns.

## Meaningful value

We know rates are important, but there's more to being a member with us. From personal in-branch events and services that help people when they need it most, to the opportunity to shape our business decisions and the products and services we offer - we make being a member rewarding. We also make it easy for members to give back to their communities, for example through our Small Change Big Difference® scheme.

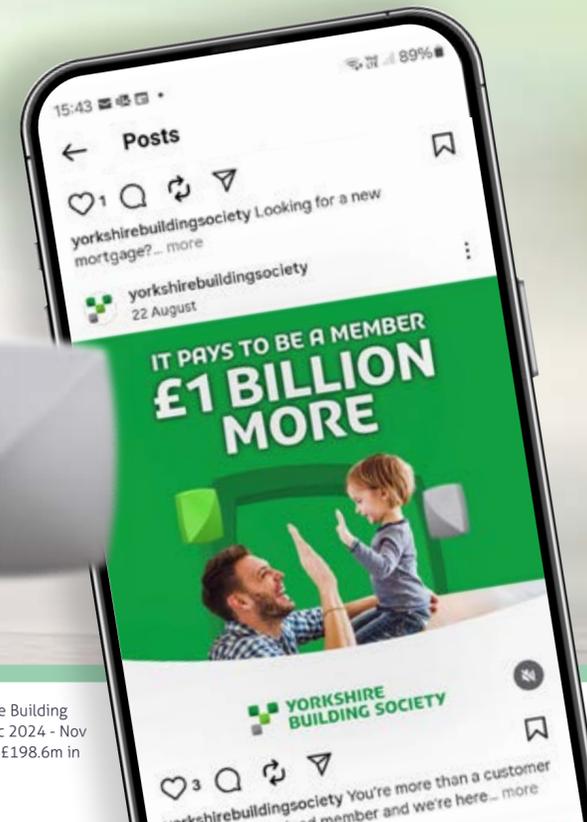
So, whether it's consistently good value, real support from real people or knowing their money is making a difference, we want our members to feel part of something bigger.

You can read more about our support for savers on page 19.



In 2025 our savings rates were on average **0.62** percentage points higher than the market average.

In 2025 we celebrated passing back **£1.5bn** in interest to our savers over five years.



<sup>2</sup> Due to above market average rates, Yorkshire Building Society savers gained £313.0m in 2025 (Dec 2024 - Nov 2025), £430.2m in 2024, £441.1m in 2023, £198.6m in 2022, £107.1m in 2021.

<sup>1</sup> YBS Group average savings rate compared to Rest of Market average rates. Source: CACI's Current Account and Savings Database (CSDB), Stock. Data period December 2024 - November 2025 (being latest available).



## Lobbying to retain cash ISAs

### A voice for savers

At a time when cash ISAs were under the spotlight, we proudly stood shoulder-to-shoulder in the face of change. These accounts are more than just a place to save. They're flexible, tax-efficient ways for members to see their hard-earned cash grow and we know from speaking to our members time and again, they didn't want change. That's why we made our position clear: reducing the cash ISA limit isn't in our members' best interests. We told policymakers that the £20,000 cash ISA limit

should stay, the ISA system should be easy and that there should be more of a focus on education to help people invest their savings confidently. While we were disappointed to see the allowance reduced, we welcomed the fact the Chancellor had listened to calls from us and the wider mutual sector not to cut it too dramatically, and that the £20,000 limit for those over 65 remained in place. We're continuing to use our voice, on our own and with the support of others, to protect what matters.

“ We told policymakers that the £20,000 cash ISA limit should stay. ”

<sup>3</sup> It offers fair value as it stands competitively against our building society peers (2nd highest as of September 2025) and is significantly higher than the "Big 6" banks.

# MAKING HOMEOWNERSHIP MORE ACCESSIBLE

We've helped people into homes for over 160 years. But for many, buying a home in today's market can still feel out of reach.

Increased house prices, the struggle to save for a deposit and a higher cost of living in recent years, makes it harder for people to get on or move up the property ladder.

We're proud of our contribution to make it easier for more people to have a place they can call home. We supported 3.3% of the mortgage market in 2025.\*

We supported  
**3.3%**  
of the mortgage  
market in 2025.

## Supporting first-time buyers

We saw what was needed to help people saving for a deposit and delivered - launching the ground-breaking £5k Deposit Mortgage in 2024. Living up to its name, the mortgage required only £5,000 for a house worth up to £500,000, if buyers met our lending criteria. More than 2,600 people have benefited since launch, but we knew we could help more.

In January 2025 we extended the mortgage to flats. In some locations, particularly city centres that tend to attract younger buyers, flats can often be an attractive choice. Thanks to our £5k Deposit Mortgage, customers have been able to buy a flat with a smaller deposit than they might once have thought possible.

On top of deposit challenges, some people simply don't earn enough money to be able to get a mortgage. So, we expanded our Boost loan-to-income (LTI) range of mortgages to people buying their first home. This meant instead of lending someone four and half times their income, we'd lend them up to five and a half times of what they earned. This made mortgages more accessible to 994 people in 2025.

We made  
mortgages more  
accessible to just  
under  
**1,000**  
people in 2025.

## Improving access to homes

We've made our mortgage range accessible to more people by making a number of changes to our lending criteria.

To support more underserved borrowers, we now accept Universal Credit as income and have reduced the minimum household income we require to £50,000 from £75,000 for loans over four-and-a-half times earnings.

For first-time buyers, we've removed the minimum income requirement completely, for mortgages up to five-and-a-half times earnings, subject to meeting criteria.

We also let applicants without indefinite leave to remain in the UK (those looking for the right to live, work, and study in the country) borrow up to 90% loan-to-value (LTV). These updates are just some examples of how we're making positive changes to help more people to own their own home.



## A life-changing proposition

Manchester-based Rachelle had largely given up hope of owning her own home.

Despite a successful career, she was fearful her contractor status - though typical in her industry - would scupper her chances of getting a mortgage. She'd resigned herself to having to save for four or five more years to get a big enough deposit to afford a house, before spotting an advert for our £5k Deposit Mortgage.

Rachelle said: "I jumped at the chance as soon as I saw this product advertised but still didn't think I'd get approved because I

work as a contractor and my work arrangements renew every three-to-six months.

"Even if I'd managed to save up the kind of deposit you need for a standard mortgage these days, I wouldn't have been in a position to tie it all up in a property because of my circumstances, but the £5k requirement made it doable."

Just a couple of months later, Rachelle had a new two-bedroomed house to call home.

"It's changed my life - it really means a lot to me to have my own front door for the first time," she added.

“ I jumped at the chance as soon as I saw this product advertised. ”

# HELPING PEOPLE MAKE THE MOST OF THEIR HOMES

We're committed to helping customers create homes that are more secure, more energy efficient and more affordable to run. This not only supports the journey to a Net Zero future but also improves everyday comfort and quality of life.

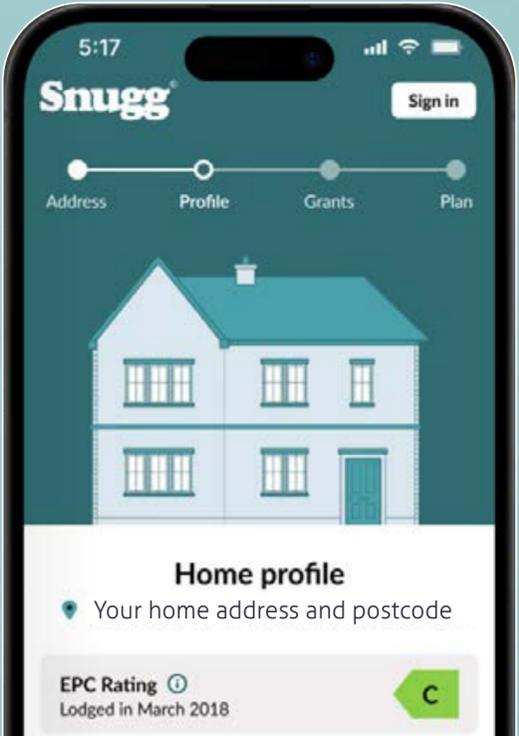
## Sustainable homes

Housing is a major contributor to UK greenhouse gas emissions, with heating homes accounting for around 20%<sup>4</sup> of UK emissions. We're therefore excited to partner with Snugg. They're experts in helping homeowners reduce how much energy they use and their carbon footprint, which in turn helps us to reduce emissions associated with the mortgages we provide.

Snugg's free online tool is available on our website and helps members and customers make energy efficient improvements. It includes personalised suggestions that'll make their energy performance better, checks if they're eligible for grants and can recommend trusted installers to make any changes.

As well as having the potential to significantly reduce greenhouse gas emissions, the partnership helps make our customers' and members' homes more comfortable to live in. 2,400 people used the service in 2025, showing people do care, and want to learn more about making their homes more energy efficient.



REAL HELP

WITH REAL LIFE:

“

It was so easy to use Snugg.

”

## Personalised home-efficiency support

Emily, from Bristol, explains how our partnership with Snugg helped her.

She said: "It was so easy to use Snugg - it's really user-friendly and has a simple layout, making it easy to navigate and understand. Me and my partner were interested to know the EPC rating on our flat, and I love the plethora of

tips on energy efficiency and money saving, some of which we've already incorporated. I also love the fact that, should you access any grants through them, you know that the tradesperson is approved by them, which adds peace of mind. I'm so grateful I heard about this through Yorkshire Building Society."

## Protecting homes

To support members to have safe and secure homes now and in the future, we partner with providers to offer two insurance products, one for homes, and one for life. They're offered purely for the benefit of our members, to give them peace of mind.

### Commission-free home insurance

Research we did showed nearly a quarter of UK adults don't have buildings or contents insurance, with 31% of those saying they couldn't afford it and one in five thinking they didn't need it.

The home insurance we launched with Uinsure is offered in the interests of our members and customers. We don't receive any commission, it is simply the right thing to do. In 2025, we saw record uptake of the product and saved our customers £1.65m on home insurance premiums.

### Added peace of mind without cost

Just like our home insurance partnership, we get no commercial benefit from introducing life insurance. We simply offer zero commission policies, through LifeSearch, to give our members and customers some financial protection should the worst happen.

In 2025 collectively we saved our members and customers £730,000 on their life insurance premiums.



In 2025  
our members saved  
**£1.65M**  
on home insurance  
premiums.

In 2025  
collectively we saved  
our members and  
customers over  
**£730,000**  
on their life insurance  
premiums.

<sup>4</sup> Final UK greenhouse gas emissions statistics: 1990 to 2023 - GOV.UK

# SUPPORTING RESPONSIBLE LANDLORDS

## Quality homes for renters

Through our intermediary brands, we work with brokers and landlords to improve the energy efficiency of properties. It's something we take seriously, and it's built into our credit approval process.

For example, through YBS Commercial Mortgages, we make sure the landlords we support provide good quality, energy efficient rental properties. Before we agree to lend, we need the property to have an Energy Performance Certificate (EPC) of C or above. If it doesn't, we must see a clear upgrade plan.

Where properties are rated D or E, we work with landlords to agree the improvements needed to reach C. Typically, this can be new insulation, replacing a boiler or upgrading to double or triple glazed windows.



**REAL HELP**  
WITH **REAL LIFE:**

## Supporting sustainable investors

YBS Commercial Mortgages supported a borrower who converted part of an office building into six quality residential flats, while keeping commercial space to support local businesses.

With full planning permission, the renovation included separate access for

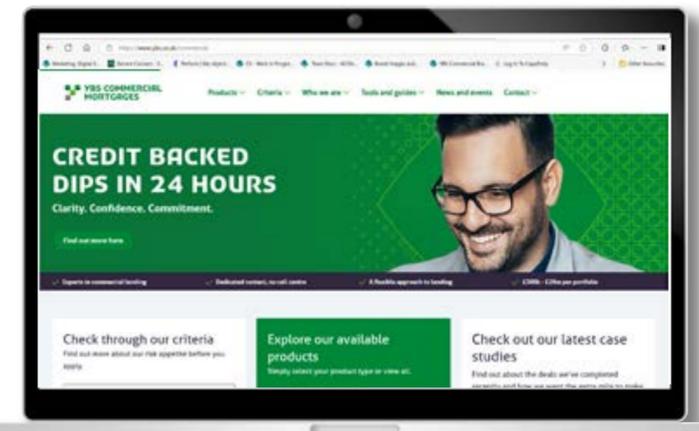
the offices and flats, dedicated parking and a landscaped courtyard that offered safe and practical mixed-use space.

Backing a financially strong client committed to quality and sustainability demonstrates our focus area of supporting responsible landlords.

# INVESTING IN CREATING MORE GOOD HOMES

Through our YBS Commercial Mortgages brand, we're exploring ways to work with members and partners to back projects that deliver good homes for communities across the UK.

While this is a relatively new focus area for us, through our commercial lending activity, we've already been supporting the creation of more good homes, by helping landlords borrow against existing assets to build or buy homes for rent.



**REAL HELP**  
WITH **REAL LIFE:**

## A helping hand for landlords

In 2025, we supported a landlord with finance following the completion of an innovative airspace development, where new homes were built above an existing building. This marked the first time we had lent on this type of project.

The developer added 14 apartments in previously unused airspace in Acton, West London, having secured development funding elsewhere to complete the build. Once construction was finished, we provided a development exit facility, enabling the landlord to repay their original funding.

As a result, additional high-quality homes were made available for local tenants to rent, an example of how we deliver real help with real life while supporting the efficient reuse of urban space.

# CALLING FOR CHANGE IN THE HOUSING SYSTEM

As one of the largest building societies in the UK, we'll continue to use our voice to push the government on housing issues that matter most to our members and customers, to influence action.

From tackling barriers to homeownership to improving the quality and availability of rental homes, we engage with policymakers to push for meaningful change. We want more than promises - we want real action that leads to housing policies that meet the needs of people in our communities.

## Influencing decisions

Throughout 2025, we regularly submitted evidence, joined roundtables, and spoke to policymakers to push for housing reform.

In April we welcomed the FCA's guidance to ease affordability rules, which we predicted would mean we'd be able to lend on average, up to 15% more to people wanting to own their own home. It was a step in the right direction to helping borrowers overcome some of the affordability challenges they face, but alone, it's not enough.

As part of our efforts to influence a change in loan-to-income (LTI) limits, in May, our Chief Executive joined other building society leaders to give evidence at the Treasury Select Committee. It was followed up by a joint letter to the Committee Chair which outlined how many more people would be able to get on to the property ladder if the cap was increased.

In September, we joined a roundtable at HM Treasury to share how we're supporting first-time buyers, but how more needs to be done

to make that support go further. We highlighted our Home Truths<sup>5</sup> research that showed almost four in five potential first-time buyers thought homeownership was becoming an elite privilege and called for more joined-up action across the industry to help people into homes.

We made several recommendations including the urgent need to find innovative solutions for first-time buyers, a housing strategy that looks to repurpose brownfield sites, better understanding and access to affordable sustainable home improvements, and more support for the rental sector to provide quality homes.



<sup>5</sup> Home Truths Report



## Improvements for first-time buyers

Simon Martin, Director of Credit Risk, spoke of his pride at the work done to change loan-to-income limits.

He said: "This change is a great example of us collaborating across the organisation to deliver our Purpose at pace.

"Using data and insight to support conversations with regulators and the government, we analysed how best to use the increased high LTI capacity and implemented the changes quickly within our lending systems to help more first-time buyers have a place to call home."

“ This change is a great example of us collaborating across the organisation to deliver our Purpose at pace. ”

# SOCIAL AND ENVIRONMENTAL IMPACT



Through our social and environmental action, we make sure our business is built to deliver our Purpose in a way that's meaningful, credible and creates long-term value for people and the world we live in. From the products we offer and the service we give, to the way we operate and the decisions we make, sustainability is woven throughout our business.

## An evolving sustainability strategy

Our sustainability strategy has evolved over the past few years, guided by a previous materiality assessment in 2023 which informed us of the environmental, social, and governance topics most significant to our stakeholders. These included our members and customers, investors, non-financial rating agencies, regulators, peer benchmarking, colleague feedback, and reflected the external environment at the time. This process ensured we have focused on areas where we can make the greatest impact. More details on the outcomes can be found in the [2024 ESG Report](#).

In recent years, we've concentrated on four key focus areas: Providing a Place to Call Home, Improving Financial Wellbeing, Investing

in our People and Building a Greener Society, underpinned by a fifth, Operating Responsibly. These priorities shaped our actions and reporting, enabling us to deliver meaningful progress. We've continued to focus on these four priorities and have reframed them as the following in this report:

### Members and Customers:

We supported customers and members with flexible access to products and services, helping them to save and take steps towards securing a good home.

### Communities:

We worked with local partners to build financial resilience and deliver more good homes for communities across the UK - making a tangible difference where it matters most.

### Climate:

We accelerated our path to Net Zero on Scope 1 and Scope 2 to protect our ultimate home - the planet.

### Colleagues:

We built a diverse, ambitious community where colleagues feel supported to deliver our Purpose, recognised for their impact, and proud of the difference they make to members and customers.

## Reporting transparently

As a signatory of the United Nations (UN) Principles for Responsible Banking (PRB), we align our business and sustainability strategy with the UN Sustainable Development Goals (SDGs) and the Paris Climate Agreement, ensuring our operations contribute positively to society and the environment. To support this, we've utilised the United Nations Environment Programme Finance Initiative (UNEP FI) Impact Analysis Tool to better understand and manage our impacts. Further details can be found in our Principles for Responsible Banking Report in the 2025 Sustainability Reporting Framework Index and Datasheet.

To strengthen transparency and accountability, we continue to report with reference to the Global Reporting Initiative (GRI) standards 2021, which give a structured approach to reporting on the topics most important to our stakeholders. It helps us disclose both our positive contributions and areas for improvement in a consistent and comparable way.

Further information, including data and indicators aligned with GRI is available in the 2025 Sustainability Reporting Framework Index and Datasheet.

## Defining our new approach

Our sharpened Purpose provided the foundations for a more defined approach to social and environmental sustainability.

In 2025 we introduced a new Board-level Environmental and Social Purpose Committee (ESPC), chaired by Non-Executive Director, Janet Pope.

Fiona Cannon OBE also became our Chief Strategy and Sustainability Officer and chairs our Executive Environmental and Social Purpose Committee (EESPC), which replaces the former Environmental, Social and Governance Committee.

At the end of 2025, our Board reviewed and supported a revised sustainability approach. This update reflects our prior materiality assessments, stakeholder research from the Purpose project, and a comprehensive review of the external environment - including the housing, climate and social cohesion crises that continue to shape a challenging environment for our members and customers.

Our revised approach clearly sets out our commitment to address national and regional social and environmental challenges relevant to our Purpose. It

supports the communities we call home, protects our shared home for the future and creates new ideas for more good homes.

We know some of the previously identified material topics have evolved since our last assessment. That's why, in 2026, we'll update our materiality review and impact assessment, in line with the requirements of the United Nations Environment Programme Finance Initiative Principles for Responsible Banking. This will ensure we identify and assess our most material risks and opportunities, focusing our activity where we can deliver the greatest impact.

We're also aware of the upcoming changes to UK Sustainability Reporting Standards (SRS) and how new reporting requirements may be introduced throughout 2026. We've already started to assess our potential new obligations and will ensure we're ready to implement them.

We'll continue to embed responsible and inclusive practices into how we meet the needs of customers and members, how we support our colleagues and into how we work. It's how we'll make sure our Purpose is delivered with integrity, and how we'll continue to build a business that's resilient, responsible and fit to provide Real Help with Real Life for generations to come.



**Janet Pope**  
Non-Executive Director



**Fiona Cannon, OBE**  
Chief Strategy and Sustainability Officer



# MEMBERS AND CUSTOMERS

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- [Being the number one choice for savers](#)
- [Making good homes possible for more people](#)
- [Engaging our members and brokers](#)
- [Providing personal support](#)



# MEMBERS AND CUSTOMERS

**As a building society, we don't have shareholders. We're owned by our members, so we reinvest in products and services that help people to save and take steps towards a good home.**

Whether that's online, over the phone or in our branches and agencies - we show up wherever customers and members need us.

And it doesn't stop there. We're a voice for savers and borrowers. We take the time to understand what's on their mind, meeting with them and seeking their views and opinions on the things that matter before standing up for what's right on a public scale. We're in it together.

## 2025 Highlights

**SUPPORTED OVER  
76,000  
PEOPLE**

We supported over 76,000 new customers to save, and nearly 53,800 people to own their own home<sup>6</sup>.

**LAUNCHED  
£50  
REGULAR SAVER**

Launched a £50 regular saver account as part of our support for UK Savings Week, which nearly 11,000 people opened.

**HELPED  
UNLOCK OVER  
£3.9<sub>M</sub>**

Our partnership with Citizens Advice helped people to unlock £3.9m worth of estimated additional income.

<sup>6</sup> Figures include all house purchases (first-time buyers, home movers, residential and commercial buy-to-let) and exclude remortgages and internal product transfers. Calculated by multiplying new mortgages by the average occupancy rate (ONS: 2.4). Full basis of reporting is detailed in the Sustainability Reporting Framework Index and Datasheet.



# BEING THE NUMBER ONE CHOICE FOR SAVERS

As well as supporting savers with consistently competitive rates, we know people manage their money in different ways, and no one size fits all. Be it the type of account they want to save their money in, or the channel in which they pay in or take it out, our accounts give people choice, without compromising their reward.

In 2025, we supported over 76,000<sup>7</sup> new customers to save to help boost their financial resilience. For some people, saving can be hard. That's why some of our accounts are designed to help people take the first step, and others encourage them to establish a savings habit.

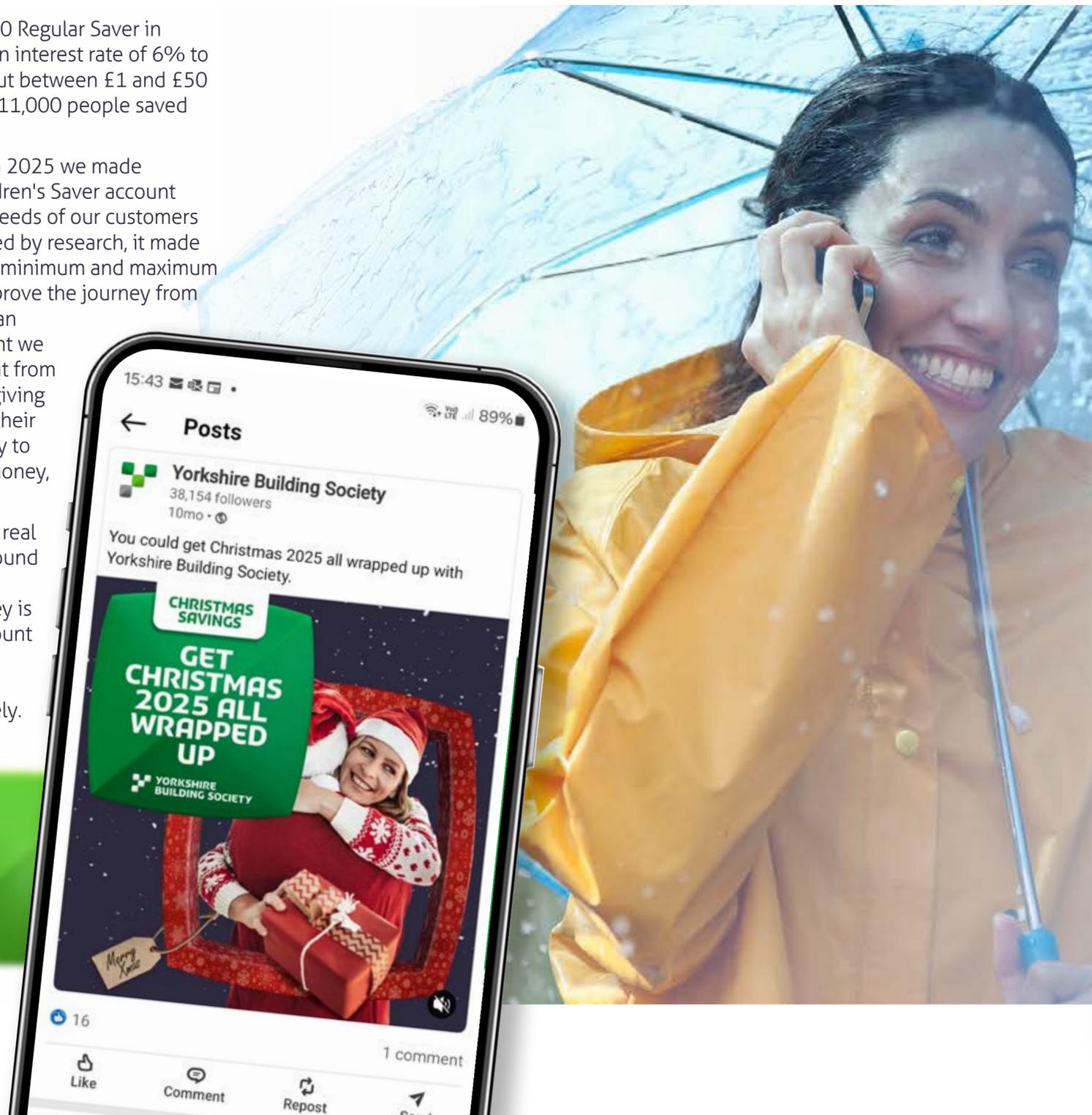
Some of our accounts included:

- **Rainy Day Account** - our popular limited access product gives savers the opportunity to earn a higher rate of interest on their first £10,000. In 2025, more than 23,000 savers chose to open this account.
- **Christmas Regular Saver** - for the fourth year, we helped people to plan ahead for an expensive season. Almost 13,000 took the opportunity to be more financially prepared for Christmas.
- **Regular Saver** - we helped more than 96,300 people save little and often to encourage healthy savings habits. To appeal to people with little or no savings, we extended our range of regular saver accounts with

the launch of the £50 Regular Saver in September. It paid an interest rate of 6% to reward those who put between £1 and £50 each month. Nearly 11,000 people saved with this account.

- **Children's Saver** - in 2025 we made changes to our Children's Saver account to better meet the needs of our customers and members. Backed by research, it made sense to reduce the minimum and maximum balances, and to improve the journey from a child's account to an adult. This also meant we reduced the age limit from 21 to 18 years old, giving members access to their funds, and the ability to manage their own money, sooner.

In 2025 we introduced real time processing of inbound faster payments. This means members' money is received into their account faster, providing timely reassurance that their funds have arrived safely.



**REAL  
HELP**

**WITH  
REAL LIFE:**

## A family favourite

When it comes to choosing a home for savings, one member said: "I look at providers with good interest rates and products as well as good customer service and user-friendly websites."

“

Some providers may offer a little more [in interest], but their sites are a pain to use and customer service poor. Fortunately, not YBS which is one family favourite!

”

<sup>7</sup> This excludes fixed rate products and loyalty products

## Building financial resilience

### The role of savings in longer-term financial security

We worked with the University of Bristol's Personal Finance Research Centre and other providers to research the role savings have in building longer-term financial security.

The report found people who save consistently feel more in control, even when saving small amounts. Households that are able to build £2,000 in savings are around 60% less likely to fall behind on household bills and have a much lower risk of problem debt than those with little or no savings. Recognising that £2,000 may be an unachievable amount to save for many, the research reassuringly shows that saving even small amounts can be significant - those with just £200-£499 in savings are shown to be less likely to face financial hardship. These are just a few of the many findings that show how saving can help, but you can find more details about the research [here](#).

### UK Savings Week

We supported UK Savings Week - an annual event to encourage more people to build a savings habit - for the fourth-year running.

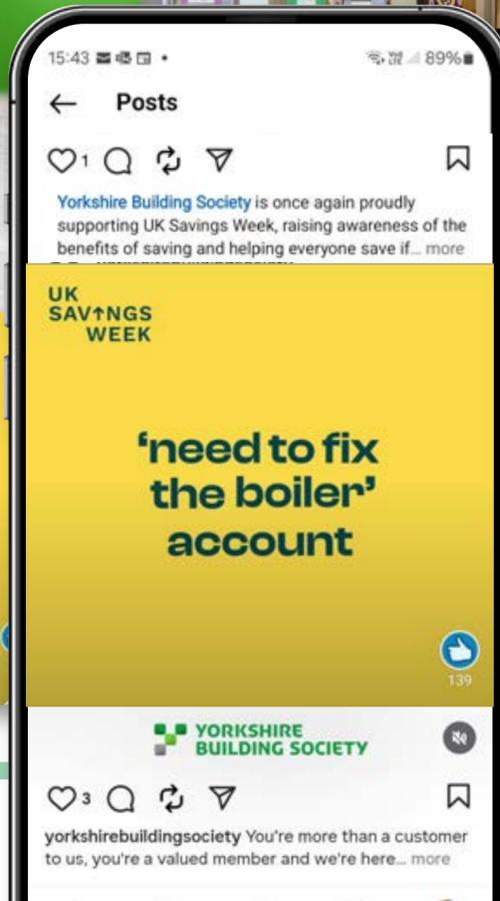
As well as launching a new £50 Regular Saver product, we were involved in a number of industry events to bring people together to discuss the importance of saving, and champion the voice of savers across the country.

To mark the week, we:

- opened all our branch locations on the Saturday during UK Savings Week, meaning we were able to support 9,900 customers to open over 11,100 new accounts.
- sent text messages and called members to highlight the new savings account and talk about good savings habits.
- joined and held our own roundtables, with money charities, debt support agencies, MPs and the Building Societies Association (BSA).
- ran a number of online and social campaigns, supporting the BSA with blogs and a podcast.
- delivered financial education around budgeting and saving in communities across the country.
- used our media presence to raise awareness of our research with the University of Bristol, exploring how much money people really need to save to feel financially secure.

Our UK Savings Week marketing materials alone reached 5.3m people, and 2.1m engaged with our content.

Our UK Savings Week marketing materials alone reached **5.3M** people.



# MAKING GOOD HOMES POSSIBLE FOR MORE PEOPLE

When our members come together, we're able to make good homes possible for more people. You can read more about this in the *Purpose in Action* section.

By helping people to save, we can support them to take steps towards secure, sustainable homes, whether owned or rented.

Through our residential and buy-to-let mortgages, in 2025, we helped over 53,800 people to have a place to call home, just ahead of our aim to help 50,500.

## Supporting first-time buyers

As well as the launch of our £5K Deposit Mortgage, and criteria changes which made it easier for people to buy their first home, we know we can help people with more than just a mortgage.

Buying a home is one of life's greatest expenses. It involves a lot of information, an understanding about finances and some big decisions. While some people are happy to take the step without support, we found that just 20% of people feel well-informed about mortgages and one in 10 aren't sure about key financial aspects of the process<sup>8</sup>. Unsurprisingly, many people look for support from their lender, or from qualified, independent professionals.

### Doshi partnership

Our partnership with Doshi, a digital financial education tool, walks through budgeting, saving and the homebuying process to help first-time buyers be more confident. It's one of many things available on our website that helps people go from saving up to moving in, and in 2025, 675 people used it.

### First Home eSaver

As well as guiding people through the process, our First Home eSaver aims to help people get to the end goal sooner. It's only available to people buying their first home and lets up to £500 a month be saved over two years. With only one withdrawal day a year, it encourages people to save regularly, and the competitive interest rate sees their efforts rewarded.

In total, our support for first-time buyers meant a total of more than 26,300 people bought their first home in 2025, meaning we hit our target to support 21,400 people.

## Supporting new builds

Demand for housing continues to outpace supply. With new-build developments springing up across the country, many buyers are turning to ready-to-go properties that generally come without a property chain, are more energy efficient and offer incentives from builders.

We used to have a specialist new build range, but it came with higher rates. Now, whether someone's taking a mortgage for a new, or previously lived-in house, our mortgage range applies to all. No more premiums, just better results for borrowers.

We'll lend up to 95% LTV on new-build houses now too, up from 90%, and we've also improved our Cascade Score

range. This is for customers who don't always meet our internal scorecards for high loan-to-value (LTV) loans, for example those who might not have had much credit in the past, usually younger first-time buyers. Before, they needed at least a 10% deposit to apply, but we halved that to just 5% to help even more people be able to buy a home.

## Common-sense lending

Our common-sense lending approach is well-known, and respected. Brokers sometimes get trickier cases, or applications which might not tick the standard boxes for a mortgage. But our underwriters are trained to use their discretion to help people, when others might not. We still look at a customer's credit history and income, as well as stress test it for future changes to protect members and customers, but we look at every application on its own merits. 29.3% of applications benefited from this support in 2025, meaning better results for members and customers.

In 2025,  
we helped over  
**53,800**  
people  
to have a place  
to call home.



<sup>8</sup> Survey of 2,000 UK adults, (weighted to be nationally representative), undertaken by Opinium 03 May - 12 May 2024.

YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE



## Lending when it makes sense to do so

Vicki, is one of our senior underwriters. She sees many applications every day from people hoping to buy their own home. While some are straight forward to progress or decline, there are others that with common-sense, we're able to support.

She said: "A recent case involved a customer whose credit report showed adverse data.

"This is outside of our lending policy normally but taking a holistic view of the customer's credit profile. I noticed that all

other accounts had been consistently maintained both historically and currently, indicating a strong willingness to repay.

"I contacted the broker to understand the circumstances, and they explained that the applicant was separating from an abusive partner, which was a highly sensitive and stressful period that led to the missed payments. With this context, I could see it was an isolated incident and out of character, so I approved the application."

“Our clear Purpose to provide real help for real lives, and a strong understanding of the risks each case represents, means we can make a real difference to our customers.”

## Keeping people in homes

As an organisation we're committed to helping people have, and keep, a place they can call home. Our policies - including affordability checks and responsible lending practices are designed to prevent borrowers from unmanageable debt and to protect the organisation's long-term financial interests.

Sometimes though, borrowers can struggle to pay their mortgage and may worry they're at risk of losing their home.

We support borrowers from the first sign of any problem, and we have a range of flexible ways we can help people get back on track to repaying their mortgage in a way that's sustainable. This includes tailored forbearance arrangements.

The low risk profile of our mortgage book is reflected in our current low level of arrears, both historically and compared to the current market average. We're committed to helping customers manage financial difficulty with flexibility. In 2025, in total, 4,200 arrangements or interest rate solutions were granted.

The proportion of our customers who were more than three months in arrears, was 0.52% - significantly lower than the market average of 0.88%.

Repossession would always be a very last resort. In 2025, we repossessed 98 residential properties and three commercial properties.

## Decent homes for renters

We know not everyone wants, or is able, to buy a home. That's why we're committed to ensuring renters have access to well-maintained, good-quality housing. Our underwriters evaluate, and where applicable, approve mortgage applications based on the policy standards we set. Our valuers adhere to these policies, and the valuation is conducted on the basis that our BTL properties are mortgageable, insurable and saleable. All new lending is on homes that meet

or exceed the government's Decent Homes Standard (DHS).

We take property condition seriously - not just to manage lending risk, but to ensure renters live in safe, comfortable homes. We back landlords who invest in quality and only lend to those who are socially responsible. That means no funding for properties that are unsafe, poorly maintained, or below DHS size requirements.



## Sustainable urban regeneration

YBS Commercial Mortgages provided development exit funding for a borrower who'd repurposed a former health centre site in East London, into much-needed residential housing.

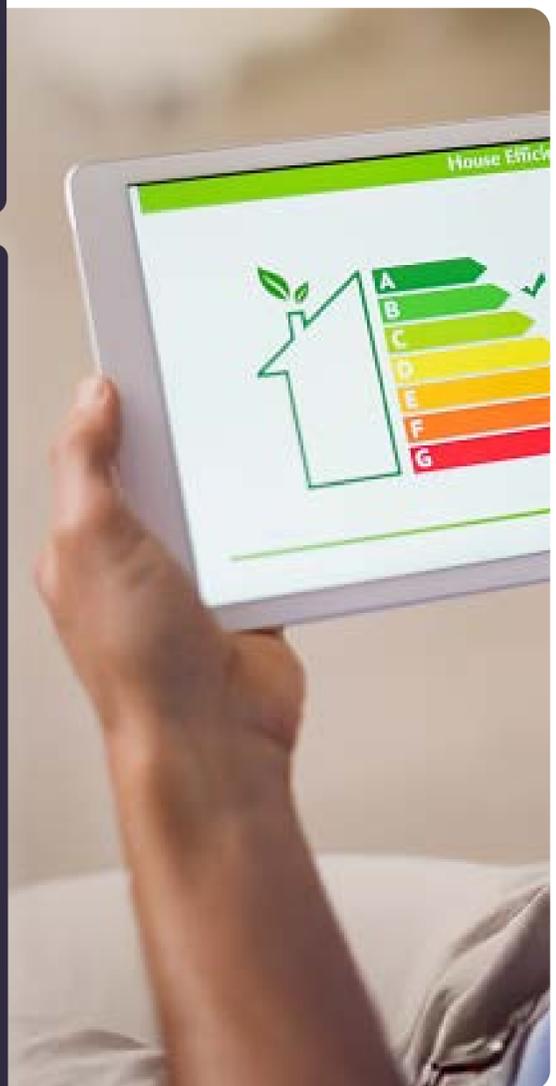
As a result, a new four-storey block was constructed, delivering nine high-quality flats. Each new home benefited from private outdoor space with access to a landscaped communal garden and secure cycle storage.

The scheme achieved EPC ratings of B across all units thanks to features such as triple-glazed windows, cavity brick construction and underfloor heating systems, reflecting strong energy efficiency and compliance with modern building standards.

## Converting empty spaces

We're keen to help improve local communities, and work with landlords who've upgraded empty commercial or retail units and turned them into good homes for people.

As we'll only lend on quality properties that provide decent homes for people to rent, developments like these also help to regenerate the areas that have otherwise been unused for some time.



# ENGAGING OUR MEMBERS AND BROKERS

We work hard to make sure our products and services meet the needs of our members and customers. But to know we're truly doing that, and to drive the decisions we make, we regularly connect with our members and brokers to hear first-hand what's on their mind, what support they need and what they'd like to see from us.

It might be through online or in person events, newsletters or other, but we're thoughtful about how we get their views and offer a range of ways and opportunities for members and customers to have their say.

## My Voice

In 2025, our vibrant community of 2,400 members, known collectively as My Voice, were invited to give us their thoughts on topics such as barriers to homeownership, savings

behaviours, self-service in branches, and mutuality. They contributed to 68 consultations, 23 discussions, 28 polls, 12 online surveys and 12 focus groups.

## AGM

A key date in the calendar is our Annual General Meeting, where we encourage members to attend in person or online to hear about our performance and have their say through voting. They vote on a number of important matters including the election and re-election of directors that represent them on the Board.

At our 2025 AGM, members voted overwhelmingly in favour of all resolutions, and because we donated 20p for every vote by post and 35p for every vote online, £25,000 was raised for FareShare, our charity partner.

## Your Time to Talk

We also held events we call 'Your Time to Talk' to give members an opportunity to hear from our senior leaders and ask any questions they may have. When we held this event online, we invited over 680,000 members to ask questions to a team of our experts and focused on the five most popular topics before recording answers to share with our members. It was clear from

questions received that the makeup of our branch network, how our Society is run, general savings and mortgage related updates, and our thoughts on the wider economy were front and centre of our member's thoughts.

In October, we held one of these events live in Bradford. Members who attended heard from Susan Allen, our CEO, and others about savings and a host of other topics, as well as had the opportunity to ask questions of senior leaders. We also spoke of our pride in our Bradford heartland, highlighted the city's cultural heritage and showcased a historic venue, as proud supporters of Bradford 2025 UK City of Culture.

## Intermediary engagement

Working closely with brokers helps us make more homes possible for more people. We really value the insights and opinions of those we partner with through Accord Mortgages and YBS Commercial Mortgages. Their feedback - often shared through our Business Development team and roundtables - has directly shaped many of the improvements we've made to our service and propositions. In 2025 for example, YBS Commercial Mortgages improved semi-commercial and House in Multiple Occupation (HMO) products to better meet diverse housing needs.



**REAL HELP**  
WITH **REAL LIFE:**

## Co-creating our Purpose

To support us in better defining our Purpose of Real Help with Real Life, we brought together 61 people across two workshops, to explore what Real Help with Real Life means to our members, customers and wider society today.

The workshops included colleagues, members and customers working together to explore initiatives that could help us bring our Purpose to life and were a resounding success.

Following the co-creation sessions, interviews were held with Board, our Executive Team and senior leaders to get their perspectives on the opportunities ahead. We also spoke to key broker partners, reflecting the importance of intermediaries, to capture their thoughts too.

This all led us to our sharpened Purpose: Real Help with Real Life means members coming together to make good homes possible for more people.



# PROVIDING PERSONAL SUPPORT

It's important our members and customers can choose how they do business with us. So, we offer a national branch and agency network, a Bradford-based customer service centre, and we've invested in our digital services to improve our web and mobile experience. This gives the convenience of services on-the-go, whilst also knowing we have real people available for moments that matter.

## Our face-to-face locations

Our branch and agency network remains important to many of our members and customers, who value the face-to-face service in their community.

We're committed to keeping a presence on the high street and at the end of 2025 we had 111 branches and 109 agencies ready to help people.

When our branches are open is based on local demand, so can vary between locations. But it's something we keep under regular review, and as a result, last year we increased the opening times in 52 branches. All branches have colleagues available to 4.30pm for pre-booked appointments, and even if they close earlier to walk-ins, they're still there making calls to customers. It's another way we make use of our branch network to support customers.

As well as when our retail locations open, we also regularly look at where they are. It's important

we're in areas we're needed and understand how our services are used to make sure we're balancing how much locations cost, with demand. Sometimes this might mean we relocate, open or close a location, but that's not something we do lightly.

In 2025, the Lancaster agency changed to a branch and five agencies closed. For some, the agency owners decided not to continue our services where their business plans had changed. For others, the locations were lightly used by members and customers, and we felt the cost to run them could be reinvested in areas where we're needed most.

Those who do use our face-to-face services though, have a positive experience. We got a 96% customer satisfaction and 97% ease score for branch, which remains consistently high year-on-year.

## Citizens Advice

We fund Citizens Advice advisers in 44 of our branches in England and Scotland, who continued to offer free, face-to-face impartial advice during 2025. It's a service that's available to everyone in the community, not just our members and customers. Thanks to this, 5,600 people were helped to overcome a number of issues during the year.

Some of the most common queries people had for Citizens Advice related to debt and housing; with rent and council tax arrears, household fuel debts and water and sewage among the top issues discussed<sup>9</sup>.

In total, the service provided in our branches helped people to unlock £3.9m worth of estimated additional income - money people could expect to receive if they act on the advice given to them during their appointments. This might be linked to grants they're entitled to, or benefits they'd not yet claimed, for example.



**5,600**  
people were helped  
to overcome a  
number of issues  
during the year.

**REAL HELP**

**WITH REAL LIFE:**

**A financial miracle**

When Ellen's<sup>10</sup> husband Charlie<sup>10</sup> was diagnosed with dementia, she became his full-time carer. Providing round-the-clock care in her late 70s was exhausting. As his care needs grew, she had to hire extra help, leaving them in financial hardship.

When their boiler broke, Ellen faced a £3,000 bill. With little savings, she filled pots and pans with boiling water to strip wash him. Eventually, she secured a loan on a new boiler, but the repayments added further stress. That's when a friend suggested contacting Citizens Advice through her local Yorkshire Building Society.

"When I contacted Citizens Advice, I was quite ill. I have osteoarthritis and fibromyalgia. Everything was so painful and stiff, I just sat there and cried," says Ellen.

"We were having to watch every penny. Then suddenly, an angel appeared and said 'we'll do this, we'll do that, we'll do the other. From getting £8 a week I now get about £170 in Pension Credit and Attendance Allowance. It's a miracle, really.'"

**“**We've gone from dire straits to being quite comfortable. I'm so grateful the Yorkshire Building Society and Citizens Advice service exists.**”**

<sup>9</sup> Citizens Advice Debt and Money Report Jan - Mar 2025

<sup>10</sup> Not the clients' real name.

## Customer service

We've got a dedicated customer service team available to help members and customers from our Bradford-based office, by phone, web chat and post. They're an extension of our retail teams and work with many parts of the business to provide a great service.

In 2025, the team handled over 600,000 calls, with a speed-to-answer rate of 50 seconds on average<sup>11</sup>. Our virtual assistant that supports members and customers with general questions 24/7 dealt with over 71,000 enquiries, and our web chat team had 16,300 live chats.

Our overall Net Promoter Score (NPS) score - which measures whether customers would recommend our products and services to friends and family - increased in 2025 to +66 - the highest we've ever recorded. The positive experience our colleagues offer, combined with the improvements to our digital services have helped this.

## Extra care when it's needed

How we identify and support customers who might need extra support is something we're always reviewing and improving. We define vulnerability in line with FCA guidance and recognise that customers may be vulnerable due to health conditions, life events, financial resilience, or capability. We try to identify these factors early so we can tailor support accordingly.

In 2025 we improved how we help people when they need us most, with a real focus on making sure we provided a more personal and compassionate service.

We enhanced our Vulnerable Customer Policy, updated the process and standards for how we do things, and made new, essential training available to all our colleagues. Those who directly speak to or support customers, including our dedicated Extra Care Team, received even more training to give them the skills and confidence to deliver the best possible service when times are tough for members and customers.

This included recognising signs, responding with empathy and feeling able to offer practical solutions

that provide real help. This might have been signposting to third party organisations, providing information in different formats or getting help with safeguarding when it was necessary to protect people.

## Digital inclusion and accessibility

We make sure support is available on our website, for anyone worried about their finances. Whether that's a lack of savings, struggles to pay their mortgage or debt concerns, we have dedicated web pages to help those who need it.

We know though that some members and customers may face challenges accessing digital services, so we also offer the same information in alternative channels such as over the telephone or in-branch, where our colleagues can help people get online.

They're trained to support people using online services, and we're working to embed inclusive design principles into digital journeys to reduce barriers. For example, we made several changes to make it easier for customers to use our website. This included improvements to colour contrast to help customers with vision problems, and changes to how our site works for customers using keyboard navigation, screen readers and other assistive technology. Our accessible labels have also been checked and improved to be clear and useful to customers. The industry benchmark for accessibility is 80.9 and thanks to the improvements we made, our score increased from 90 in January, to 92.7 in July.

We also provide accessible formats and are exploring further enhancements to improve usability for customers with specific needs.

As more of our members and customers choose to manage their money on the go, or online, it's only right we regularly improve our website and apps to keep things straightforward, and safe. In 2025, 68% of savers managed their money online or on their phones.



Our overall NPS score increased in 2025 to **+66** the highest we've ever recorded.

In 2025 **68%** of savers managed their money online, or on their phones.

<sup>11</sup> Data includes January - October 2025, with November and December estimated.

## App improvements

We've continued to enhance our app to improve member experience and for the first time, all our online products can be opened within it, giving people more choice and convenience. 83,700 savings accounts were opened in the app on iOS and Android devices.

We also set up automatic in-app payments to our savings accounts via Payit after feedback showed customers wanted better options to fund their accounts. Half (48%) of those we surveyed wanted to be able to pay by bank, so the introduction of Payit – a way for customers to be able to transfer money between financial providers – was a direct response to customer need.

Over the summer we introduced mortgage balances to the app too, making it easier for nearly 7,800 customers to be more connected to their mortgage<sup>12</sup>. Customers told us this was what they wanted to see, so it was the first step in improving our in-app mortgage experience.

We've also made saving easier with the launch of Monthly Auto-Saver, a new feature in our mobile app. It helps customers build better financial habits by automating regular savings from their everyday bank account to their savings account with us, using Variable Recurring Payments (VRP) via Open Banking. This secure service needs no manual transfers, standing orders or reminders setting up. Unlike traditional methods, it also offers flexibility - members choose how much to save and on which day in the month, and the app handles the rest.

For both savers and borrowers, the app login process was redesigned to make it simpler, while keeping it reliable and secure. We optimised the journeys for biometric and passcode screens, with clearer signposting and in-app support, and behind the scenes we updated systems to make sure future improvements were more efficient.

## Online improvements

On the website, we've transformed the savings section to make it clearer for everyone to use. The language is more relatable for

users; we've made better use of filters to help people find what they're looking for and improved comparison tools. This means people can now find the right account for them, faster and with less fuss. Real user feedback drove every change, and we delivered each through carefully tested iterations to make sure they hit the mark for our customers.

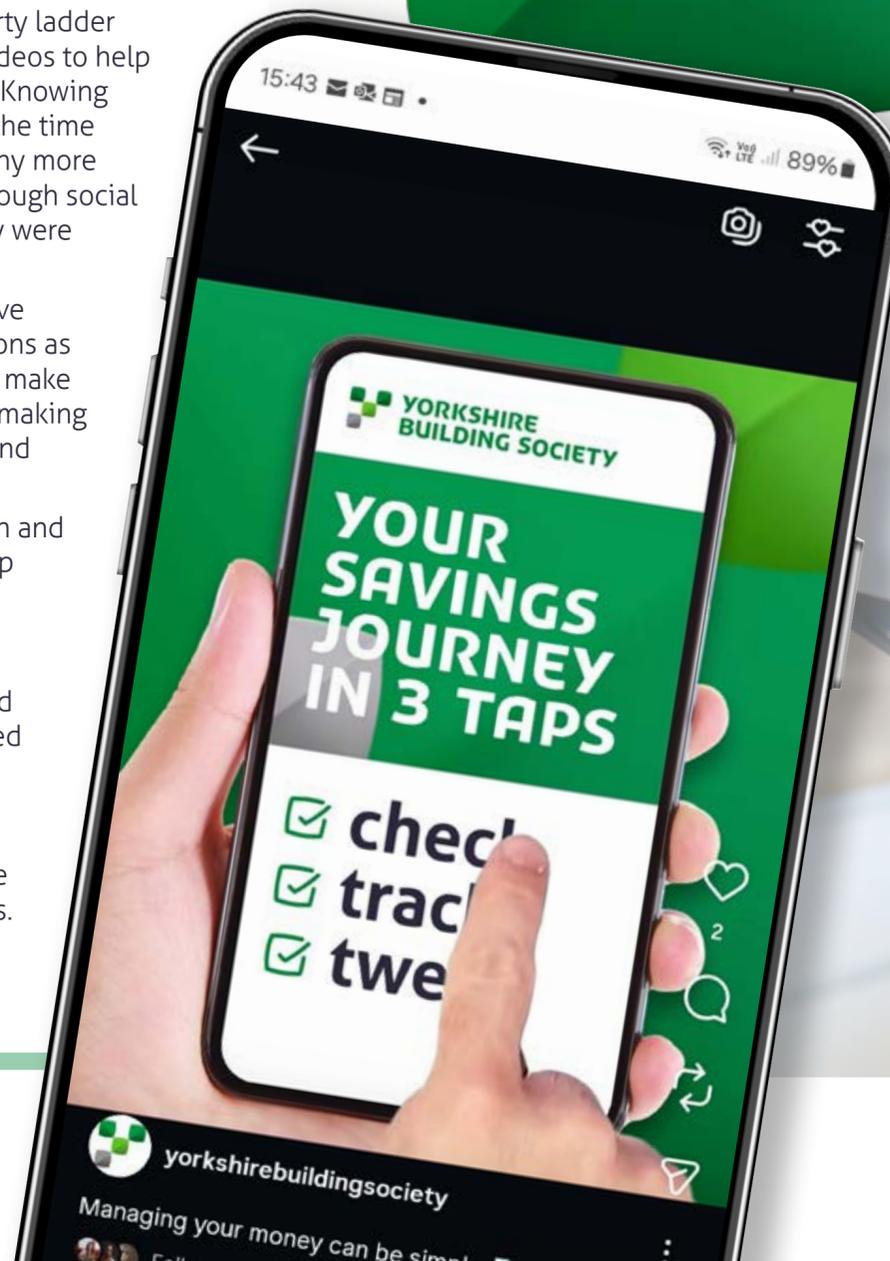
## Clear communication

Over 695,000 members receive our e-newsletters, which aim to offer helpful updates on a wide range of topics regularly. Members told us they were particularly keen to hear updates on cash ISAs, getting on the property ladder and avoiding scams, so we created three videos to help them understand more about these topics. Knowing they were important to those who'd taken the time to tell us and therefore likely helpful to many more members, we shared them far and wide through social media and a branch campaign. In total, they were viewed 11,800 times.

Since Consumer Duty was introduced<sup>13</sup> we've really focused on making our communications as clear and concise as we can to help people make informed financial decisions. It's all part of making our financial information more accessible and inclusive.

Using simpler ways of saying what we mean and improving the layout of documents can help those who aren't as confident with reading or numbers. We've made sure more of our colleagues are accountable for making our communications as good as they can be and have introduced guides and checklists based on consumer feedback and industry best practice. We also test our communications, whether it's a marketing poster or annual statement, to continuously improve how we communicate with members and customers.

Over  
**83,700**  
savings accounts were  
opened in the app on iOS  
and Android devices.



<sup>12</sup> This feature is only available to residential mortgage customers with a Yorkshire Building Society mortgage

<sup>13</sup> July 2023

# COLLEAGUES

## IN THIS SECTION

- [Colleagues highlights](#)
- [Building an inclusive workforce](#)
- [Supporting colleague financial resilience and wellbeing](#)
- [Encouraging colleague engagement](#)
- [Supporting colleague learning and development](#)



# COLLEAGUES

We strive to create an inclusive culture where colleagues feel supported to deliver our Purpose, recognised for the impact they have and proud of the difference they make.

To check how we're doing, we regularly ask our colleagues for their thoughts, views and opinions, and their answers influence the working environment we aim to create.

Getting this right helps our people feel valued and rewarded, which can contribute to better overall wellbeing and financial stability, supporting their life outside of work and in their homes.

## 2025 Highlights

IN THE TOP 5%

In the top 5% of financial organisations for colleague engagement (eNPS).



Awarded the Silver Accreditation from Inclusive Employers.



# BUILDING AN INCLUSIVE WORKPLACE

Our Diversity, Equity and Inclusion (DEI) Strategy sets out our vision to be a leading organisation that embraces diversity, champions equity and creates an inclusive environment where everyone, regardless of their background or identity feels valued, empowered and supported.

## Listening to colleagues

To help us understand how we're doing, every year we ask our colleagues about their thoughts on our approach to DEI through a survey. Our overall score remained at 8.7, which kept our place in the top quarter of financial service organisations. 70% of colleagues completed the survey and from the comments our colleagues shared it was clear they appreciate the efforts being made to create a diverse and inclusive workforce.

## Inclusive Employers Silver Accredited

In recognition of our commitment and progress to DEI, we were proud to be awarded the globally recognised Silver Accreditation from Inclusive Employers in July 2025. The accreditation not only recognises our strengths but provides tailored recommendations to help focus efforts on creating an inclusive culture for all colleagues.



## DEI ambitions

We measure the impact of our DEI strategy by having Ambitions. These are specifically focused on ethnicity, gender and social mobility. The diversity of all our colleagues is important and considered, but we're clear we want to focus on removing barriers to enable colleagues to progress their skills, development and careers.

		2025 Actuals <sup>14</sup>	2030 Ambition
Gender <sup>15</sup> (% reflects female representation)	All colleagues	59.1% ★	50%
	Senior management	48.1% ★	50%
	Board	60.0%	50%
Ethnicity <sup>16</sup> (% reflects Black, Asian, mixed, and other)	All colleagues	18.5% ★	18%
	Senior management	7.6% ★	18%
	Board	10.0%	18%
Lower socio-economic representation <sup>17</sup>	All colleagues	39.5%	39%

★ Indicates the number has been subject to independent limited assurance.

## Gender

We work hard to create a working environment where people of all genders feel equal, respected and supported to thrive. In 2025 we continued to take steps to improve gender equity, including improving how many women were represented in senior roles. This included positive changes to our recruitment process that saw us work with recruitment partners to create balanced interview shortlists. Our annual Women in Finance submission provides full commentary on our commitments, which is available on our [website](#).

### Gender Network

In 2025 we brought together our Women's Network and Mankind group into a new Gender Network. This recognised our commitment to gender parity and that coming together helps to build trust, spark empathy and create a supportive environment where everyone feels safe to be themselves. The Network pushes for fairness and equity in leadership, pay, health and policies.

### Gender pay

Our Gender Pay Gap has steadily declined since 2020 and over the last 12 months we've reduced the mean pay gap to 21.2% (-2.2%) and reduced our median pay gap to 22.9% (-1.8%). We've maintained our commitment to hiring and promoting women into our senior roles, and women now account for 48.1% of our senior roles, achieving our Women in Finance target of 50/50 gender split (+/- 5%). You can read more in our Gender Pay Gap report<sup>18</sup>.

<sup>14</sup> For details of how these metrics are calculated see the Basis of Reporting in the 2025 Sustainability Reporting Framework Index and Datasheet.

<sup>15</sup> Gender is captured during the colleague onboarding process. The 2025 actual % is therefore reflective of full data disclosure (100%) of colleagues.

<sup>16</sup> Colleagues are not required to disclose ethnicity. The 2025 actual % is reflective of the 94.4% of colleagues who chose to disclose their ethnicity.

<sup>17</sup> Colleagues are not required to disclose socio-economic background. The 2025 actual % is reflective of the 37.8% of colleagues who chose to disclose their socio-economic background.

<sup>18</sup> [Gender Pay Gap Report](#).



## Ethnicity

We believe bringing people together from a wide range of ethnic backgrounds brings unique perspectives, lived experiences, and cultural insights that strengthen our decision-making for the better. It also helps us understand and serve the many different communities where our members and customers live.

By 2030, our Ambition is for 18% (+/- 2%) of our colleagues at all levels to come from an ethnic minority background. In 2025 representation has improved to 19% across all colleagues, and to 7.6% at senior level. During the recruitment process for senior roles, we aim for at least 25% of shortlisted candidates to come from an ethnic minority background.

### Board Fellow

In 2025 we also appointed a Board Fellow through the Empowering People of Colour (EPOC) Board Fellowship programme, which gave someone the opportunity to gain practical experience of Board governance and offered our Board a more diverse perspective. In return, the programme provided the opportunity for one of our colleagues to secure a fellowship at another organisation.

### Ethnicity Network

Our Ethnicity Network identifies ways we can improve our policies and learning tools to support inclusion and recommends changes for the better based on lived experiences. In 2025 the Network educated colleagues on events such as Race Equality Week and Black History Month, and a session on "Removing the Fear" during National Inclusion Week.

### Race at Work Charter

We remain signatories of the Race at Work Charter and have a plan to make improvements against each of their seven pillars. It was their feedback that really helped us turn the dial with our ethnicity and gender balanced shortlists, showing how we really do turn possibilities into action.

By 2030 our Ambition is for **18%** of our colleagues at all levels to come from an ethnic minority background.



**REAL HELP WITH REAL LIFE:**

### Creating a more inclusive future

Debbie Matheson, one of our senior leaders, took part in external research to explore the barriers faced by ethnically diverse colleagues progressing into senior roles.

She said: "As part of the research, I spoke with colleagues, who at time felt overlooked, who shared their stories of having to work twice as hard to be seen, and of questioning whether they truly belonged. But I also heard stories of courage, of allies who made a difference, and of leaders who chose to listen. It reminded me why representation and visibility matters.

"I'm proud to be working in partnership with the DEI team on the outcomes of the research and I'm inspired to keep pushing, keep advocating, and keep showing up to create a more inclusive future."

Whilst the number of people involved in the research was small, the insight provided has been helpful to inform some of the activity planned for 2026, including improvements to our internal recruitment process and external mentoring.

“...I'm inspired to keep pushing, keep advocating and keep showing up to create a more inclusive future.”

## Social mobility

When colleagues from all walks of life have equal access to opportunity, it can unlock talent, drive innovation and be a foundation for a fairer, high-performing workplace. We see potential over privilege and make sure success isn't limited by where someone started.

Since 2024, we have collected data on colleagues' socio-economic backgrounds to build a dataset. While our current data completion rate is lower than we'd like, we continue to work closely with colleagues to help them understand how sharing this information will enable us to create an even more inclusive organisation. Initiatives such as our "This is Me" campaign are designed to encourage colleagues to share their data.

In 2025, 37.8% of colleagues disclosed their socio-economic background. Of those, 39% were from a lower socio-economic background. This matches our 2030 Ambition of 39% representation, but we'll continue to measure this as our disclosure rate increases.



### Progress Together Partnership

We've taken steps to close the gap, most notably through our partnership with Progress Together. As part of this, we were one of four pilot organisations who took part in the Accelerated Progress Programme to support the progress of people from lower socio-economic backgrounds into senior leadership roles.

In 2025, we took part in a five-month job swap with Coventry Building Society (CBS), where we welcomed a CBS colleague into our Customer Support Team as a Team Leader. They supported key workstreams and gained experience of life in our organisation. He was also paired with a director-level mentor, who continues to support him even after his return to CBS.

At the same time, one of our colleagues spent their placement at CBS, building leadership skills and exploring new ways of working. Since returning, they've secured a secondment with us to continue their development.

The swap offered both colleagues valuable growth opportunities and strengthened the partnership between both organisations.

### Social Mobility Network

In 2025 we launched a new colleague network to create more awareness of the impacts different backgrounds can have on colleagues. The Social Mobility Network works with the DEI team and senior leaders to try and improve understanding of the challenges people face, and to increase career opportunities for colleagues from all backgrounds.

In 2025  
**37.8%**  
 of colleagues disclosed  
 their socio-economic  
 background.



## Colleague networks and groups

As well as the Ethnicity, Gender and Social Mobility colleague networks mentioned above, we have other networks and groups to help colleagues have a space where they feel safe to speak up.

The Accessibility, Parents and Carers and Proud networks, and the Family Foundations and Menopause groups complete our colleague support spaces, and collectively have 497 members.

In 2025 a number of awareness events were held, covering a range of topics including International Women’s Day, Global Accessibility Awareness Day, Pride and National Inclusion Week.

The networks regularly help us review our people policies to make sure they’re suitable and representative of all our colleagues. With their insight and support, the networks influenced some key changes in 2025. For example, the launch of accessibility passports for colleagues, and neurodiversity assessments for colleagues and their dependents.

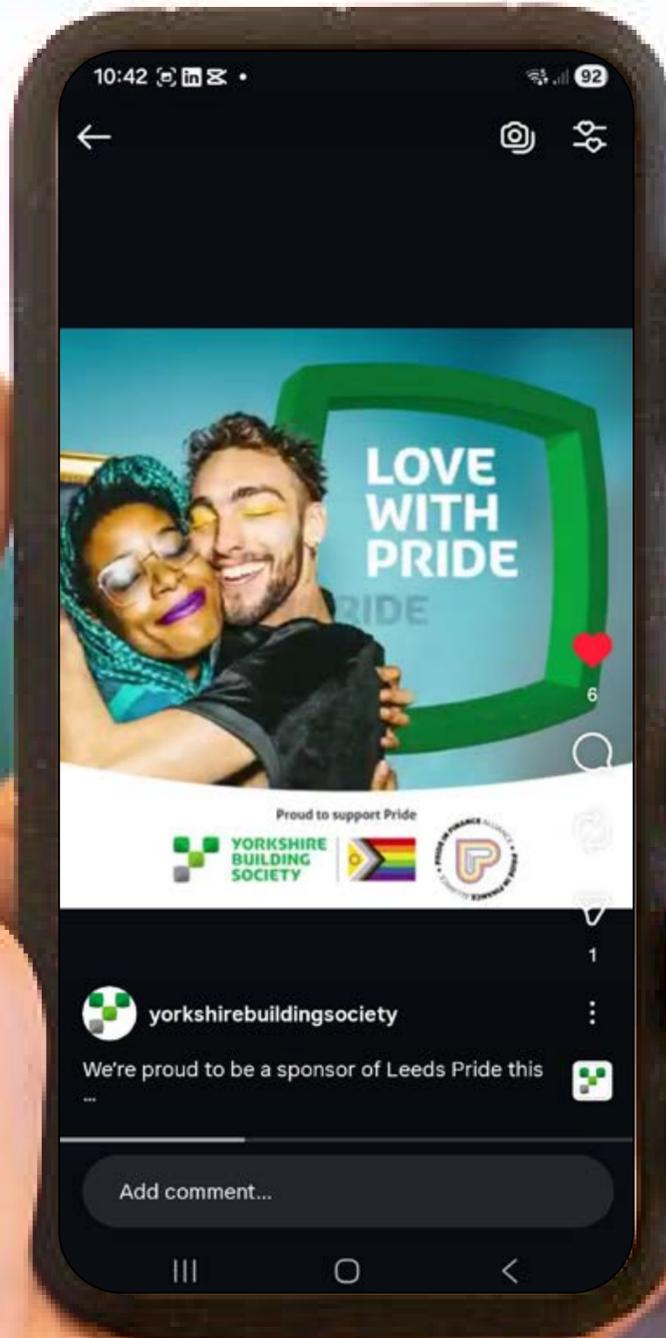
Two members of our senior leadership team sponsor each of the colleague networks. They support the co-chairs with delivering their network plan and represent the network in senior level meetings. They also provide valuable coaching and support with running the network.

## Supporting our colleagues with better knowledge

To make sure our colleagues have the relevant knowledge, understanding and training around DEI, we have mandatory learning modules colleagues need to complete each year. There are a range of topics including recognising bias, building psychological safety and challenging discrimination and harassment. We continue to adapt the modules available in line with feedback and colleagues’ lived experiences.

## Inclusive recruitment

For hiring managers, we’ve made sure inclusive recruitment practices have been a priority in 2025. We’ve refreshed our training for managers, with updated toolkits and guides, as well as interview training that focuses on avoiding bias. Our process for hiring colleagues is supported by our Recruitment Policy which details our commitment to equal opportunities and all applicants are invited to share their demographic data and any requests they have for reasonable adjustments.



# SUPPORTING COLLEAGUE FINANCIAL RESILIENCE AND WELLBEING

To us, supporting colleagues' financial resilience and wellbeing is much more than a workplace benefit, it's essential that colleagues can thrive. That means providing a supportive working environment and culture, with a reward and recognition package that allows them to bring their best selves to work and deliver on our Purpose.

## Recognising and rewarding colleagues

As a responsible employer, we're committed to offering stable, quality employment to anyone who works for us. While we know we'll sometimes need temporary support to meet the needs of our members, customers and business, we never offer zero hours contracts. Instead, we offer a range of contract lengths and notice periods aligned to the role. We also always pay at least the living wage for all our roles.

### Paying responsibly

In 2025, our eligible colleagues got a 3.3% pay review settlement for their base pay, which was made up of a core award of 3% and a discretionary pot for leaders of 0.3% to distribute where they felt it was most appropriate. We also increased the minimum salary we pay to £23,000 (FTE), which benefited 150 colleagues and kept our promise to be a Real Living Wage employer.

### Rewarding performance

Our colleague bonus scheme was also refreshed in 2025, and for the first time in a number of years had a discretionary amount that rewarded colleagues with a higher bonus if they consistently exceeded expectations and role modelled our behaviours.

97.5% of colleagues take part in our pension scheme. Participating in the scheme is voluntary, however all colleagues are auto enrolled. We offer a matching contribution structure, with part time colleagues receiving the same benefits as full time. We contribute up to 11% when colleagues pay in at least 5%.

### Recognising performance

As well as financial rewards, we know personal recognition can be just as valued by our colleagues. We have various tools in place to recognise colleagues, from public messages of thanks on our intranet to our quarterly CEO Awards scheme. These awards are open to all colleagues to nominate, and be nominated for, and they reward people who have role modelled our behaviours.

## Our approach to wellbeing

Our wellbeing approach focuses on supporting colleagues' wellbeing and giving leaders the tools to create psychologically safe environments and the ability to lead empathetically. Our colleague survey results show it's working, with an engagement score of 8.7 for mental and physical wellbeing support. That places us in the top 10% of financial organisations and is something we're really proud of.

Monitoring our sickness and absence levels helps us to spot any trends that might indicate colleagues need more support with their wellbeing. In 2025, our colleague sickness rate was 4.5%. These figures reflect wider external trends, with research showing that employee sickness absence remains at some of the highest levels in recent decades<sup>19</sup>. To address this, we've identified hotspot areas and are engaging with local leadership teams to offer support with addressing concerns and implementing targeted interventions. We've also had increased focus on effective return to work conversations.

### Mental health

To help colleagues' mental health we continued to offer our confidential Employee Assistance Programme helpline, an online platform called Unmind and in 2025, we signed the Workplace Wellbeing Movement with MIND.

We also expanded our network of Mental Health First Aiders, ensuring colleagues can access support immediately whenever they face moments of crisis or distress.

During Mental Health Awareness Week, a member of our Executive Team sent a clear message to all colleagues: it's okay to ask for help, and no one should face mental health challenges alone. This was part of a powerful vlog that reflected a personal journey.

### Domestic abuse

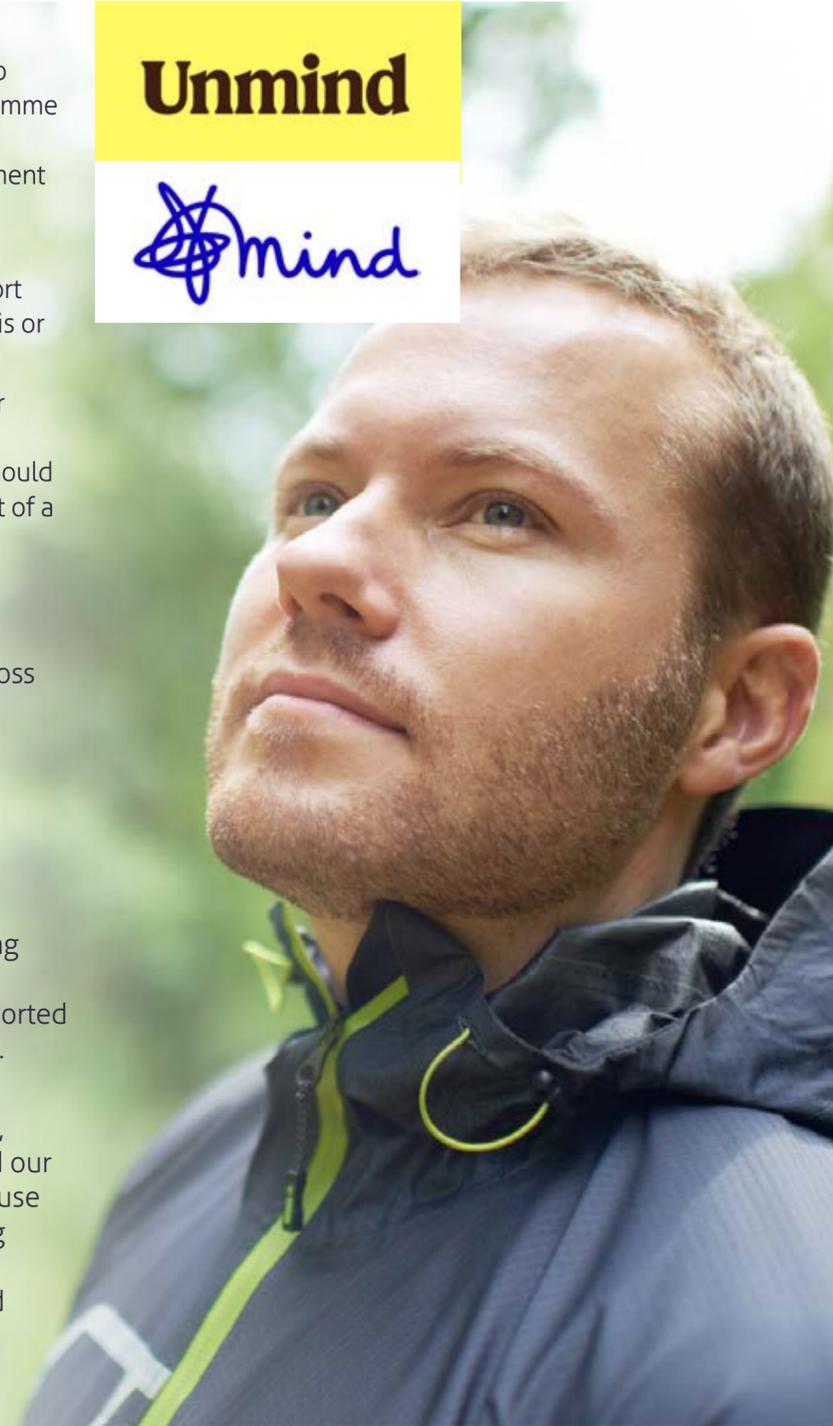
We've trained Domestic Abuse First Aiders across the business to provide immediate support to colleagues at a time of need or crisis in the workplace, signposting them to appropriate professional services.

### Menopause support

We want to make sure the many women among our workforce who could face menopause, or perimenopause, don't feel alone and are supported when their symptoms make it difficult to work.

Our Menopause group offers a safe space for women to meet and discuss their experiences, we've introduced Menopause Champions, and our colleagues have access to Rightsteps menopause support. We've also made menopause training available to all colleagues and people leaders to make sure there's better understanding and empathy.





## Promoting health and wellbeing

Our colleague benefits include discounted access to critical illness cover, private medical insurance, and health and dental cash plans, which can be purchased via monthly salary deductions over a 12-month period.

To promote positive physical wellbeing, we provide a flu vaccination programme to help people to stay well through winter and offer discounted gym memberships nationwide.

We also offer access to a range of health assessments. Each assessment is designed to give colleagues insights into their physical and mental health. Even the most basic level includes a face-to-face consultation, a blood test to check cholesterol and screen for Type 2 diabetes, a mobility and flexibility review, and a dedicated conversation around mental health.

The higher-level assessments offer even more, with additional screenings such as heart rhythm monitoring, blood tests for anaemia, advanced fitness testing, and extended time with a medical professional. Colleagues who are aged 65 and over can also choose an additional Mature Health Assessment.

These assessments are part of our broader commitment to supporting colleagues in leading healthy, balanced lives - both inside and outside of work.

### Creating a more accessible workplace

In 2025 we promoted our Accessibility Passport - a personalised, live document that lets colleagues outline the adjustments they need to perform at their best, encouraging

regular conversations between a colleague and their leader.

We also introduced a neurodiversity benefit to give colleagues and their dependents access to assessments for a range of neurodiverse conditions, including autism, ADHD, dyslexia, dyscalculia, and dysgraphia.

The Business Disability Forum provided support, training and guidance to our Diversity, Equity and Inclusion (DEI) team and we're accredited for Level 2 Disability Confident. We'll be working towards Level 3 in 2026.

### Support for family journeys

We know our colleagues can only be at their best if they're supported beyond work. The journey to parenthood looks different for everyone, so our Family Leave Policy covers many different circumstances.

We offer comprehensive parental leave to all eligible colleagues. In 2025, 77 colleagues benefited from this and spent valuable time with their growing families. We're proud that 70 of those who took parental leave returned to work, which we feel reflects our dedication to creating a culture where people feel supported through life's important moments and empowered to return when they're ready.

For parents going through IVF, our IVF leave policy covers both parents for up to five days, we give full pay neo-natal leave up to 12 weeks and should someone experience early baby loss (before 24 weeks) they can take up to two weeks bereavement leave.

This is on top of family support which already includes up to 26 weeks of paid parental leave, as well as five days' paid leave per year for dependent care leave and carers leave.

We also launched a series of Life Event Guides to support colleagues experiencing life's big moments. Co-created with our colleagues, it included topics such as caring and expecting a child.

### Support for carers

For colleagues who support their parents, we have Podplan Eldercare Support Services.

In 2025, we also offered Business in the Community's 'Let's Care Together' coaching programme for those with caring responsibilities.

### Empowering leaders

Leaders can often be the first point of contact for colleagues who need some extra support. That's why we equip those who lead teams with the right tools and guidance to keep people safe and feeling heard.

In 2025 we held workshops for leaders, added wellbeing modules into our leadership development programmes and held director-led sessions on performance and wellbeing.

**In 2025**  
**77**  
**colleagues benefitted from comprehensive parental leave and spent valuable time with their growing families.**



**REAL HELP WITH REAL LIFE:**

### A programme without judgement

Tina Godward works in our Customer Services team, as well as being a carer for her mum and sister. She joined the Let's Care Together programme and said this about her experience: "I clicked with my befriender from the get-go as she was in a very similar position to me, even down to my health issues, so I felt like she totally got me and understood what I was going through.

To be able to speak to someone who listened without judgement for an hour each week was invaluable to me. She got me to step back and think about myself, and together we created a plan that helped me to keep focused. Thanks to the support of the programme, and the networks I have in work, I no longer feel like I'm on my own."

“ I clicked with my befriender from the get-go... she totally got me and understood what I was going through. ”

# ENCOURAGING COLLEAGUE ENGAGEMENT

The thoughts, views and opinions of our colleagues matter to us, so we regularly ask for their input in a variety of ways to help shape our working environment, benefits, products and services.

## Annual survey

In 2025, 89% of colleagues completed our annual engagement survey, with an average score of 8.5. We're also in the top 5% of financial organisations for colleague engagement (eNPS), which is pleasing, but we know we can always do more.

Feedback highlighted three areas we should focus on as an organisation: using colleague voices to enhance our culture, enhancing our communication channels and evolving how we work - which includes creating productive workspaces, building 'Future Ready' skills and enabling personal growth.

As a result, we've improved how we help our colleagues to stay informed, connected, and aligned to our strategy.

Shaped by colleagues, we developed a clear communications strategy based on five priorities:

- 1. Empowering senior leaders to set the tone** - our Executive Team, including our Chief Executive, regularly lead internal leadership events and share blogs and vlogs to help set the tone from the top, giving colleagues clarity and confidence in our direction of travel.
- 2. Helping colleagues connect with Our Strategy and Purpose** - nearly 500 colleagues had their say on our sharpened Purpose, and leaders held 'Purposeful Conversations' with all colleagues to help spark connections with Purpose locally.
- 3. Sharing regular progress updates** - our Chief Executive shares personal reflections and key business decisions to give greater insight into our strategic direction.
- 4. Supporting people leaders to communicate change** - 420 people leaders joined a virtual session in September to hear first-hand how they can support teams with change and embed our sharpened Purpose.
- 5. Continuously seeking feedback** - from our annual engagement survey to all-colleague calls and invite-only events, we're always listening to what our colleagues have to say.

## Engaging with Board and the ExCo

We have a Colleague Forum that helps to enrich conversations at Board by involving colleague views on a range of topics. It has colleagues from all areas of the business who collect and share feedback on behalf of their team. Four sessions took place during 2025, focused on health and wellbeing, risk, artificial intelligence (AI) and our strategy.

Our 'Ask ExCo Anything' sessions are open to everyone to submit questions to our Executive Committee which will be answered live. In 2025, a number of sessions took place, with colleagues attending to ask questions. These sessions are recorded and shared with colleagues who couldn't join in person, so everyone benefits from the insights.

Colleagues have also attended two ExCo lunches to speak openly with executives about mentoring and colleague engagement.



**REAL HELP WITH REAL LIFE:**

## Enlightening engagement

One colleague who attended an ExCo lunch shared this feedback about the event: "Listening to all the stories and experiences was enlightening. One thing that was noticeable was how the ExCo were actively listening. They weren't distracted at any point."

“One thing that was noticeable was how the ExCo were actively listening.”

## Collective bargaining

Our long-standing partnership with Aegis the Union, which holds sole negotiation and consultation rights with us, supports our colleagues to have meaningful employee representation. In 2025, they represented 43% of our colleagues.

We're in regular touch with Aegis through our Joint Consultative and Negotiation Committee (JCNC), where senior leaders - including the Chief Executive and rotating Chief Officers – take part in open and constructive conversations. This partnership supports a culture of trust, transparency and continuous improvement and helps us get to positive results for colleagues, customers and the organisation.

# SUPPORTING COLLEAGUE LEARNING AND DEVELOPMENT

As part of our preparations to be future-ready, we're building an ambitious culture that encourages our colleagues to be open to learning and development.

We proudly invest in our people and make sure it's more than just a perk. Whether it's upskilling on new technology, supporting colleagues to live and deliver our Purpose, developing tomorrow's leaders or encouraging people's personal development, learning helps our colleagues, and business grow.

We evaluate all our learning opportunities to assess effectiveness and make sure they're delivering what we intended.

This not only helps us measure impact but also drives continuous improvement in our learning offer. In 2025, we centralised our learning budget and introduced a strategic triage process for learning requests. This approach has meant we can better align investments with organisational priorities, optimise the use of internal resources, and improve efficiency in how we allocate our learning budget.



In 2025  
**17**  
people went on to secure new roles with us when they'd completed their apprenticeship course.

## Preparing for future skills

To make sure we understand the skills we need now, and in the future, we use the Future Skills Insight Tool which is available to all colleagues. It helps them to identify their current strengths and highlights how they align with the skills we think we'll need in the future. It then points people to relevant learning opportunities to improve their knowledge or expand their skills on certain topics. It's a powerful tool for personal and career development that we've weaved throughout our learning pathways.

We continued to support the development of future skills we believe are key to enabling the delivery of our strategy. This included tailored LinkedIn Learning pathways as well as bespoke internal learning content.

The pathways are structured across three levels; essential, enhanced, and expert, which lets colleagues add to their capabilities as they progress. We also have bespoke internal learning content that's been developed for some of these skills at the essential level. In 2025, our focus has been on strengthening coaching capabilities and expanding our adaptability offering at the enhanced level. This investment is key to increasing

resilience, agility, and pace, which we believe are essential qualities for successfully navigating change.

Our 2025 goal was for our permanent colleagues to complete 35 hours of learning. In 2025, they averaged 48 hours.

## Training for the benefit of all

On top of this, we have mandatory training modules for all our colleagues which must be completed every year. It's essential for helping to protect both the organisation and our members and customers, by making sure colleagues are up to date with key policies and regulatory requirements. In 2025, average completion rates increased from 95% in 2024 to 99%.

To support how our sharpened Purpose is embedded across the organisation, we rolled out a series of Purposeful Conversations toolkits for all colleagues to build a connection with our Purpose and understand how they can make decisions based on our Purpose Prompts.

## Reskilling through apprenticeships

Our apprenticeship programme has gone from strength-to-strength and in

2025 we welcomed 36 people from across the business to reskill so we can increase the talent in the places it's needed. They're building capabilities in digital, relationship building, leadership, adaptability and data analytics and hoping to follow in the footsteps of 25 people who completed their apprenticeship with distinction in 2025. 17 people went on to secure new roles with us when they'd completed their course, demonstrating what happens when we invest in our people.

## Mentoring

We think mentoring is a powerful way to help our colleagues grow in their roles, personally or professionally. We offer a mentoring programme supported by an external platform, PushFar. Colleagues can take part as mentors or mentees across three pathways: career growth, leadership development, and skills enhancement. With regular coaching sessions and engagement activities, the programme supports cross-divisional networking while providing meaningful opportunities for growth and learning.

Mutual mentoring sees a senior colleague be reverse mentored by a colleague who is typically from an underrepresented group.





**REAL HELP**

**WITH REAL LIFE:**

## The value of mentoring

Our Chair, Annemarie Durbin, hosted a 'Spotlight on Mentoring' session with colleagues from across the organisation to reflect on how mentoring had shaped their careers, built confidence, and created meaningful connections. She said: "The fact colleagues chose to spend an hour on mentoring says a lot about YBS as a Society. We really care about each other as humans, and we want to help each other thrive."

Chris Irwin, Director of Savings, joined a panel discussion during the session. He said: "Sometimes the best mentor isn't someone like you. It's someone

who challenges your thinking. I've benefited so much from mentoring during my career. Now I'm lucky to be in a position where I can do the same."

Nigel Hannant, a Senior Project Manager, said after the session: "It was engaging, informative, and inspiring. The standout moment was hearing Annemarie share her experiences and candid insights, along with the opportunity to ask questions directly. I found the discussion around the importance and value of contracting in mentoring particularly impactful and I've already made changes to my own mentoring practice as a result."

Our Chair, said,

“

The fact colleagues chose to spend an hour on mentoring says a lot about YBS as a Society. We really care about each other as humans, and we want to help each other thrive.

”

Annemarie Durbin

## Encouraging top performance

We've got a structured performance management process for all our colleagues. It includes two mandatory reviews each year, at the mid-point and end of the year. We also encourage people leaders to have conversations with colleagues about professional development, growth and progress against their objectives at the other quarters in the year.

In 2025, 90% of colleagues completed their end of year reviews (this doesn't include colleagues who were on long-term leave, i.e. sick or on maternity), demonstrating the value these conversations can have to keep colleagues engaged and aligned to our strategic goals.





# COMMUNITIES

## IN THIS SECTION

- [Our Community highlights](#)
- [Building financial resilience in our communities](#)
- [Building skills and employability](#)
- [Supporting our communities](#)

# COMMUNITIES

As a leading purpose-driven mutual we have an ambition to make good homes possible for more people, and a responsibility to help create resilient, thriving places in the communities we're part of.

We don't claim to be able to do it all, but we can target our efforts purposefully to create opportunities and tackle local challenges so our members can thrive through access to quality housing, skills and jobs and financial resilience.

Our branches, agencies and three office sites are spread across England, Scotland and Wales, meaning we're well placed to understand and help the communities where we live and work.

Whether it's through our generous colleague volunteering offering, our charity partnership with FareShare, or donations from the Society and members, we know that when we come together, we can make a real difference where it matters most.

## 2025 Highlights

SUPPORTED  
**792**  
STUDENTS

Supported 792 students through our Bradford-based Work Immersion Days.

HELPED ALMOST  
**1,100**  
PEOPLE

Helped almost 1,100 people in Bradford to prepare for employment, with new skills, training or qualifications through the Building Bradford Skills Fund.

RAISED ALMOST  
**£336K**

Raised almost £336,000 for our charity partner FareShare.

# BUILDING FINANCIAL RESILIENCE IN OUR COMMUNITIES

For many people, 2025 continued with the challenges of the years before it - families grappling with financial hardship, with much of it linked to housing-related pressures<sup>20</sup>. Soaring rents, mortgage rates and household bills, with wages not keeping pace, meant many people living in our communities needed support. Children, young adults, low-income families and older generations were among the most affected.

For a number of years, we've focused our community programme on financial hardship, employability and financial education to support people to increase their financial resilience. Helping to address immediate needs, supporting people into work and improving financial literacy all helps people towards secure, sustainable homes.

We contributed £3.1m through our community programme in 2025 and reached 24,300 people with personal financial wellbeing support. This is slightly lower than the original goal of 27,000 people.

We contributed  
**£3.1M**  
through  
our community  
programme in 2025.

## Money Minds

Helping people understand money, regardless of age, is key to improving financial resilience. It leads to better money management, helps people to budget - for any occasion or need - and makes sure people can make informed decisions when it comes to spending or saving, avoiding debt where possible, or knowing where to get help if needed.

Our financial education programme, Money Minds, reached 15,100 children, young people and adults in 2025.

Our colleagues delivered face-to-face sessions in schools, branches and community settings, covering a range of topics, from budget management to fraud and scams for adults, and understanding where money comes from to planning the cost of a party for children.

## Calling for changes to the curriculum

According to our research<sup>21</sup>, more than 9 in 10 (95%) parents of school-aged children think it's important their children experience financial education, and almost the same amount (89%) say it should be taught in schools. We agree, but it's not currently part of the national curriculum. That's why we submitted recommendations to the government's Curriculum and Assessment review, calling for mandatory financial education for all children in England, including those in primary school.

We were delighted to see the government's Financial Inclusion Strategy confirm that from 2028, this will become a reality. In 2025, and in its absence, we continued to play our part through our Money Minds financial education programme.

<sup>20</sup> The Resolution Foundation's Housing Outlook Q2 2025

<sup>21</sup> A survey of 2,000 Parents of 5 to 17-year-olds, undertaken by Opinium in March 2025.

REAL HELP

WITH REAL LIFE:

Approved by teachers, loved by children

One teacher who reviewed the new materials said: "The resources are brilliant. I have not come across anything as comprehensive and well-structured for the teaching of financial literacy. There are many opportunities for pupils to use oracy, problem solving and working collaboratively. The use of photos, key vocabulary and sentence stems make the resource appealing."

“The resources are brilliant. I have not come across anything as comprehensive.”



## Refreshing our offering

In May, we updated all our primary school materials to make sure they better reflected the world we live in. The three new lessons for Key Stage 1 and 2 children focused on the history of money, understanding wants and needs and budgeting. They were developed in partnership with leading education specialists, Hark, to work in step with the national curriculum, with strong links to maths and Personal, Social, Health, and Economic (PSHE). Not only were the lessons tested and approved by teachers, but they were given a quality mark from Young Money. In 2025, 9,700 children<sup>22</sup> received financial education thanks to our colleagues volunteering their time to go into classrooms to teach them about money.

<sup>22</sup> In 2025 we moved to assumption-based reporting for our financial education sessions following a change in volunteering systems. Our assumption-based reporting uses both live and historical YBS data to calculate session volume and the government's average classroom sizes to derive a reach figure.

# BUILDING SKILLS AND EMPLOYABILITY

People out of work in the UK continued to find it hard to get a job during 2025, with data from the Office for National Statistics showing the unemployment rate increased<sup>23</sup>, since 2024.

## Breaking the cycle

To truly live our Purpose - making good homes possible for more people - we believe supporting people into work is essential.

Having a stable home makes it easier to search for a job, offering a secure address, internet access, and a space to prepare. At the same time, employment helps people afford a place to live. But for many, the link between housing and work creates a cycle that's hard to break - without one, the other often feels out of reach.

## Building skills in Yorkshire

As the founder of the Yorkshire and the Humber Financial and Professional Services Skills Commission, we continue to support its work. The Commission is made up of public, private and educational organisations who work to identify the skills challenges facing the sector in Yorkshire, and what needs to be done to address them to ensure a pipeline of skills and talent for the sector in the region. In 2025, our Director of People and Culture attended roundtable discussions as a representative, bringing together employers, education providers, and policymakers, to begin collaboration between stakeholders in the region.

The Commission will continue to host roundtables in 2026, focusing on current issues facing the sector, including AI and emerging technology.

## Our commitment to Bradford

In 2025 we focused a lot of support on helping people into work in our Bradford heartland. The city has above-average unemployment rates<sup>24</sup>, and one in four people of working age were not working or looking for work in 2024.

We invested time, money and resources into some of Bradford's most deprived areas to give people the skills, knowledge, training or experience to help them unlock opportunities to work.

## Work Immersion Days

Through our Work Immersion Days at our Bradford office, we welcomed 792 students into the workplace to experience a working environment and AQA - certified employment-related workshops.

The Year-10 students from schools in some of the city's most disadvantaged areas, spent time understanding the different roles available in a building society, hearing from colleagues directly about their education and career backgrounds, and taking part in workshops focused on problem-solving, customer service and the jobs market.

66% of students said they'd improved their employability skills and 84% said they now know what skills employers are looking for - preparing students for work and helping their understanding of different roles and opportunities.

A further 360 students received insight into the world of work through Work Immersion experiences held at their school. Almost 1,200 Year-10 students were reached through the Work Immersion programme in 2025.



**REAL HELP WITH REAL LIFE!**

## Preparing students for the world of work

Feedback from a parent of one student from our Work Immersion Days thanked us for the experience, saying: "We had a blow-by-blow account of what he'd done. He told us about the details of how he'd spotted the fraud in one of the sessions and that it was the most common crime."

“The day sounded like it had been very well thought through and designed excellently for the young people. So, thank you to all who make it happen.”

**84%**  
of students said they now know what employers are looking for.

<sup>23</sup> UK unemployment rate: Sept-Nov 2025 Employment in the UK: January 2026 Office for National Statistics (ONS), released 20 January 2026

<sup>24</sup> Bradford's employment, unemployment and economic inactivity - ONS

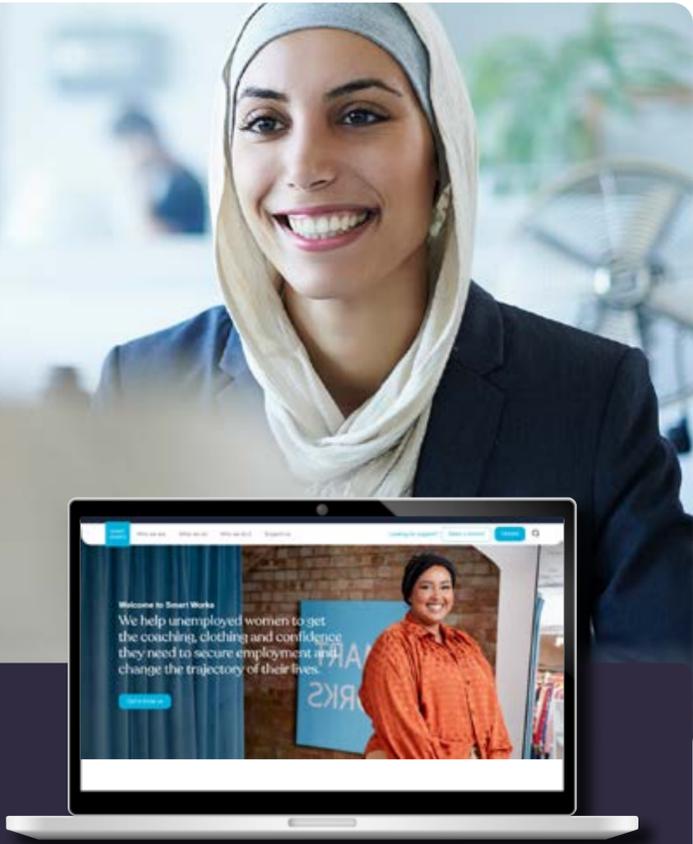
## Building Bradford Skills Fund

Through the Yorkshire Building Society Charitable Foundation's Building Bradford Skills Fund, four charities shared a £1m three-year investment from the Society to address specific skills and employment challenges the city faced.

Bradford Central Foodbank, Lower Grange Community Association, The Cellar Trust and Smart Works all launched their projects during 2025. Each charity actively helped people into work through things like one-to-one support, job coaching, interview preparation, hands-on experience, qualifications and much more, all carefully and considerately tailored to the city's needs.

Almost 1,100 people were supported through the projects overall in 2025, with 63 going on to paid employment.





REAL HELP

WITH REAL LIFE:

### Securing employment with confidence

Jade<sup>25</sup> was referred to Smart Works by her local employment advisor. At the time, she was spending up to 35 hours a week applying for jobs.

Smart Works helped her prepare for an interview by providing a full interview outfit tailored to her preferences. This was followed by a 1-2-1 coaching session with one of their expert coaches, who helped her dispel nerves and practice mock interview questions.

Jade said: "I really enjoyed having someone else suggest positive things, about how I

look etc. The interview pack, coaching session and dresser, were really helpful. I got a lot out of it. The coaching built my confidence. I feel good about myself."

Jade secured a job in the energy sector and felt her appointment with Smart Works had increased her chances of securing a job a lot. She said: "Getting a job means that I am competent. I will be able to be self-sufficient and offer something to the world. It means respect, independence, structure, and being part of a community."

“

The coaching built my confidence. I feel good about myself.

”

## Charity partnership with FareShare

Our partnership with FareShare is also helping people into work. They're the UK's leading charity redistributing good-to-eat surplus food to communities across the UK. But their food goes far beyond just feeding people. It also acts as a gateway to services that support people to have better access to food, form stronger connections and reduce isolation. Thanks to our help, we're supporting a programme that helps people with employment.

We're aiming to raise £1m by June 2026 to fund the Building Skills for the Future programme that aims to help lift over 2,500 people out of financial hardship.

The programme is running at FareShare's regional network partners in Scotland, Yorkshire, Merseyside, South Midlands, Cymru (Wales), South East and the South West. Each of the locations focus on supporting, equipping and preparing people for work so they can take a step closer to earning money, and gaining financial independence.

### Doing more together

In 2025, through colleague fundraising, member and customer donations and a contribution from the Society, we raised £336,000. Since the start of the partnership almost 2,100 people have been supported on the Building Skills for the Future programme, with 153 going into paid work.

REAL HELP

WITH REAL LIFE:

### Brighter futures thanks to programme

Kusanthi left Sri Lanka in search of better prospects for her family's future. Now based in London, she joined the Building Skills for the Future programme after hearing about it when using her local foodbank.

She said: "It was challenging to integrate into the community and find work, but the employability programme was a turning point in my life. As well as the practical hands-on warehouse experience, I learnt how to prepare my CV and how to face interviews – even taking part in mock interviews, which was really helpful. I wouldn't be where I am now if it wasn't for the Building Skills for the Future programme."

After just three months, Kusanthi secured paid employment as an activity co-ordinator in a local care home.

“

I wouldn't be where I am now if it wasn't for the Building Skills for the Future programme.

”

<sup>25</sup> Name changed for anonymity.

# SUPPORTING OUR COMMUNITIES

We support communities across the UK with donations of goods, grants and our colleagues' time.

## Small Change, Big Difference®

The Yorkshire Building Society Charitable Foundation is a registered charity with its own Board of Trustees, but its running costs are paid for by the Society. You can find out more about the Foundation [on our website](#).

27% of Yorkshire Building Society savings and mortgage accounts are opted in to the Foundation's flagship initiative, the Small Change Big Difference® scheme. By opting in, members come together and turn pennies into meaningful donations - up to £2,500 - to registered charities across the UK.

In 2025, 227 charities received a total of £358,000 in donations, all nominated by our members and colleagues. Together, we're making a real difference, one penny at a time.

## Focusing support

From January 2025, the Foundation sharpened its focus to support people experiencing financial hardship, especially in areas of high deprivation. This decision, agreed by the Board of Trustees, ensures donations go where they're needed most - helping people live more comfortably and securely at home.

Whether it's providing basic furniture, emergency food and toiletries, or other essentials, these donations help break down barriers that prevent people from creating a safe and stable home. It's a direct way we live our Purpose for those facing the toughest challenges.



## Cause collections

We also held cause collections in office, branch and agency sites, collecting donations of toiletries, long-life food and drinks and warm clothing to give to charities that support people who are struggling financially. In 2025, 120 collections were held and donated where they were needed most in our communities.

**REAL HELP WITH REAL LIFE:**

## A helping hand into homes

One Big Family in Medway, Kent received £2,000 in 2025 after being nominated by Kelly Newton and other colleagues at our Chatham branch.

The money helped to provide home starter packs - including bedding, crockery, utensils and cleaning products - to rough sleepers moving from homelessness to accommodation, people fleeing domestic abuse, social services clients in financial hardship and care leavers moving into their first accommodation, among others in need.

Kelly said: "One Big Family provide amazing support locally and the donation from the Charitable Foundation was so well received. It made a huge difference to people in our community and we're all so grateful. Members' pennies really have provided a boost where it was needed most."



**REAL HELP**

**WITH REAL LIFE:**

## Fundraising efforts reach new heights

In July, 261 colleagues swapped their desks for the moors and skies of West Yorkshire, in a daring challenge event to raise money for FareShare.

They walked up to 10 miles across moorlands, before some took on a 270 metre zip line at speeds of up to 35mph.

In total, we raised over £43,000.

## Colleague volunteering

Every colleague employed by us gets up to 31 hours a year to volunteer and in 2025, 29% of colleagues gave their time to good causes. This was lower than our aim of 40% of colleagues volunteering, which we believe is partly due to a new system for colleagues to record their efforts, which took time to embed.

It might have been supporting our charity partner, delivering financial education, providing pro-bono support, becoming a trustee, school governor or mentor, or giving practical support to causes that help people out of financial hardship.

As proud sponsors of Bradford City of Culture 2025, we supported colleagues in our heartland to volunteer through Bradford 2025's official volunteering partner. This meant our support was targeted where it was needed most during the momentous year.

# CLIMATE

## IN THIS SECTION

- [Climate highlights](#)
- [Committed to reducing our impact](#)
- [Helping colleagues, members and customers reduce their impact](#)
- [Integrating climate risks](#)



# CLIMATE

**We know we must play our part to reduce our own impact on the planet and create sustainable, future-ready homes in the UK.**

We are doing this by accelerating our transition to Net Zero for Scope 1 and 2 emissions and helping members make their homes sustainable, resilient and part of a healthy planet.

At the end of 2024, we renewed our sustainability ambition and assessed how we made a positive impact on the environment. In 2025 we considered what this meant for the climate and developed science-aligned Net Zero transition plan for our own operations.

It was another reset moment in a defining year as we started to shape our strategy around our sharpened Purpose to make good homes possible for more people.

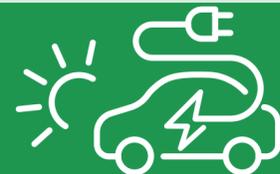
## 2025 Highlights



Strengthened our Net Zero commitments with a transition plan and a strengthened commitment to reach Net Zero on Scope 1 and 2 emissions by 2030.



2,400 people used Snugg to assess the energy efficiency of their home.



374,250 kWh of electricity generated by our new solar panel car ports at our Bradford office.

# COMMITTED TO REDUCING OUR IMPACT

We're committed to understanding and reducing our carbon footprint, as well as the risks and opportunities that come with climate change. It's crucial we also play our part in the wider transition to a low-carbon economy as emissions from homes make up around 20%<sup>26</sup> of UK emissions.

## Our climate strategy

We protect our shared home, so future generations benefit from a healthier planet. At the end of 2024, we renewed our sustainability ambition and relooked at how we made a positive impact on the environment. Throughout 2025, we've redefined our climate strategy, considering the frameworks deemed best practice and the current position of our emissions footprint.

It was another reset moment in a defining year as we started to shape our strategy around our sharpened Purpose to make good homes possible for more people.



## Net Zero transition plan

To drive forward climate action, in 2025 we developed our first iteration of a Net Zero transition plan, focussing on the emissions arising from our own operations and supply chain. There are two key actions from this work that we'll be starting in 2026:

- Replacing gas boilers with electric alternatives.
- Engaging with material suppliers on their emissions.

The Board and Executive Team committed to bringing forward our Scope 1 and 2 Net Zero target from 2035 to 2030, to reflect our commitment to protecting the planet:

- **Target:** Net Zero in Scope 1 by 2030 (location-basis).
- **Target:** Net Zero in Scope 2 by 2030 (market-basis).
- **Ambition:** Net Zero in Scope 3 Operational emissions by 2050.
- **Ambition:** Net Zero in Scope 3 Financed emissions by 2050.

The new plans replace the previous Climate Commitments we had. They were useful to help us begin our Net Zero journey, but we retired them in 2025. Full details of what these were can be found on page 22 of the 2024 Annual Report and Accounts (ARA). Any of the outstanding actions will be addressed in our new plans.

To strengthen our action, in the future we'll consider how to expand our Net Zero transition plan to include financed emissions.

## Operational impact

Progress in reducing emissions across Scope 1 and Scope 2 categories has been made since 2023, but we're committed to doing more to have a positive impact in the future.

The reduction in location-based electricity emissions of 25.1% was due to a mix of energy efficiency initiatives and the introduction of new solar panel car ports at two of our sites. The increase in scope 1 emissions was due to a significant refrigerant gas leakage at one of our sites, which has since been rectified. However, emissions from our use of natural gas in boilers decreased slightly during 2025 and will continue to do so in the future as we roll out electric heating alternatives.

We continue to maintain our Net Zero position for Scope 2 emissions on a market-basis as we continue to procure renewable energy.

Our full carbon footprint can be found on page 50 in the 2025 Annual Report and Accounts. For details on how the footprint is calculated see the Basis of Reporting in the 2025 Sustainability Reporting Framework Index and Datasheet. 2024 values have been restated following receipt of actual data where previously estimates had been used. These are highlighted in the table and a description of why we have restated is set out in the 2025 Sustainability Reporting Framework Index and Datasheet.

Here we've summarised our own operations carbon footprint:

Carbon Footprint	2025 Location-based	2024 Location-based	2025 change from 2023 base year (Location-based)
	tCO <sub>2</sub> e	tCO <sub>2</sub> e	%
Scope 1	892 ★	688 <sup>27</sup>	18.8%
Scope 2	1,270 ★	1,687	-25.1%
Scope 3 Operational: Categories 3, 5, 6, 7 <sup>28</sup>	4,569	4,459	7.1%

<sup>26</sup> Final UK greenhouse gas emissions statistics: 1990 to 2023 - GOV.UK

<sup>27</sup> 2024 Emissions from Scope 1 previously published as 721 tCO<sub>2</sub>e. The change is due to receipt of actual consumption data replacing historically estimated data for Q4 2024.

<sup>28</sup> For a breakdown of what is included in these categories see the 2025 Sustainability Reporting Framework Index and Datasheet.

★ Indicates the measure has been subject to independent limited assurance.

### Energy

The largest proportion of our energy use comes from the operation of office and retail locations (95.6%).

In 2025, we increased the amount of electricity we generate ourselves. New solar panel car ports at our Bradford office generated 374,250 kWh, which contributed 3.1% of our energy use across all our sites.

We're planning a second phase of solar panels to help further reduce our electricity consumption from the national grid, as we expect this to increase as we replace our gas boilers with electric alternatives across our sites starting in 2026.

Until then, we'll continue to buy electricity backed by Renewable Energy Guarantee of Origin (REGO) certificates until September 2027, to make sure there are no market-based emissions from our electricity use.

We also rolled out LED lighting across all the branches we own and manage, with plans to upgrade the newly converted Lancaster branch in future refurbishments.

The table shows our internal energy use in line with the requirements of the Streamlined Energy and Carbon Report (SECR). 2024 values have been restated following receipt of actual data where previously estimates had been used. The full breakdown of our energy use can be found on page 49 of the 2025 Annual Report and Accounts.

Internal Energy Usage (kWh)	2025	2024
<b>Scope 1</b>	<b>3,624,277</b>	<b>3,648,448 <sup>29</sup></b>
Associated emissions (tCO <sub>2</sub> e)	661	656
<b>Scope 2</b>	<b>7,826,993</b>	<b>8,286,263</b>
Associated emissions (tCO <sub>2</sub> e)	1,270	1,687
<b>Scope 3</b>	<b>525,707</b>	<b>555,769</b>
Associated emissions (tCO <sub>2</sub> e)	127	134
Total energy usage	11,976,927 <sup>*</sup>	12,490,480 <sup>30</sup>
Associated emissions (tCO <sub>2</sub> e)	2,058	2,477

<sup>\*</sup> Indicates the measure has been subject to independent limited assurance.

### Business travel

Business travel also forms a significant part of our operational carbon footprint and is an emissions source we're looking to decarbonise as far as possible. Our business travel emissions in 2025 were 258.3 tCO<sub>2</sub>e <sup>\*</sup>.

We're reviewing our business travel policy to reflect our strengthened environmental ambition. Our aim is to limit flights, encourage train use over driving and where this isn't possible, hire cars should be electric or hybrid.

The chart shows a breakdown of the business travel emissions by transport type, hotel stays and the well-to-tank emissions. Well-to-tank emissions refer to the emissions produced in the upstream supply chains of transport types we use, for example, emissions from the production of petrol for use in cars.



### Waste, water and broader environmental impact

The nature of our business model means that waste is minimal - with branch confidential waste accounting for 41% of our total. We're trying to reduce it further where we can and ensure any waste we do generate is reused or recycled.

We achieved our target to have 97% of our waste diverted from landfill, by working with our caterers and suppliers. We've worked with waste providers to make sure we're complying with the new 'Simpler Recycling' laws, and we regularly remind colleagues about how to get rid of waste appropriately.

You can find a full breakdown of our waste streams on page 20 in the 2025 Sustainability Reporting Framework Index and Datasheet.

Previously, we've taken steps to reduce water use by introducing more water efficient toilets and sensor taps at our Bradford office. During 2026, we'll consider what else we can do towards a Water Neutral ambition. We'll add our plans into the wider environmental strategy and give colleagues more support through education.

Additionally, we're starting to take steps to assess our impact on nature. We're beginning this work by undertaking an assessment in Spring 2026, of the biodiversity of our owned woodland at our Bradford office site.



<sup>29</sup> 2024 Scope 1 energy use previously reported as 3,829,254 kWh. The change is due to receipt of actual consumption data replacing historically estimated data for Q4 2024.

<sup>30</sup> 2024 Total energy use previously reported as 12,671,286 kWh. The change is due to receipt of actual consumption data for Q4 2024.

## Supply chain

Aside from financed emissions, our suppliers' emissions are the biggest in our value chain, so as well as concentrating on our own operations, we must think about who we work with. We've got no control over suppliers' decarbonisation plans, but we can choose who we work with and influence them to do more.

In 2025 we updated our YBS Standards for Suppliers to be clearer on how we expect those we work with to manage their environmental impact. We'll be expanding this to our policy and processes, to support our decision-making when suppliers don't meet our new expectations.

We'll also start to work with existing suppliers to better understand what they've done to date, and how we can partner with them to reduce their emissions.

### Our Scope 3 Supply Chain emissions:

Our Scope 3 Category 1 and 2 emissions are calculated in line with the Greenhouse Gas Protocol. How we do this can be found in the Basis of Reporting in the 2025 Sustainability Reporting Framework Index and Datasheet.

The Society has taken steps to enhance its calculation of Scope 3 Category 1 and 2 emissions in 2025, this has resulted in a restatement of our 2023 calculations. Following the release of Open CEDA by Watershed in May 2025, the Society has integrated the emission factors from Open CEDA by Watershed. Our previous methodology relied on supplier data to create 'average emission factors' for suppliers where no emission data existed. Inconsistencies on the nature of this data resulted in skewed average emission factors, that in the main saw the Society overstate emissions attributed to some suppliers.

The impact of this change resulted in a decrease of 15.8% from our previously reported 'Supply Chain' emissions. For more information on our methodology, including Restatement Policy, see the Basis of Reporting in the 2025 Sustainability Reporting Framework Index and Datasheet.

We report these emissions a year in arrears so that we have access to the fullest data set possible. The reporting period for the emissions below is January to December 2024. In 2024, we saw a marked increase in emissions from our capital goods expenditure. This is in part due to the investment made in developing the solar panel car ports at two of our sites.

Supply chain emissions	2024	2023 Restated (tCO <sub>2</sub> e) (2023 As published)	2024 change from restated 2023 base year
	tCO <sub>2</sub> e	tCO <sub>2</sub> e	%
<b>Scope 3</b> Category 1: Purchased Goods and Services	13,420★	14,676 (16,110)	-8.6%
<b>Scope 3</b> Category 2: Capital Goods	4,748★	2,974 (4,725)	59.7%

★ Indicates the measure has been subject to independent limited assurance.

## Financed emissions

Financed emissions arise from the homes we lend mortgages to, across both our residential mortgage portfolio and our commercial real estate portfolio. This means that the better the energy efficiency of the homes we lend to, the lower our financed emissions.

As outlined on page 49, we're actively working to support customers and members to improve the energy-efficiency of the homes we lend on, by providing education and guidance, offering energy efficient products and partnerships and calling for change.

### Our Scope 3 Financed emissions:

We calculate the financed emissions arising from our residential mortgage and commercial lending portfolios using the Partnership for Carbon Accounting Financials (PCAF) methodology. Full details of this can be found in the Basis of Reporting in the 2025 Sustainability Reporting Framework Index and Datasheet. Financed emissions are calculated as at the 30 November due to the timing we receive the EPC data from our third-party supplier. Aligning our financed emissions calculation to year end would result in new lending not being captured with an EPC and therefore reduce our data quality to calculate them.

The Society has restated its 2023 Financed Emission calculation for our residential and commercial lending portfolio. The restatement comes through strengthening our approach to align closer to the PCAF methodology and associated recommendations.

Previously, for properties without a valid EPC, our calculation utilised the modelled emission factor from the PCAF Building Emissions Database, which presented an optimistic view of the Society's financed emissions. Our updated calculation, for properties without a valid EPC, now utilises a 2020 emission factor from the PCAF Building Emissions Database. This 2020 emission factor is based on actual energy data and therefore of greater data quality versus the previously used 2023 modelled emission factor.

In addition, additional lending had been categorised incorrectly, causing mortgage lending within scope to be excluded from the calculation. Correction of this saw an increase of reportable mortgage lending of 7.1%.

The impact of these changes resulted in an increase of 19.4% from previously reported financed emissions. For more information on our methodology see the Basis of Reporting in the 2025 Sustainability Reporting Framework Index and Datasheet.

Scope 3 Category 15: Investments (12 months to 30 November of reporting year)	Residential mortgages portfolio			Commercial real estate portfolio		
	2024	2023 Restated (2023 As published)	2024 change from restated 2023 base year	2024	2023 Restated (2023 As published)	2024 change from restated 2023 base year
Absolute financed emissions (tCO <sub>2</sub> e)	796,355★	790,479 (662,265)	0.7%	35,423★	34,465 (30,795)	2.8%
Physical intensity <sup>31</sup> (kgCO <sub>2</sub> e/m <sup>2</sup> )	50.8★	51.6 (45.3)	-1.5%	76.6★	81.0 (71.99)	-5.4%
Total properties	279,451	274,579	1.8%	7,310	6,451 (6,541)	13.3%
Total gross exposure accounted for in absolute emissions	£47,331m	£44,678m	5.9%	£2,169m	£1,846m	17.5%
Energy Performance Certificate (EPC) coverage <sup>32</sup>	59%	59%	0.2p.p.	68%	66%	2 p.p.
PCAF data quality score	3.82★	3.83	-0.3%	3.64★	3.67 (3.62)	-0.8%

<sup>31</sup> Physical intensity represents the amount of CO<sub>2</sub>e, in kilograms, produced per metre squared of floor area within our residential and commercial lending portfolios respectively. This figure represents the whole building emissions not the Society's attributed financed emissions.

<sup>32</sup> Full breakdown of our EPC coverage can be found in the *Preparing for transition risk* section of this report.



# HELPING COLLEAGUES, MEMBERS AND CUSTOMERS REDUCE THEIR IMPACT

We want to inspire others by building climate-conscious choices into everything we do. By helping our members, customers and colleagues to make greener choices, together we can reduce our environmental impact, which is good for the planet and helps build a better future for all.

## Championing climate with colleagues

To really make a difference, it starts with our colleagues. We support them to reduce their impact but also give them the knowledge to share with members and customers. Our Climate Change learning module is available to all colleagues and those working in our partner agencies.

We also have 25 Climate Champions across the organisation, who've increased their knowledge on topics including carbon footprint accounting and sustainable homes, which we encourage them to share with their local teams.

We have  
**25**  
Climate Champions  
across our  
organisation.

## Preparing members and customers

We're taking steps to prepare homeowners for the two main types of risks they face as the UK moves toward a low-carbon future - transition and physical.

### Transition risks

Transition risks arise from changes in the wider economy as it moves toward a low-carbon state. This includes changes from new and updated climate policy and regulation, new technology, or shifting customer attitudes.

For homeowners, a key transition risk is the increasing demand for energy efficient properties. As the government look to set stricter standards and incentives for greener homes, properties with poor energy performance may become harder to sell, insure, or finance. This could impact property values or make it more expensive to maintain or upgrade a home.

As a lender supporting 3.3% of the mortgage market, we support the transition by providing education and guidance to help customers understand their options. We also offer solutions like an additional loan to support energy efficient home improvements - making it easier for members and customers to upgrade their homes and stay ahead of the curve. In 2025, 26 people took advantage of these loans.

We also monitor the Energy Performance Certificate (EPC) ratings across our mortgage portfolio. EPCs record the energy efficiency of a property and help homeowners and lenders understand the emissions the property generates. By tracking EPC distribution, we

can tailor our support - offering products and services that meet customer needs, like Snugg, which helps homeowners improve their EPC rating (you can read more on page 12).

Thanks to our enhanced affordability criteria for new build homes, we were able to lend more money to homeowners buying higher EPC rated homes. 281 customers buying a new home benefited from these criteria.

All this support offers more than just benefiting the environment. Retrofitting homes - making upgrades to improve energy performance - or choosing eco-friendly properties can also lower energy bills, improve health and comfort and boost property value.

### Physical risks

As climate change affects our environment, it brings new challenges for homeowners in the form of physical risks. These are risks caused by changes in weather and climate that can directly impact properties.

We regularly monitor the key physical risks that could impact our mortgage customers, including flooding, coastal erosion and subsidence. These events can damage homes and create financial stress for homeowners, also presenting risks for us as a lender.

We've worked with the wider industry to raise awareness of the issue of flooding for homeowners, and how it could impact insurance prices in the future when Flood Re - a government insurance scheme - ends in 2039.

We also took part in a project with the UK Centre for Greening Financial Institutions to improve how flooding and overheating risks are communicated to homeowners.



## Working in partnership

We know we'll be able to have greater impact when we work with others, so we partner with organisations who are as committed as us to doing the right thing. In 2025 that included:

- Yorkshire and Humber Climate Commission:** we supported their work regionally to help raise awareness of climate change and encourage action locally. Their work is supporting one of our office cities, Leeds, to be the UK's first Net Zero and nature positive city.
- Building Societies Association (BSA):** we're part of the Green Finance Taskforce and meet with other members of the BSA to discuss the climate-related challenges and opportunities facing our sector. In 2025 we worked with the UK Centre for Greening Finance and Investment to produce communication tools that aim to enhance climate risk awareness within mortgage portfolios. This work focuses on translating climate risks such as flooding and overheating to relatable and actionable information for both lenders and their customers, contributing to raising awareness with customers, and supporting internal decision making.
- Sustainable Business Consortium:** we join sustainability leaders from several sectors to share ideas and support each other to reduce carbon emissions.
- Green Finance Institute (GFI):** we regularly meet with the GFI to stay on top of, and discuss, emerging trends and challenges.
- Asset and Liability Management Association (ALMA):** we support their work by delivering climate upskilling in their "Climate Change: What Treasury Needs to Know" course.

## Calling for change

If the UK is to reach its Net Zero target by 2050, there's work to be done. Homes, commercial properties and other buildings are still one of the biggest sources of carbon emissions, contributing around 20%<sup>33</sup>. Many UK homes are older and poorly insulated, which makes improving their energy efficiency a key priority. It'll take collective action to make change.

We made sure we had our say on several policy discussions during 2025, all of which had the potential to help homeowners reduce their impact on climate change.

### EPC reform

Responding to the government's proposed EPC Reform<sup>34</sup>, we outlined the importance of supporting homeowners to understand their EPC and the actions recommended by it. We recommended customer testing, to deliver new certificates that are clear and effective.

### Boiler Upgrade Scheme

Changes to the Boiler Upgrade Scheme<sup>35</sup> - a grant for homeowners to install heat pumps - also attracted our attention. We supported the recommendations made by the government to expand the grants to other solutions, such as air-to-air heat pumps. However, our response highlighted the skills shortage when it comes to retrofitting and called on the government to make sure there are enough installers across the country to meet future demand.

We'll continue to use our voice to advocate for wider change including more government support for the retrofit sector. We're especially focused on addressing policy gaps - like the lack of training for tradespeople - which are slowing down the adoption of retrofit solutions.

**REAL HELP WITH REAL LIFE:**

## Driving collective action

Kate Livesey, Climate Change Risk and Strategy Manager said: "We're committed to reducing our environmental impact, but we know it needs wider, collective action. We've called for change on a number of initiatives and added our voice to the Building Society Association and UK Finance' consultations too.

"One of our main callouts throughout it all is the need to keep solutions affordable. We don't want high electricity bills to switch people off solutions like heat pumps - not only for sustainable homes, but the general ability to be able to keep homes warm too."

“ We don't want high electricity bills to switch people off solutions like heat pumps. ”



<sup>33</sup> Final UK greenhouse gas emissions national statistics: 1990 to 2023 - GOV.UK

<sup>34</sup> Reforms to the Energy Performance of Buildings regime - GOV.UK

<sup>35</sup> Boiler Upgrade Scheme and certification requirements for clean heat schemes - GOV.UK

# INTEGRATING CLIMATE RISKS

Throughout 2025 we continued to ensure we remained resilient against the impacts of climate risk, namely transition risk; the risks of transitioning to a Net Zero economy, and physical risk; the direct risks from a warming climate namely flooding, coastal erosion and subsidence.

## Sustainability risk management

We defined Sustainability Risk as a principal Tier 2 risk category, after a review of our Enterprise Risk Management Framework. Centralising Sustainability Risk as a distinct risk category allows a more focused approach in coordinating how we manage these risks, particularly climate and environmental risk.

We still acknowledge the cross-cutting nature of sustainability risk across other key risk categories. Our Environmental and Climate Change Risk Policy sets out how environmental risks are identified, assessed, and mitigated across Tier 1 risk areas.

Our Tier 1 risk categories represent the most material risks - those with the greatest potential impact on our strategic objectives, financial stability, reputation,

and regulatory compliance. These risks receive the highest level of oversight from senior management.

During the year we made enhancements to how we model the impacts of climate risk on our mortgage lending, allowing us to better assess the impact of varying different climate change pathways, to ensure we remain resilient and can continue to provide for our members. These enhancements were part of our Credit Risk strategy in further integrating climate-risk into the Society's risk management processes.

You can find out more about our risk management on pages 42-47 of the Annual Report and Accounts.

## Preparing for transition risk

We monitor the EPC distribution of our mortgage portfolio to assess its readiness for a low-carbon economy. Whilst the current EPC rating indicates the efficiency of a property, the potential rating indicates how a rating could be improved if action was taken to improve the energy efficiency of a property. This is where our partnership with Snugg can support homeowners to reduce the risks around the transition to a low-carbon economy.

In 2025, 59.4% of our retail lending portfolio had a valid EPC, down from 2024. Of those with a valid EPC, 47.6% are EPC C or above, with 97.9% having the potential to be EPC C or above.

Retail lending portfolio				
EPC	2025			
	Owner Occupied		Buy-to-let	
	Current	Potential	Current	Potential
A	803	16,210	44	1,452
B	19,888	72,592	2,623	24,289
C	39,032	35,899	16,820	12,598
D	50,619	2,413	16,121	711
E	13,683	255	3,386	38
F	2,754	40	70	2
G	636	6	26	0
No EPC	103,277	103,277	10,676	10,676
% with EPC	55%	55%	79%	79%

Retail lending portfolio				
EPC	2024			
	Owner Occupied		Buy-to-let	
	Current	Potential	Current	Potential
A	552	15,908	33	1,549
B	19,662	72,937	2,713	24,742
C	36,125	35,538	16,001	12,403
D	51,699	2,480	16,747	770
E	15,373	263	3,885	47
F	3,063	44	99	1
G	703	7	34	0
No EPC	101,953	101,953	11,124	11,124
% with EPC	56%	56%	78%	78%

69.5% of our commercial portfolio had a valid EPC, up from 2024. Of those with a valid EPC, 61.8% are EPC C or above, with 95.1% having the potential to be EPC C or above.

Commercial lending portfolio			
EPC	2025		
	Buy-to-let	Investment	
	Current	Potential	Current
A	21	256	11
B	998	2,163	89
C	2,173	2,208	295
D	1,385	216	331
E	277	22	143
F	8	0	32
G	3	0	42
No EPC	1,965	1,965	589
% with EPC	71%	71%	62%

Commercial lending portfolio			
EPC	2024		
	Buy-to-let	Investment	
	Current	Potential	Current
A	10	227	8
B	765	1,694	72
C	1,716	1,865	305
D	1,217	215	355
E	298	19	148
F	9	1	37
G	6	0	45
No EPC	1,614	1,614	640
% with EPC	71%	71%	60%

## Preparing for physical risk

We're confident that physical risks are currently low across our mortgage portfolio, but we know they can still be distressing for homeowners and a financial risk for us as a lender. That's why we carefully model and monitor these risks over the short to medium term - to understand their potential impact and ensure we're prepared to support our customers and manage any risk to our mortgage book.

Another emerging concern is overheating in homes. As the planet warms, heatwaves are becoming more common, and many UK homes aren't built to stay cool. This can affect comfort, health, and even property value. It's a growing risk we're actively investigating so that we can respond with the right solutions in the years ahead.

### Flooding

This map shows our retail mortgage book exposure to very high flood risk split by region as of 31 October 2025.

Based on our current climate models and projections, we project that properties not currently at risk of flooding will remain low risk in the future, even under different climate change scenarios. This is based on assumptions about future greenhouse gas emissions, so it's not guaranteed.

However, we know that homes currently at risk of flooding will continue to face that risk, which could increase in likelihood or severity. Cross-sector collaboration is key to making sure people are prepared.

Our work with peers for the UK Centre for Greening Finance and Investment (CGFI) highlights this risk (see page 50 for more information), and we were also pleased to see the government's research and findings in its **FloodReady** report<sup>36</sup>.

Current flood risk data for the retail lending portfolio can be found in the table and map. Data is as of 31 October 2025.

Region	% of retail mortgage lending <sup>37</sup>	% of total mortgage lending at very high risk <sup>38</sup>
East of England	4.4%	0.2%
Greater London	19.2%	0.2%
North West	10.4%	0.2%
South East	22.3%	0.2%
Scotland	6.6%	0.1%
South West	6.7%	0.1%
West Midlands	7.6%	0.1%
Yorkshire and the Humber	8.4%	0.1%
North East	3.5%	0%
East Midlands	6.8%	0%
Northern Ireland	0.8%	0%
Wales	3.4%	0%



Lowest Proportion

Highest Proportion

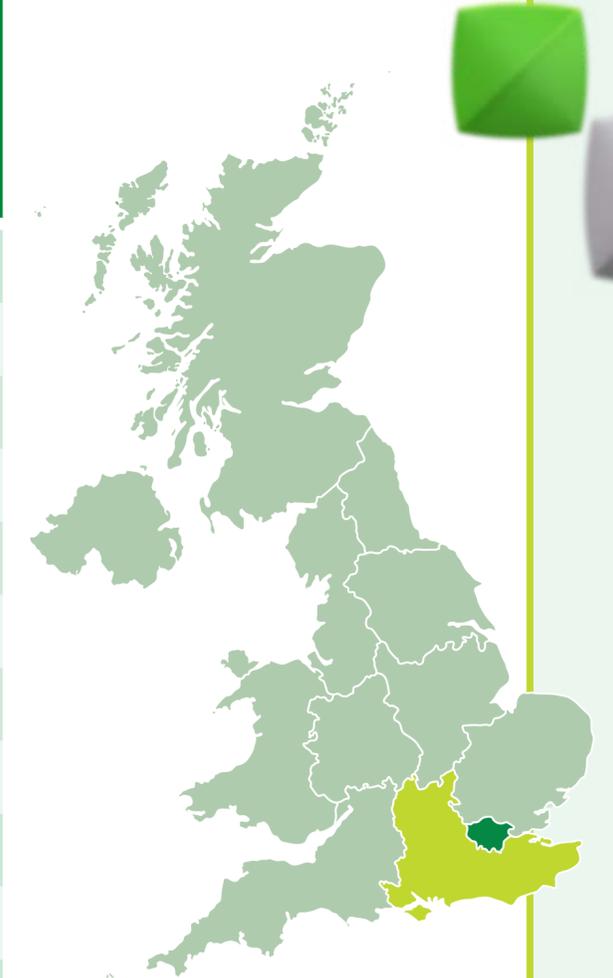


## Subsidence

Our subsidence data indicates that the greatest risk for the retail lending portfolio sits within the Greater London area. This aligns to academic reports on subsidence risks due to climate change<sup>39</sup>.

Data is as of 31 October 2025.

Region	% of properties in portfolio <sup>40</sup>	% of total properties in high-risk categories <sup>41</sup>
East of England	4.6%	0%
Greater London	10.8%	2.1%
North West	13.3%	0%
South East	16.2%	0.6%
Scotland	9.4%	0%
South West	6.6%	0%
West Midlands	8.6%	0%
Yorkshire and the Humber	11.9%	0%
North East	5.4%	0%
East Midlands	7.1%	0%
Northern Ireland	1.5%	0%
Wales	4.6%	0%



Lowest Proportion

Highest Proportion



<sup>36</sup> FloodReady - an action plan to build the resilience of people and properties - GOV.UK

<sup>37</sup> Due to rounding this does not add up to 100%.

<sup>38</sup> Rounded to 1 d.p. Very high flood risk refers to properties with a flood risk score of greater than 81 provided by our third-party flood risk data provider.

<sup>39</sup> The London Climate Resilience Review, 2024, p.113

<sup>40</sup> Due to rounding this does not add up to 100%.

<sup>41</sup> Rounded to 1 d.p. Our Subsidence data rates a property from a score of 1 to 15. We define "high risk" as those with score greater than or equal to 12.

Further details of how we manage our environmental risks and opportunities are outlined in the Annual Report and Accounts.

# RESPONSIBLE BUSINESS FOUNDATIONS

## IN THIS SECTION

- [Sustainability governance](#)
- [Our responsibility to members, customers and society](#)

“

Being a responsible business starts with strong governance, clear procedures, and a culture of accountability.

As a purpose-driven business, we know how we do business is as important as what we do, and why we do it.

Our Responsible Business Foundations cover the wider sustainability themes that are material to our organisation and our stakeholders.

Robust processes ensure consistency, transparency, and trust, while colleague training empowers everyone to understand their responsibilities and act with integrity.

We make sure we meet, if not exceed, our regulatory responsibilities and have the right systems, processes and governance in place to protect our members, customers, colleagues, and the organisation from potential risks.

”



# SUSTAINABILITY GOVERNANCE

## Board governance

### Sustainability oversight

To make sure sustainability is embedded across our organisation, it starts at the very top. The Board is responsible for setting the direction and risk appetite of our environmental and social sustainability strategy.

In 2025, the Board delegated oversight of sustainability to the newly formed Board-level Environmental and Social Purpose Committee (ESPC). It's chaired by Janet Pope, a Non-Executive Director who has a wealth of experience of sustainability, diversity, responsible business and stakeholder engagement in the finance sector.

The Board ESPC is responsible for reviewing the outcomes of our environmental and social sustainability work against any targets and measurable objectives set by the Board; overseeing our sustainability strategy; monitoring emerging environmental and social issues and reviewing how our Purpose is embedded across all our activities.

The Committee also reviews our sustainability ratings and approach to external reporting requirements, such as Task Force on Climate-related Financial Disclosures (TCFD), International Sustainability Standards Board (ISSB) disclosures, and works closely with the wider Board and its other Committees.

### Making progress

In what was a defining year for us, in 2025 we sharpened our Purpose, the Committee worked closely to oversee this work and ensure the Purpose was embedded into everything we do.

Other key areas of focus included the creation of a Net Zero transition plan to help us reach

Net Zero in our own operations (Scopes 1 and 2) and our suppliers (Scope 3). The Committee was instrumental in supporting management's efforts in bringing forward the initial date for Net Zero for Scopes 1 and 2 from 2035 to 2030 and providing input into our Supplier Management Plan for Scope 3 emissions.

### Climate

Ultimately, it's our Board that's accountable for climate-related financial risks, but they delegate responsibilities across several Board and executive committees:

Board:

- **Board Environmental and Social Purpose Committee** - Delegated authority from the Board in overseeing the environmental strategy.
- **Board Audit Committee** - Oversees non-financial climate disclosures, ensuring transparency and alignment with regulatory expectations.
- **Board Risk Committee** - Provides oversight of climate risk and sets our risk appetite in relation to climate-related exposures.

Executive:

- **Executive Environmental and Social Purpose Committee** - Delegated authority from Executive Committee to support the Board in overseeing the environmental strategy.
- **Asset and Liability Committee** - Focuses on the financial risks associated with climate change, including balance sheet impacts and scenario modelling.
- **Retail and Commercial Credit Risk Committee** - Manages credit risks linked to climate change across our organisation.

- **Executive Risk Committee** - Responsible for managing the governance framework for climate risk, ensuring it's embedded within our overall risk management approach.

In 2025, our Board, Executive Committee and senior leaders had a briefing on climate and nature risk, as part of upskilling efforts.

### Diversity, Equity and Inclusion

Whilst the Executive team currently hold accountability for Diversity, Equity and Inclusion (DEI) matters, the Board are engaged on an ad-hoc basis and hold responsibility for the Board Diversity statement, available on page 87 of the Annual Report and Accounts (ARA).

The Board Governance and Nominations Committee are updated on the diversity of our succession pipelines and what we are doing to improve the diversity, as part of our regular reporting.

## Executive governance

### Sustainability oversight

We created a new executive role of Chief Strategy and Sustainability Officer to make sure there's action to drive our sustainability agenda forward and support the committee's plans, appointing Fiona Cannon OBE in 2025. She makes sure sustainability is considered across the business and works with many teams including finance, risk, supply chain and people. She is also Chair of our executive-level Environmental and Social Purpose Committee (EESPC), formerly known as the Environmental, Social and Governance Committee.

The Committee, with full membership of the executive team, is responsible for, among many other things, reviewing and

recommending the sustainability Strategy for Board approval, approving management action plans across products, propositions, people and sustainability and defining and approving targets and metrics aligned to strategy and Purpose.

In 2025 the Committee discussed topics including the organisation's environmental and social impact, including key achievements and areas for improvement, progress updates on climate risk management, feedback from non-financial rating agencies and how the sharpened Purpose could be activated across the organisation. The Committee also reviewed its terms of reference to make sure it was still relevant to the future direction of the organisation.

### Climate

The Chief Financial Officer (CFO) leads the identification, measurement, monitoring, and reporting of climate-related financial risks, including scenario analysis and regulatory disclosures to the Prudential Regulation Authority (PRA).

The Chief Risk Officer (CRO) ensures the development and implementation of a governance framework that enables the Board to assess and oversee climate-related financial risks within our strategy and risk appetite.

To support effective climate-related decision-making, we have two dedicated working groups:

- Climate Risk Working Group
- Climate Opportunities Working Group

### Diversity, Equity and Inclusion

Our Diversity, Equity and Inclusion (DEI) strategy and Ambitions are approved by the Executive Committee, who are accountable for the delivery of the strategy. An update on the

progress against the strategy and the Ambitions is shared annually. All Executive Committee members have DEI Ambitions within their objectives.

The DEI Forum, chaired by the Executive Sponsor (Chief Internal Audit Officer, James Heslip) is responsible for the oversight of activity and the quarterly review of the DEI Ambitions.

The Forum meets quarterly and is a place to surface challenges from across the business, suggest change and support the activity coming from the Colleague Networks and Groups, along with their individual plans (aligned to the corporate DEI strategy). Two of the Network and Groups co-chairs attend each Forum and the CEO attends at least one Forum each year.

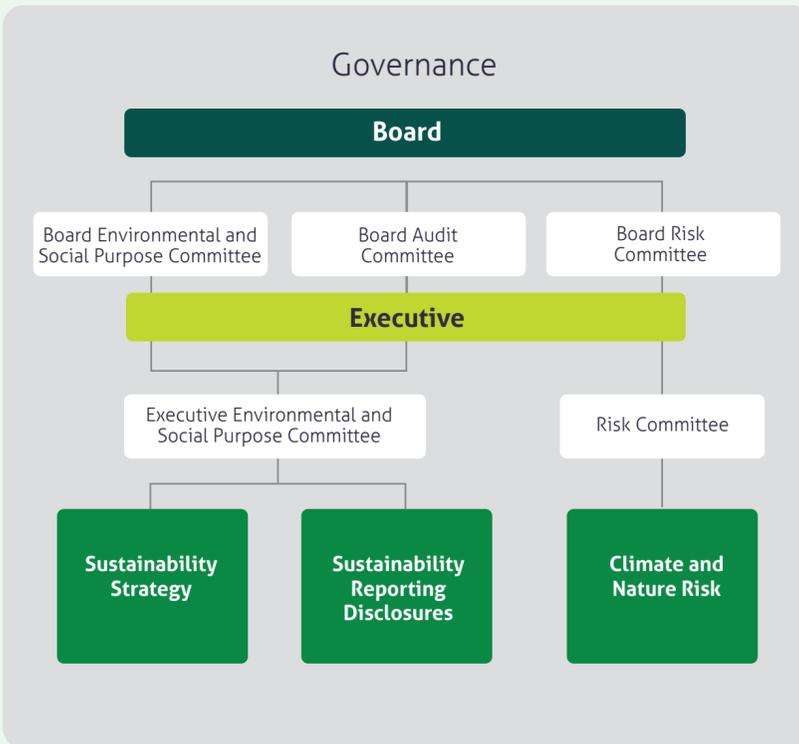
Our DEI Steering Group is chaired by the DEI team, and all Co-Chairs of the Networks and Groups are members. Once a quarter, all of the senior leadership sponsors are also invited. Each Network or Group has their own action plan, aligned to the DEI strategy and the Steering Group is where these plans are managed and progressed, encouraging the Networks and Groups to work together. The steering group provides an update on its activity to each quarterly DEI Forum, and the attending co-chairs are expected to update the steering group on any actions or key messages coming out of the DEI Forum.



## Embedding sustainability in the business

We've spent time in 2025 to re-establish roles, responsibilities and accountabilities to drive real change.

In addition to the creation of Board ESPC and Executive ESPC, we're continuing to integrate sustainability criteria in key functions such as credit and lending risk, investment, procurement, supplier management and governance.



For more details about our wider governance structure, see pages 64-70 in the Annual Report and Accounts.

## Futureproofing

As new regulations and standards are introduced, and stakeholder expectations evolve, we make sure we keep pace and are prepared, through regular gap analysis and upskilling.

In 2025 this included work to understand our gaps to the PRA's proposed enhancements to managing climate-related financial risk, to replace CP10/253. We've also worked to understand the impacts and expectations of the UK's adoption of the International Sustainability Standards Board's IFRS S1/S2 disclosure requirements.

Both the Board and the ESPC benchmark our organisation against peers to identify best practice and spot any gaps or opportunities where we could improve. In 2025 this work contributed to the refreshed sustainability strategy and our focuses for 2026.

## Remuneration, targets and metrics

The Board ESPC approves our sustainability goals and key performance measures, including emissions, diversity and inclusion metrics, and social and governance metrics.

We track progress quarterly, reporting to the Board ESPC. All executives have a DEI objective in their 2025 personal objectives, which are linked to the Executive Committee's performance-linked pay. This objective aims to improve under-representation in senior leadership roles, with qualitative measures on balanced shortlists and specific targets on gender balance. We publish the results annually in the ARA and in 2025, we introduced external limited assurance for selected environmental and diversity measures, to enhance our disclosures as our confidence and maturity grew.

## Reporting

The Board Audit Committee approved the 2024 Environmental, Social and Governance (ESG) Report (the ESG Report) in 2025. The review considered the report's objectives, structure, key messages, and the governance and publication timeline. The Board Audit Committee assessed the controls and processes in place to ensure the accuracy and credibility of the data and narrative, alongside key areas of focus including sustainability governance, strategic alignment, data validation, future assurance, and the clarity of definitions and measures to support transparency and regulatory compliance.

This report was reviewed by the Board Environmental and Social Purpose Committee and the Board Governance and Nominations Committee, who recommended their respective sections to the Board Audit Committee, who gave a final recommendation to the Board for approval. This change aligns sustainability reporting with the ARA governance process.

## Engaging with investors and rating agencies

We work hard to uphold the highest standards of integrity in our interactions and communication with investors and rating agencies.

Our direct engagement with them throughout the year is based on transparency to make sure they have comprehensive insight into our sustainability strategy, progress, and governance. Our ongoing commitment to ethical conduct reinforces trust and supports our external wholesale funding activity.

Our approach includes:

- **Participation in sustainability ratings and benchmarks:** We actively engage with leading sustainability rating agencies, including Morgan Stanley Capital International (MSCI), Sustainalytics,

Carbon Disclosure Project (CDP) providing comprehensive disclosures and responding to assessments. This helps us identify areas for improvement and benchmark our progress against industry peers. Our 2025 performance scores can be found on page 26 of the 2025 Sustainability Reporting Framework Index and Datasheet.

- **Transparent reporting:** We publish detailed sustainability disclosures aligned with recognised frameworks such as the Global Reporting Initiative (GRI) and the Task Force on Climate-related Financial Disclosures (TCFD). These disclosures support informed decision-making by investors and rating agencies.
- **Collaborative engagement:** We actively seek engagement with investors that are as passionate as we are in the sustainability space. We respond to investor-led sustainability surveys and participate in collaborative initiatives that promote sustainable finance and responsible investment. This includes supporting efforts to improve data quality, comparability, and consistency across the sustainability landscape.

We also meet with investors throughout the year at conferences and roadshows and discuss sustainability as a topic regularly with those who are interested. All our engagement aims to create long-term value and ensure our sustainability efforts are both credible and impactful.

You can read more about our approach to engaging with stakeholders in the ARA and learn more about the outcomes of our materiality assessment, conducted in 2023, in the 2024 ESG Report.



# OUR RESPONSIBILITY TO MEMBERS, CUSTOMERS AND SOCIETY

## Ensuring good customer outcomes

As a mutual we're not driven by profit, but by providing products and services that meet the needs of our members and customers. They're central to everything we do, and to make sure we don't overlook anything, we've got robust policies and procedures in place to make sure there are good outcomes for everyone.

## Consumer Duty

Good, clear communication is key to making sure our customers have a positive experience with us. It helps to build their trust and crucially, it supports their decision making, which is really important when they're making choices about their finances.

Since Consumer Duty launched in 2023, we've made sure our communication with members and customers is as clear as it can be. While it's business as usual now, we're always looking at ways to improve how we engage with members and customers.

Three key frameworks keep us in line:

- **Communications Framework** - this sets out our approach to communicating with members and customers and has guidance for colleagues who are responsible and accountable for communication.
- **Target Market Framework** - this provides information on how target markets should be identified and assessed. It considers the characteristics, risk profile, complexity, and nature of the products and services provided and details how we look at the needs of vulnerable customers.
- **Fair Value Framework** - this sets out how product groups are assessed on an upfront and ongoing basis to continue to deliver fair value to customers.

Our Board and senior leaders are actively involved in making sure we meet these standards, with dedicated oversight and regular reviews to track our progress. We monitor how we're doing every month and take action where needed to improve. Our Chief Customer Officer and Chief Operating Officer share responsibility for making sure the Duty is embedded in everything we do; from the way we design products to how we support customers in vulnerable situations.

In 2025, we revised how we rate the risk of communications, prioritising those that lead to a member or customer making a decision. This helps us to focus where we test our materials, and how often we review them, for example.

The redesign of our annual mortgage statement in 2025 was a huge success and testament to how clear and simple we can make our communications. We simplified the language, reduced jargon and balanced regulatory requirements with customer understanding. It's inspired us to do even more and go beyond just meeting our Consumer Duty obligations.

## Customer complaints

We know that sometimes, we might not meet the high standards our members and customers rightly expect. When this happens, we encourage them to share their concerns so we can put things right as quickly and simply as possible.

### Accessible channels for raising complaints

Members and customers can raise complaints through a wide range of channels, reflecting our commitment to inclusivity and ease of access. These include telephone, letter, face-to-face, secure messaging via our website, direct contact with the CEO or Senior Leadership Team, customer feedback forms and email.

### Efficient handling and resolution

In 2025 we improved how we handle complaints by creating a dedicated Centre of Excellence, which sees a case manager assigned to each complaint. They aim to resolve issues within four working days, focusing on empathetic and efficient resolutions without formal escalation.

Where complaints are more complex or cannot be resolved informally, they're escalated to the Formal Closures Team. Here, a dedicated investigator conducts a thorough review, liaising with relevant departments and ensuring the customer's concerns are fully understood and addressed.

We're clear on our timeframe for resolving complaints - standard complaints must be resolved within 56 calendar days, and Payment Services Directive (PSD) complaints need to be within 35 calendar days.

Throughout the process, the complainant receives clear and timely communication, including acknowledgement of their complaint, progress updates, and a final response outlining the outcome and next steps, including referral rights to the Financial Ombudsman Service (FOS) if necessary.

### Governance, oversight, and transparency

Our complaints framework is aligned with regulatory standards, including the FCA's Dispute Resolution (DISP) rules, and is supported by internal quality assurance and regular reporting to senior leaders. Complaint data is shared across the organisation to drive accountability and improvement through weekly reporting to senior management, monthly root cause packs to all business areas, and twice-yearly papers to the Conduct Risk Committee.

Externally, we're transparent with biannual reporting to the FCA. These figures are publicly available on the FCA's website, which means we can be compared to others in

the industry. We also categorise and report complaint drivers in line with FCA DISP guidelines, reinforcing our commitment to openness and fairness.

### Handling complex issues

Where complaints relate to broader issues - such as potential mis-selling, product design flaws, or systemic service failures - they're escalated quickly. Using our complaints framework, we take a structured approach which includes scoping the issue, conducting root cause analysis, and, where an issue is identified, developing remedial plans to prevent recurrence.

Solutions might include customer redress, including refunds or compensation; changes to our products or policies or improvements to processes such as staff training.

All remediation activity is subject to rigorous internal governance, executive oversight, and regulatory engagement where required.

### Doing things better

While we know it's inevitable that we'll receive complaints, we learn from them to reduce future complaints.

Our Complaints team works with other teams to understand what's causing problems so we can fix things before they become complaints. In 2025 for example, this work saw us improve our online ISA process with better signposting and communication to help people transfer funds correctly at the first attempt. As well as making it easier for members, it reduced the number of queries for our teams, meaning they had more time to help others.

## Product development

Our Sales Policy outlines our commitment to members and customers when we develop products. It shows how we:

- provide products and services designed to meet customers' needs and circumstances.
- make sure customer needs have been met and have evidence to show how we've provided good outcomes.
- make sure customers are aware of the choice of channels available.
- integrate customer experience and regulatory requirements into our customer journeys to remove unnecessary or harmful barriers.
- consistently identify vulnerable customers to avoid causing foreseeable harm.

It's the responsibility of all colleagues to make sure we only offer appropriate products and services that meet our member and customer needs. Should we ever not meet this standard, we look at how and why we didn't and take action to put it right.

Once a product is launched, we apply robust assurance measures to maintain suitability and fairness:

- **Outcomes testing** - Embedded throughout the product lifecycle, from initial customer interaction to ongoing monitoring. This assesses whether products meet customer needs, align with expectations, and avoid foreseeable harm. For example, monitoring the advice process is a key component.
- **Management information** - Insights from quality assurance activities, including outcomes testing, are reported quarterly to local committees.
- **Control frameworks** - Design and operational effectiveness of key controls such as the Fair Value Framework, Target Market Framework, and Mortgage Terms and Conditions Scheme are regularly reviewed to maintain compliance and fairness.

## Product governance

Our Product and Distribution Governance Policy helps us make sure we consider what our members and customers need. It sets our approach to the design, delivery and distribution of products and services, in line with our risk appetite and regulatory standards.

The Policy makes sure we:

- act in good faith towards our customers,
- avoid foreseeable harm and
- enable and support customers to meet their financial objectives.

We regularly test our products to make sure they're in line with our policy, and work for our members and customers by using a number of frameworks that guide product launches and changes, ensure benefits outweigh limitations, identify suitable target markets and consider any risks.

We use data to make sure our testing methods are appropriate and use both qualitative and quantitative approaches. We might also weight tests to target specific areas or concerns, such as digital channels or customers with vulnerabilities.

To support this, **Conduct and Operational Risk (C&OR)** owns the governance process and assurance framework, which monitors products throughout their lifecycle. Key components include:

- **Product and Distribution Governance Policy and Product Approval Framework** - Define requirements for product design, approval, and oversight.
- **Assurance Framework** - Outlines how we validate that products continue to meet customer needs and regulatory expectations.
- **Price and Value Framework** - Details our Fair Value Assessment process, using data to evaluate benefits, limitations, and costs. Pricing principles are currently being updated within this framework.
- **Fees and Charges Reviews** - Conducted by Savings and Mortgages teams to ensure transparency and fairness.
- **Control Frameworks** - Including the Fair Value Framework, Target Market Framework, and Mortgage Terms and Conditions Scheme, which support compliance and customer protection.

## Data protection

We take data protection seriously and have established a comprehensive control framework consisting of our Data Management Policy, which sets out how data should be collected, stored and managed, policy guides, processes, standards, procedures, and records.

To maintain the effectiveness of our approach, we regularly review and update these controls, making sure that they remain aligned with changes in legislation, industry standards, and best practice. We also measure performance against the framework, systematically identifying opportunities where our data protection practices can be enhanced.

Through this proactive approach, we create a culture of accountability for data privacy throughout the organisation.

### Training

Data privacy and protection training is in place for everyone when they start working with us, and there's a refresher course every year covering key data protection topics, that all colleagues must complete. This helps make sure it's everyone's responsibility. We also have a Data Steward and Data Champion Network to promote good data management and support colleagues to look after data privacy locally.

### Responding quickly

While data breaches are very rare, our colleagues are prepared to spot and deal with them quickly if they do occur. If there's ever a real or suspected data breach we have a Data Breach Management Standard, which sets out what colleagues should do and helps to protect individuals, members and customers, and the business from harm.

All incidents involving personal data are logged and investigated, including near misses that are not actually breaches. Most confirmed breaches are minor, often small errors with little impact, but we assess each incident for its severity and possible harm.

Under Data Protection law we're required to report more serious cases to the Information Commission's Office (ICO). In 2025 0.7% of incidents needed to be reported and there were no enforcement actions.



## Cybersecurity

A secure digital environment is fundamental to our sustainability commitments, and we have strong controls to mitigate risks to our information systems.

In 2025, we refreshed our Information and Cybersecurity Policy and updated our risk and control library to reflect the latest best practices. We continue to conduct regular penetration testing and perform horizon scanning for emerging threats. These activities ensure we remain vigilant and capable of responding swiftly and safely to any risks that arise.

### Approach

Our cybersecurity measures are robust and aligned with internationally recognised standards, including the National Institute of Standards and Technology Cybersecurity Framework, ISO 27001:2022, and guidance from the Information Security Forum, the National Cyber Security Centre, the Open Worldwide Application Security Project, the SANS Institute, and the ICO. These frameworks underpin and guide our ongoing efforts to stay alert and resilient to evolving threats.

### Strengthening our expertise

We continuously monitor the wider cybersecurity landscape and actively participate in industry information-sharing groups - contributing to and benefiting from collective intelligence on threats, controls, and strategic developments.

Our Security Engineering Team plays a critical role in monitoring and responding to security incidents. To keep pace with the fast-moving landscape, we continue to invest in upskilling colleagues to strengthen our internal capability. This year, this included two colleagues successfully completing apprentice programmes.

### Training

Our mandatory annual training is supplemented by regular awareness activities and communications. All colleagues, agency staff, contractors, and partner organisations are required to comply with our Information and Cybersecurity Policy. We monitor this through our Risk and Control Self-Assessment (RCSA) process, with reviews and risk assessments conducted regularly. We also provide security guidance to our customers through dedicated security pages on our website.

### Governance

Our Risk and Control model includes risks and controls related to security, which are regularly assessed through the RCSA process, the results of which are reported to Board. Internal Audit offer independent assurance to the Board Audit Committee through a risk-based approach. Where necessary, Internal Audit is supported by external specialists to ensure comprehensive coverage. Any instances of non-compliance, whether actual or suspected, are reported to the Security and Governance team.

We're also pleased Elaine Bucknor joined our Board in 2025 as a Non-Executive Director. She brings extensive experience in technology strategy and cybersecurity, and her expertise will further strengthen our governance and oversight in this critical area.

## Artificial intelligence (AI)

AI is changing the way organisations work, and it's no different for us. With its help, and appropriate controls, we can work smarter while still creating great customer outcomes.

In 2025, we introduced AI tools for colleagues to improve access to internal information and simplify processes.

Our new AI Policy sets out our commitments to using AI responsibly by ensuring fairness, transparency, and accountability throughout,

with strong human oversight and governance. All colleagues must adhere to this policy with ongoing training and development for AI fluency. We've created an AI Governance Council to ensure oversight of AI use as we continue to explore how it can help us work.

## Economic Crime Prevention

Our internal systems and controls are regularly reviewed to make sure we're meeting the relevant laws and regulations, and if we're not, immediate action is taken.

A new offence - Failure to Prevent Fraud, part of the Economic Crime and Corporate Transparency Act 2023 - was introduced in September 2025 and means organisations can be held responsible if fraud occurs, that benefits the organisation, and reasonable steps weren't taken to prevent it. As we already have strong fraud controls in place, we didn't need to make major changes, but it gave us the opportunity to refresh our processes and make sure colleagues knew about the changes.

We also make sure all our colleagues have annual training on financial crime matters including fraud, money laundering and related crimes including tax evasion, human trafficking and modern slavery. 99% of colleagues completed it, reflecting strong engagement and a shared commitment to maintaining a culture of compliance. It helps everyone be aware of possible threats and outlines what they should do if they have concerns.

### Taking action

Supporting and educating our members and customers is vital in the fight against economic crime. Through education and awareness, we aim to equip them to identify economic crime, including scams, and to be alert to fraudulent activity. If we do see anything of concern to our members and customers we take action, fast.

For example, in 2025 we stopped multiple payments to cryptocurrency providers after seeing a rise in scams where customers were tricked into transferring money to fake investment platforms and then lost their money through fraudulent payments. Not only do we support our members and customers, but we also support the wider industry by sharing economic crime risks we're observing to try help combat the problem more broadly.

### Anti-bribery and corruption

Our approach to monitoring and preventing financial crime is shaped by our Financial Crime Policy and supporting Business Standards, which are in line with UK legislation and regulation, including the Bribery Act 2010.

Our multi-layered control framework supports our strong culture of working with integrity, and it's reinforced with a structured governance model that has three lines of defence.

The framework has clear policies and controls that cover procurement, financial reporting and third-party relationships.

Senior management and the Money Laundering Reporting Officer (MLRO) have oversight, with strategic direction and accountability provided at Board-level.

Our commitment to ethical governance and financial integrity goes beyond our organisation. We actively contribute to improving the operating environment in which we and our peers combat corruption and financial crime through partnerships and industry-wide collaborations, such as those led by UK Finance and the Building Societies Association (BSA). These initiatives help to share best practice and policy development and strengthens the collective response to financial crime across the sector.

Through regular horizon scanning we proactively assess industry trends and legislative changes to make sure our controls remain effective and compliant.



## Whistleblowing

We give our colleagues, including contingent workers, non-executive directors and any other individual involved in a business relationship with us, the confidence to speak up when something's wrong. It's essential to building trust and keeping integrity across our organisation so we make it as easy and confidential as possible to report something.

It can be done externally through the NAVEX EthicsPoint website, over the phone, directly to our whistleblowing champion and Non-Executive Director, Angela Darlington, who took over the role on 1 January 2026, or to a colleague's line manager.

We also provide contact details for 'contacts in confidence', including the Chief Internal Audit Officer, Chief People Officer, contacts within our Non-Financial Risk Team and the Aegis General Secretary, who can support potential whistleblowers with advice on ethical behaviour and the reporting of concerns.

We're also a member of Protect, the whistleblowing charity, who provide an independent confidential advice line for people who've witnessed wrongdoing in their workplace but are unsure how to raise concerns. They provide training to our colleagues who operate the whistleblowing framework too.

For members, customers and suppliers, we also work with NAVEX, which provides a portal and hotline for whistleblowing reports to be made anonymously to us.

### Building trust

Everyone's encouraged to report any concern they have about serious issues, and this is reinforced through annual mandatory training for all colleagues. This could be a criminal offence, legal breaches, threats to health and safety, environmental damage or any attempts to cover up such issues, and more.

If a colleague is comfortable to share their

identity, we encourage them to do so as it can help the concern be investigated more effectively, and feedback can be given. Our framework protects the confidentiality of whistleblowers, and we promote a culture where no colleagues should fear retaliation. No one will be victimised, discriminated against, or disadvantaged for speaking up, and we'll always protect the identity of anyone who comes forward. But if a colleague prefers to remain anonymous their concerns are just as welcome.

### Oversight

All reports are taken seriously and investigated independently. Where it makes sense to do so, for example to address areas of concern or make any necessary systemic changes, investigations might be shared with relevant areas of the business. The anonymity of the whistleblower will always be protected, but it can help us to address concerns effectively.

Reports are also shared with the Board every year to highlight key themes or any trends and to give them the opportunity to assess any cultural or operational risks. Having these insights built into our governance structures strengthens our commitment to transparency, ethical conduct and organisational resilience.

The Risk Division are responsible for the Whistleblowing Framework and day-to-day operation of the process, but the Board also reviews our Whistleblowing Policy annually, which sets out the clear process for handling concerns.

In the last full 12-month period (1 Oct 2024 - 30 Sep 2025) there have been three reports, one of which was reported anonymously.

## Health and safety

We need our people to be healthy and to stay safe while at work as without them, we'd struggle to meet the needs of our members and customers.

Creating a safe working environment is something we take very seriously. All our colleagues are

encouraged to constructively challenge unsafe behaviours, and to use appropriate equipment and processes to prevent them and others getting hurt.

Our Fire, Health and Safety Policy outlines the controls we have to mitigate health and safety risks and comply with regulation. This includes the use of our Occupation Health and Safety (OH&S) Management system, which was created by the Health and Safety Executive (HSE).

We uphold high standards, meet legal requirements and take due care of our colleagues, contractors, customers, visitors and others who may be affected by our activities. We commit to:

- maintain safe and healthy workplaces through well-managed equipment, systems, and environments.
- provide clear information, training, supervision and support to help our people work safely.
- identify and manage risks to prevent incidents, using recognised safety practices.
- promote workforce involvement and ensure access to expert health and safety advice.

### Colleague training

In addition to mandatory annual eLearning on healthy working and working safely, in 2025 we rolled out more role specific training for colleagues who might not work in a traditional desk-based role, such as noise awareness training. This sits alongside other training such as manual handling and work at height which is provided for roles where needed.

We also promote CPR training to all colleagues through the British Heart Foundation RevivR CPR training programme. During 2025 a dedicated CPR intranet page was created with links to access the training.

Fire Marshal training has also been put in place for all people leaders who work in a branch or office location to ensure colleague safety in an emergency.

Training and education help to create a culture where colleagues know how and why it's

important to report accidents, hazards and near misses.

### Board-level responsibility

Our Chief Executive has overall responsibility for effectively managing health and safety across the organisation and approve the related policies every year. Responsibility is delegated to the Chief Operating Officer, who is the Policy sponsor and Health and Safety Champion and ensures we comply with health and safety legislation.

We report our health and safety performance quarterly to the Health and Safety Forum, which comprises members from across the business, including the Chief Operating Officer, our union reps and our primary authority partners, Kirklees Council.

The Board review and approve the Fire, Health and Safety Policy annually and receive an annual report of health and safety activity and MI including any reportable incidents.

Our Health and Safety reporting can be found on page 10 of the 2025 Sustainability Reporting Framework Index and Datasheet.

### Raising concerns

We're committed to providing a safe working environment, free from sexual harassment, harassment, bullying, discrimination or victimisation, ensuring all colleagues are treated, and treat others, with dignity and respect.

Our Anti-Discrimination, Bullying, Harassment and Victimisation Policy which protects all characteristics covered by the Equality Act supports this and is reviewed annually as part of our suite of People Policies.

We take confidentiality seriously, so colleagues have several ways they can provide feedback anonymously if they have any concerns. The Property Helpdesk is available for health and safety-related concerns, our whistleblowing policy offers confidential routes for reporting or colleagues can let union representatives know about any issues.



## Ethical supply chain

We do what we can to make sure our supply chain is ethical, by working with suppliers to understand their environmental and social impact and only contracting those we're satisfied follow best practice.

### Onboarding and re-contracting

Before working with a supplier, our assessment process plays a critical role in ensuring that suppliers are aligned to our values or identifying any gaps. If any concerns are found during this stage, they're escalated to Director level, where a decision is made either to proceed with a Third-Party Risk Assessment (TPRA) or to exclude the supplier early in the process.

Additionally, suppliers are required to adhere to our *Standards for Suppliers*, which outline expectations regarding ethical conduct, labour practices, and compliance with modern slavery legislation. This includes making sure their workers are treated fairly and in safe conditions with fair wages and making sure they're minimising waste and doing what they can to reduce emissions.

We incorporate our standards during contract negotiations. When we use supplier terms - particularly in IT and technology contracts or legacy agreements - suppliers must comply with applicable laws, including the Modern Slavery Act as a minimum.

### Reducing the risk of financial crime and modern slavery in our supply chain

As part of supplier due diligence, suppliers are screened against the financial crime assessment, to establish whether a new or existing supplier poses any financial crime risk to the society.

This assessment provides a summary and risk score, factoring in money laundering, sanctions, Politically Exposed Persons (PEP), links to high-risk industries and jurisdictions, Modern Day

Slavery and human trafficking. The assessment also reviews the supplier governance structure, and any adverse media linked to the supplier.

Where a score or evidence that a supplier's financial crime risk profile is out of appetite, this must be documented and escalated as part of the Society's Third-party Risk Assessment process for an informed decision to be made about whether or not we can proceed with the supplier.

For those suppliers who meet the criteria of the UK Modern Slavery Act 2015, a copy of their Modern-Day Slavery statement will also be obtained. This will be reviewed prior to onboarding and then reviewed on an annual basis to ensure it remains relevant for the duration of the relationship.

We require all suppliers who meet the criteria under Section 54 of the UK Modern Slavery Act 2015 to publish an annual Transparency in Supply Chains statement, which we need to evidence in our financial crime risk assessments. If they're unable to provide a statement we escalate it to the relevant engagement or risk owner to review and take appropriate action.

Ensuring we only engage with suppliers that meet our values and behaviours and adhere to international standards on human rights is an essential element of our due diligence.

## Human rights and modern slavery

We're committed to upholding the human rights of everyone we interact with - members, customers, colleagues, suppliers, and the wider community. We recognize our responsibility to ensure that our business operations and supply chains are free from modern slavery and human trafficking, in line with our legal obligations and ethical values.

Modern slavery is a serious crime affecting thousands of people in the UK. We take a

proactive approach to prevention by raising awareness among all colleagues and providing clear guidance on how to identify and report concerns. Our annual Modern Slavery Statement, published in accordance with Section 54 of the Modern Slavery Act 2015, outlines the steps we take to prevent modern slavery and human trafficking across our business and supply chains.

Our commitment is supported by a robust framework of policies, including:

- Modern Slavery Policy
- Financial Crime Policy
- Procurement and Third-Party Risk Policy
- Whistleblowing Policy
- Employee Code of Conduct
- Supplier Procurement Code of Conduct and Minimum Standards for Suppliers
- Recruitment Policy Guide

These policies ensure we meet the expectations of our regulators, members, customers, colleagues, and suppliers – protecting both people and their personal information and preventing the misuse of our business for criminal purposes.

### Governance and assurance

Our Modern Slavery Policy, approved by the Operational Risk Committee, sets out our approach to compliance, governance, and assurance. It's complemented by our annual Modern Slavery Transparency Statement, which is approved by Board, available on our website, which details the measures we have in place to prevent slavery and human trafficking.

### Empowering colleagues

Modern slavery awareness is a key component of our financial crime mandatory training, which all colleagues are required to complete annually. This training equips our people to recognise and report any suspicious activity that may be linked or indicate modern slavery or human trafficking. In addition, we provide additional

learning opportunities, such as drop-in sessions, to deepen understanding. We emphasise the importance of vigilance and encourage colleagues to act promptly if they have concerns.

**For more information, our latest Modern Slavery Act Transparency Statement is available on our website.**

## Approach to tax

Paying our taxes is a key part of being a responsible business and contributing to society. We're open about how we do it. You'll find a breakdown of our payments in the in the 2025 Sustainability Reporting Framework Index and Datasheet.

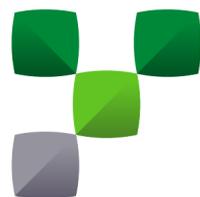
Any tax planning we do is carefully considered and only used where it's appropriate to support genuine activities we think are in the best interests of the organisation, our members and customers, or society. We follow all tax compliance rules, including the Code of Practice on Taxation for Banks, and have an open and professional relationship with HMRC.

We're committed to responsible and transparent tax practices and publish our Tax Strategy annually, to demonstrate our approach to tax governance and risk management. It includes how we stay informed on tax developments, our approach to tax planning and our risk appetite.

Twice a year, we also provide our Board Audit Committee with key accounting estimates, judgements and assumptions, and our Board Risk Committee with information about tax risks and status. Both updates help to provide further assurance and governance on this important topic.

Beyond HMRC, we share our tax practices with other stakeholders including industry bodies such as UK Finance and the Building Societies Association (BSA), as well as work with third-party tax advisers, and are part of professional networks to stay informed and aligned with best practices.





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