

Annual Review 2024

Building a greener society

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Our progress in 2024



Our Members

Powered by more than
15,000
Members including over
1,400 mortgage customers

1,537 (10.93%)
eligible Members voted in our AGM with most voting online. The Society is planning Member Meet-ups in 2025 to engage further with our Members.



Our financial performance

Successful year of new lending in 2024 of nearly
£54 million
across 201 properties and projects
Total assets increased by 8.72% to **£337 million**
Profit after tax decreased in the year to
£0.32 million (2023: £1.02m)
as the Society invested in key projects and delivering against our long term strategy

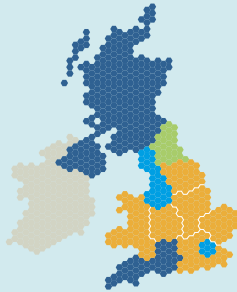


Our lending

3.8% increase in mortgage assets to **£250 million**

New loans include:

- 17 conversions 28 renovations
- 138 new builds, including self- and custom-builds
- 6 shared ownership properties
- 3 community land trusts
- 3 commercial 4 woodlands
- 2 community gain projects



Spread of lending

1% to 2%

3% to 5%

6% to 8%

9% or more



Our carbon emissions

566.87 Total greenhouse gas emissions from our business operations (tCO₂e)

52% reduction in business travel since 2019

1,949 tCO₂e Financed emissions from our mortgage lending

25.6 kgCO₂/m² average physical emission intensity of our lending

15.4% reduction in financed emissions intensity since 2019 baseline year



Our premises

Our Office is 100% powered by renewable electricity in partnership with **Ecotricity**

20% energy generated on-site by our solar panel arrays

59% reduction in gas use since 2019



Our colleagues

Continued transformation programme to invest in our people and the culture that will support the growth of the Society, including:

- ✓ Leadership development
- ✓ Strong rhythm and routine of colleague communications and shared information
- ✓ We are training our people leaders about the importance of mental health, with the majority already accredited as mental health first aid champions
- ✓ Continued to offer the 'Giki Zero' app to all colleagues



Our local community

Over £5,500

value donated to our local community, including

131 hours volunteered

£1,598 raised for charities by Ecology colleagues



Recognition



Achieved **iiE Green accreditation once again** for our commitment to sustainability

Chair's Statement

As many of you know, Ecology was created to meet the financial services needs of people who care about the planet and their impact upon it – a view that was far from mainstream back in 1981.

Since then, although the world has been catching up with our founders' farsightedness, politicians and business leaders have delayed and dismissed actions to address climate change, as misinformation has echoed across traditional and social media.

Recently the United States has withdrawn from the Paris Climate Agreement and pledged to accelerate fossil fuel extraction, even while suffering extreme weather events following the warmest year on record in 2024.

However, research repeatedly shows such wilful denial is out of step with the public mood and a clear desire worldwide for stronger climate action.

To this day, Ecology remains committed to creating a greener society.

As we evolve and modernise, our objective is to spread our message and increase our influence and impact.

To achieve this, Ecology must have solid financial foundations to continue to operate successfully and attract and retain Members, our lifeblood as a building society.

That's why we're investing in our future, despite the inevitable short-term effect on costs, in order to deliver significant longer-term benefits for our Members, their communities and the planet.

To continue driving positive change in our sector, we remain an active member of campaigning groups including B4NZ (previously Bankers for Net Zero) and the National Retrofit Hub.

Ecology was the first building society to publish its financed emissions and we have products designed to help Members reduce their carbon footprint – our C-Change discount rewards borrowers with a lower mortgage rate for doing so.

As a mortgage lender, helping to reduce our Members' financed emissions is essential – they comprise nearly 80% of our total, despite the care we take over the projects we fund. We believe all financial services businesses must show responsibility and stop funding activities which jeopardise all our futures.

We also press for change beyond our own industry. The new Labour Government promised a more progressive climate agenda but we want stronger action and swifter legislation, including the Climate and Nature Bill, which Ecology supports.

“ To this day, Ecology remains committed to creating a greener society. As we evolve and modernise, our objective is to spread our message and increase our influence and impact.

Louise Pryor, Chair, Ecology Building Society

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Ecology's straw-bale construction boardroom at our head office in Silsden, West Yorkshire

As we show leadership in this changing world, having the right people with us is important.

At the 2024 AGM, you elected new Non-Executive Directors to further strengthen the skills and experience of your Board. At the 2025 AGM we will say goodbye to Andrew Gold – I thank him for his significant contribution during his long service in multiple Ecology Board roles.

Having restated our Purpose in 2024, we remain mindful of our heritage and our connection with Members. I look forward to meeting more of you at our AGM and other events during 2025.

Globally the outlook remains worrying and unpredictable but, as ever, the commitment and belief of those working with us gives me room for hope for the future.

Louise Pryor

Chair

11 March 2025

Chief Executive Officer's Review

The past 12 months have been another significant year for Ecology, as we've moved forward together to transform the Society and ensure we're fit for the future.

In 2024 we restated our Purpose and throughout the year made good progress with our journey to modernise the business so we can give better service to our Members and grow our future impact.

This modernisation is three-fold:

- 1) To update our IT systems to offer new digital functionality, make our processes slicker and simpler for Members and colleagues alike, and lay the foundations for further improvements;
- 2) Continue to develop our risk and governance processes so we can pre-empt and respond to the evolving regulatory environment; and
- 3) Modernise our business model to ensure our products are designed to meet our Members'

needs while aligning with our principles for sustainability, helping us to stay relevant as a trailblazer in green finance.

Progress with upgrading our IT systems continued throughout 2024 and Members have already been seeing the benefits of changes we've made, such as Confirmation of Payee to enhance security.

Work to date will lay the foundations for future services on our new core banking platform, such as our App, and I'm excited to confirm we will launch this later in 2025.

Completing the ongoing modernisation of Ecology will ensure we remain responsive, resilient and can succeed as a triple bottom line business for generations to come.

Investing in our future

As well as upgrading our technology, we've invested in our people, bringing in the skills the Society needs and strengthening our senior

leadership team. Our colleagues' expertise and dedication are key to our continuing success.

During this period of change and reorganisation, I'm grateful to the whole team for moving forward together to meet the challenges with confidence, purpose and unwavering commitment.

The modernisation of the business is a substantial ongoing investment in our future, and the costs and resources for this have been carefully planned and budgeted. I'm pleased to report that all this work has been proceeding on time and on budget.

Our investment means we will be able to deliver on our ambitions to grow our membership in 2025 and beyond. We can then achieve greater positive impact to deliver on our Purpose.

Due to our investment, in 2024 our costs went up and are likely to remain higher in the short term. While higher costs mean lower profits this year, we forecast a return to higher levels of profitability in 2026.

“ Completing the ongoing modernisation of Ecology will ensure we remain responsive, resilient and can succeed as a triple bottom line business for generations to come.

Gareth Griffiths, CEO, Ecology Building Society

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Excluding one-off costs, our underlying profits remain consistently strong.

We continue to work hard to offer good long-term value to all our Members, whether savers or borrowers, such as keeping our savings rates as high as possible for as long as possible despite cuts to Bank Base Rate. We always manage Ecology to balance the needs of our membership as a whole.

As we navigate the biggest period of change in our history, we stay focused through the lens of our Members. We never lose sight that we would not exist without them.

Focusing on our Purpose

Successful building societies need to move with the times and, as we look forwards, we always remember our founders' legacy.

We stay true to the reasons why they needed to create Ecology four decades ago and why we are needed today as much as we were then. As I've mentioned before, I'm in a highly unusual position to most building society CEOs. I am privileged to be able to talk to the very people who created our Society, which means a great deal to me.

During 2024 we refreshed our Purpose, which has received a positive response both from Members and colleagues. Our aim was to encapsulate how and why we are different and remind everyone how this inspires us in what we do.

We remain driven to create a greener society. In the face of the climate emergency the need for action has never been more urgent.

Feedback from existing and new Members states that our ethical and sustainable position is what attracts them to join us. We saw a strong inflow of savings in 2024, with an increase of £27 million on total savings balances, and new products, such as our 35 Day Notice Account, were well-received.

Savings balances fund our impact-led lending and we've continued to review our product range, with new and refreshed mortgages to come to market in 2025. A key focus in the coming year will be building on our relationships with mortgage brokers as we continue to grow our lending through intermediaries.

In 2024 we lent to more borrowers with the lowest-rated energy efficiency, leading to an increase in our financed emissions over the year.

These Ecology mortgages are enabling our borrowers to bring up their properties to a higher standard, a reminder of the impact our lending can deliver and the reason we were created.

Leading by example

Our own transition to net zero demonstrates how we live our values and lead by example to show our sector that there can be other ways to do business.

We've been talking to Members about their own net zero journeys as we explore how we can share and support our own community through what we've been learning.

Much of this feedback has been gathered through events, including our AGM and Member Meet-ups, where we've spoken and listened to hundreds of Members about how Ecology is performing, what we mean to them and what they'd like to see from us now and in the future.

I'm looking forward to hearing Members' views in 2025 about all the changes we have been making. You can reach me at any time, about this or any other matters, by emailing ceo@ecology.co.uk.

Gareth Griffiths

Chief Executive Officer
11 March 2025

Your Board of Directors



Louise Pryor – Appointed: February 2020
Non-Executive Director and Chair

Louise is an actuary and risk specialist with 30 years of experience in actuarial consulting, software development and academia, having worked with a variety of clients in the public and private sectors. Her recent experience is in climate risk and sustainability, with a focus on the role of the financial services sector. Louise is a past President of the Institute and Faculty of Actuaries and an Honorary Professor in the Bartlett School of Sustainable Construction.



Gareth Griffiths – Appointed: June 2022
Chief Executive Officer

Gareth joined Ecology in June 2022 and was elected to the Board in April 2023. He was previously Head of Retail Banking at Triodos Bank and also held leadership roles at RAC and HSBC. Gareth sees Ecology being able to 'challenge the norm' and highlight to a broken financial system that there is a better way to do business, with Members and colleagues at the forefront. Gareth is a Chartered Banker and has a passion to try and achieve change.



Giovanni D'Alessio – Appointed: September 2022
Non-Executive Director

Giovanni is an IT professional with over 25 years' industry experience and spent his early career as a management consultant – initially in the USA, before relocating to the UK. He has worked in a variety of industries, including retail, manufacturing, telecoms and energy. Giovanni has been CEO of Doosan Digital Innovation Europe since 2014, a company delivering Digital and Cybersecurity services to customers in a variety of sectors.



Andrew Mulligan – Appointed: April 2024
Non-Executive Director

Andy is an experienced board member with more than 30 years in finance and business. He brings relevant experience to the Society including being Chief Finance Officer at Hampden & Co, a growing small independent bank, safely driving it from inception to profitability. A Fellow of the Institute of Chartered Accountants England & Wales, Andy also supports a number of community groups in his local area.



Jaedon Green – Appointed: March 2023
Non-Executive, Deputy Chair (from 1 January 2025)

Supporting the national housing agenda, Jaedon brings extensive experience in consumer regulated industries, housing and financial services. Prior to becoming a Non-Executive Director (NED), Jaedon was Chief Customer Officer at Leeds Building Society, routinely consulted by Government and the Bank of England as an independent subject matter expert. Jaedon is also a NED at Community Housing Group Ltd and at Castles & Coasts Housing Association Ltd, as well as an Independent Member of the Audit & Risk Committee at Yorkshire Housing Ltd. He served as a NED at Leeds Federated Housing Association until September 2024.



**Christopher White – Appointed: September 2023
Chief Financial Officer**

Christopher was co-opted to the Ecology Board in September 2023 as Chief Financial Officer (CFO) and elected in April 2024. He brings over 15 years' experience working within financial services and building societies, having previously been CFO at Darlington and Beverley building societies. Prior to this he worked at PwC, providing assurance services to financial institutions. Christopher is also a Non-Executive Director at Believe Housing Limited, a housing association providing affordable homes across the North East.



**Kellie-Ann Hargraves – Appointed: April 2024
Non-Executive Director**

Kellie has over 24 years' experience in global regulations and risk management within the financial services industry. She served as a NED on Quoted Company Alliance (UK) during 2024 and is the founder of a consultancy that advises start-ups, SMEs and listed companies on financial, risk and sustainability standards. She helps businesses build efficient operating models, secure funding, obtain licences and navigate change, with a focus on purpose-led and social impact businesses. Outside work, Kellie volunteers with a charity which provides coaching, mentoring and advice to disadvantaged 12 to 14 year olds, helping them to progress through education so they can understand and work towards their career aspirations.



**Andrew Gold – Appointed: May 2014
Non-Executive Director, Deputy Chair (until 31 December 2024) and Senior Independent Director**

Andrew is a qualified chartered accountant and also holds a treasury qualification. He has spent most of his Executive career working in retail financial services, primarily building societies. His first direct involvement with Ecology was in 1996 and he was appointed to the Board as a Non-Executive Director (NED) in 2014. An experienced NED, Andrew served as chair of Airedale NHS Foundation Trust from January 2018 until September 2024, and is a NED of Ramble Worldwide, the trading name for Ramblers Walking Holidays. Andrew's long service on the Ecology Board ends at the AGM in April 2025.



Sameera Khaliq* – Standing for election at the 2025 AGM

Sameera is a qualified accountant and has worked in the mutual sector for almost 20 years, latterly as Director of Financial Strategy and Business Partnering with Skipton Building Society. Sameera's expertise spans across several financial and strategic disciplines, including financial planning, stress testing, business partnering, strategic costs, procurement and commercial strategy, within a complex regulated environment. Beyond Ecology, Sameera served as a Non-Executive Director of Leeds Credit Union until November 2024 and chairs Beckfoot Allerton School Trust, in her local West Yorkshire community.

*Subject to election in 2025. The 2024 indicative vote to elect has been declared invalid, as clause 13(1)(d) of the Society's rules was not fulfilled at the time of election. See footnote below table on page 32 for more details.

Summary Directors' Report

Ecology's ethos is underpinned by the Memorandum we adopted in 1998, that we exist to make loans which are secured on residential property and are funded substantially by our Members. Our restated Purpose – on page 11 – aligns with this original principle.

The Memorandum states that mortgage advances shall be made in those cases which, in the opinion of the Board, are most likely to promote, encourage or support:

- The saving of non-renewable energy or other scarce resources.
- The growth of a sustainable housing stock.

■ The development of building practices, ways of living or uses of land which have a low ecological impact.

The Memorandum also states that, in carrying out its business, the Society will promote ecological policies designed to protect or enhance the environment in accordance with the principles of sustainable development.

In relation to its lending activities, the Society requires any borrower applying for a loan to demonstrate that the purposes for which it is required are consistent with the ecological policies approved by the Board of Directors. This approach to lending is fully in keeping with

the original objectives laid down by the Society when it was established in 1981.

The Chief Executive Officer's Review on pages 6 and 7 provides an overview of the Society's performance during 2024 and should be read in conjunction with this report.

The Board uses a number of Key Performance Indicators (KPIs) to measure the performance and position of the Society on a regular basis. This section provides more detail on these KPIs and the table below provides the actual position as at the end of the current and preceding year.



Key Performance (and Other) Indicators

	2024	2023
Total assets	£336.7m	£309.7m
Mortgage asset growth	3.84%	10.73%
Mortgage lending	£53.6m	£64.6m
Savings balances	£316.4m	£289.9m
Liquid assets as a % of shares and borrowings	26.28%	22.66%
Management expenses as a % of mean total assets	2.34%	2.20%
Cost to Income	95.53%	82.93%
Net profit	£0.32m	£1.02m
Profit after taxation as a % of mean total assets	0.10%	0.33%
Core Tier 1 capital	£17.7m	£17.7m
AGM – voting turnout	10.93%	11.52%

As outlined above, the Society has achieved a strong performance against a backdrop of economic and societal uncertainty during the year resulting from the cost of living crisis and macroeconomic environment.

Our Purpose

In a world that doesn't add up...

In a climate and ecological emergency, the decisions we make – and that others make on our behalf – must be the right ones to restore a future we can thrive in. We'll continue to fight decisions that don't make sense, campaigning for sustainable finance, homes and communities, agitating for positive change, and being transparent with our efforts to inspire change in others around us.

Daring to be different is our calling...

At Ecology, we've always dared to be different. Starting from a decision to create a building society to lend on properties others wouldn't touch, but which had the potential to show the way forward for eco-friendly homes. As we move from start-up to upstart, we'll keep on daring to be different, offering unique products and services that make a positive impact in our communities and to the world around us.

Lending our power...

Our strength comes from our Members. And through their commitment, we can lend our power by funding innovative products and initiatives. From community-led housing and energy-efficient home renovations to renewable energy developments and sustainable community initiatives. We also lend our power in how we fight for a better future. Galvanising others, speaking up, and making sure Ecology – and those that support us – have the might to make a difference.

So everyone's story gets a chance to thrive

Since our very first days, we've been creating stories of undeniable success. Stories such as helping to save treasured local institutions, or financing community projects that provide support for those in need. Stories that shine a light on effective eco-friendly housing. Stories that end in happiness for Members who create their ideal energy-efficient home. We'll continue to create amazing stories and give them a platform to thrive, so others see the way forward, and realise there is another way, so they too can make a difference.

Chief Financial Officer's Review

Executive Summary

The Society has, in 2024, focused on transformation of its core banking system to modernise our Member offering and customer experience. While this means the Society has recorded a reduced profit before tax for the year at £445k (2023: £1,338k) our underlying profit, removing one-off transformation costs, remains strong at £1,383k (2023: £1,843k). The expenditure on the core system transformation project has been carefully planned, managed and monitored. Costs

in 2024 were in line with the Society's financial planning and the project is progressing in line with our expectations.

The Society's total assets increased to over £336.7m (2023: £309.7m), successfully growing our balance sheet by 8.7% in the year (2023: 2.2%). This growth was driven by an increase of 9.1% in our savings book in the year to £316.4m (2023: £289.9m). Our mortgage book also grew by £9.3m (2023: £23.4m),



taking mortgage assets to over £250.3m (2023: £241.1m).

The Society maintained its Tier 1 capital (general reserves) at £15.0m (2023: £14.9m). We balanced our asset and capital growth carefully through the year to ensure our regulatory total capital ratio remained stable ending the year at 15.3% (2023: 15.3%).

“ Our focus on transforming Ecology's systems to support Member experience has reduced our reported profit in 2024 but underlying performance remains strong.

Christopher White, CFO, Ecology Building Society

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Society Performance

Interest on Mortgages and Savings

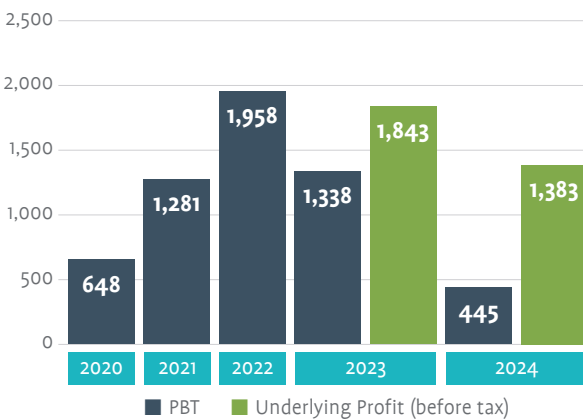
Two reductions in the UK Bank Base Rate (BBR) were seen in 2024, one in August and one in November. In both cases the Bank of England reduced the rate by 0.25%, meaning the rate moved from 5.25%, at the beginning of the year down to 4.75%. Through these reductions to BBR and the consequential changes to market conditions, we have looked to balance the needs of our savings and borrowing Members.

The Society looked to support its savings Members by protecting the rates of its savings products where this was possible. While the change to BBR in August led to reductions in many rates available to savers in the UK retail market, the Society protected the rates offered to our savings Members until the end of the year. In December 2024 the Society did need to respond to changes in market conditions. However, we ensured we passed on only part of the overall reduction in Bank Base Rate to Members (passing on only 0.40% of the total 0.50% movement in BBR).

The Society maintained its residential standard variable rate (SVR) at 6.29% through 2024. As BBR increased in 2021 and 2022, we minimised any increases to SVR to protect our borrowers from rising mortgage costs. As a result of this approach, the Society continues to offer a very competitive SVR, when compared to other UK mortgage lenders.

Through carefully managing the rates we offered on mortgage and savings products, the Society was able to maintain a stable Net Interest Income through the year (2024: £7,908k, 2023: £8,147k).

Recorded and Underlying Profit before Tax (2020-2024)



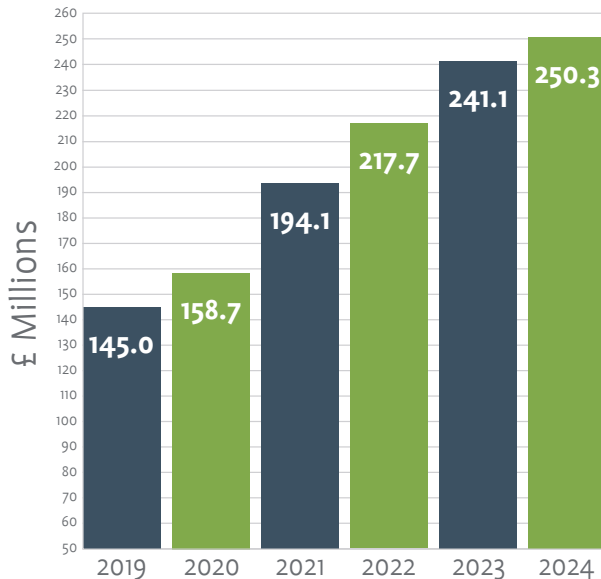
Profitability

The Society committed significant effort and resources to work on transformation activities in 2024 and, as a result, recorded a lower profit before tax result for the year of £445k (2023: £1,338k). While the recorded profit has reduced in the year, the underlying profit, once the costs of one-off transformation costs were removed, remained in line with prior year profitability (as shown in the graph on the left).

Underlying Profit	2023 £000	2024 £000
Profit before Tax	1,338	445
Exceptional adjustment		
Risk Transformation	-	250
Core System Transformation	505	582
Business Model Transformation	-	106
Sub Total	505	938
Underlying Profit	1,843	1,383

The recorded and underlying profit are shown on the graph on page 13 and reconciled in the table, left.

Mortgage Assets (£m)



The Society will continue to work on delivery of its core system transformation project through 2025 and therefore expects our profit to be materially suppressed in the current year. Importantly, underlying profitability is expected to remain strong in 2025. Moving forwards, the Society's financial forecasts show that, as we leverage the new technology platform, Ecology grows, key cost ratios improve, and revenue growth supports increased profitability and capital strength.

Capital

The Society's capital position remained stable in the year, with total capital as at 31 December 2024 of £17.9m (2023: £17.8m). Our regulatory capital metrics remained stable with leverage ratio being 6.44% at December 2024 (2023: 6.43%) and our regulatory total capital ratio reducing marginally to 15.27% at the 2024 year end (2023: 15.28%). Capital levels and ratios remained comfortably above regulatory requirements throughout the year. The Society previously successfully raised £3.0m of core capital deferred shares (CCDS) and in 2025 will explore raising additional external capital to support our strategy and future balance sheet growth.

Balance Sheet

The Society's total assets increased to £336.7m (2023: £309.7m), which represented an increase of £27.0m or 8.7% (2023: £5.7m, 1.9%). The Society increased its mortgage assets by 3.8% to over £250.3m (2023: 12.0%, £241.1m). The Society has looked to moderate the level of lending it completes while it undertakes transformation of its core banking system, meaning mortgage book growth has been lower in 2024 compared to

“ Ecology's capital position remained stable in 2024 as the Society balanced growth with transformation activities. In 2025 we will explore raising additional capital to support future growth.

Christopher White, CFO, Ecology Building Society

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previous years. Furthermore, we reduced the amount of self-build mortgages we completed in part of 2024, a core product area for the Society, to adhere to regulatory agreed limits.

The Society saw a 9.6% increase in the overall balance of its savings book in the year to £307.1m at year end (2023: £280.2m). This growth allowed the Society to support more Members to save ethically while gaining a fair return on their funds.

Arrears, Forbearance and Impairment

The Society continues to use a number of forbearance measures to support borrowers who are experiencing financial difficulty. While we will work sympathetically with a borrower in each individual case, we must

ensure we balance this with our broader responsibility to all of our Members.

The Society continued through 2024 to have low numbers of cases where arrears or forbearance were needed. As at 31 December 2024, there were no cases in possession (2023: nil) and no cases were taken into possession during the year (2023: nil). The Society has nine cases with arrears of three months or more (2023: 7) with a total balance of £2.26m (2023: £1.53m). There were 18 cases (2023: 27) under forbearance with total balances of £3.41m (2023: £5.8m) and arrears totalling £16.3k (2023: £7.0k).

Christopher White

Chief Financial Officer
11 March 2025

Our Positive Impact

Ecology's activities are guided by our mission to build a greener society, through enabling the positive power of finance.

Ecology is owned by and run for the benefit of our Members. Since our inception, we have been fully committed to ethical finance, enabling our Members to harness money to create good environmental and social outcomes, as well as fair financial returns.

As a Member-led organisation, engaging with and hearing from our Members is essential to guide us and keep us accountable.

In 2024, we held our AGM at Cloth Hall Court in Leeds and the voting turnout was 10.93% (2023: 11.52%).

The AGM was an opportunity for Members to hear from a line-up of experts about the challenge of meeting the UK's net zero targets and the importance of creating sustainable housing. Like our other in-person events, the AGM brought Members together to meet each other and the Ecology team, and ask the Directors questions.

The 2025 AGM will be held at 4pm on 24 April at Silsden Town Hall. We would love to welcome as many Members as possible to this event, to hear an update on our performance



Directors of Oxford Community Land Trust, which created new affordable homes on the edge of the city

in 2024, learn more about our plans and progress this year, and ask any questions you have for the Society.

Over the past three years, in addition to our AGM event each spring, we have invited our savers and borrowers to Member Meet-ups, held at unique venues across the UK as well as online.

These events were an opportunity for our Members to hear Gareth Griffiths, our Chief Executive Officer, share his vision for Ecology's future. Members also had time to chat together and with Ecology colleagues. The Society is currently planning similar events for 2025 and will share more details in due course with Members about when and where these will take place.

During our events Members have shared their stories of inspirational projects to build greener homes and communities, offering ideas, support and advice across our membership community.

Our inspiring and innovative Members help Ecology to demonstrate our positive impact to the wider world and show how we are different to our peers. Their stories bring to life what Ecology does and why, and show how our Purpose drives our business as an impact-led lender and provider of sustainable savings products.

This input from Members sharing their knowledge and experience, in collaboration with colleagues and Ecology's long-term partners, also helps us in our work to influence public policy and professional behaviour in our sector and beyond across the UK.

Our Positive Impact

Ecology's activities are guided by our mission to build a greener society, through enabling the positive power of finance.

The Ecology team is ambitious, dynamic and driven by our vision to build a greener future. As an organisation we set robust objectives and colleagues are supported in setting individual objectives so that every member of the team contributes to the achievement of Ecology's Strategic Priorities, which are reviewed and supported during our colleagues' monthly one-to-one meetings.

Every voice is important at Ecology. We run weekly Team Time sessions, quarterly Town Hall meetings, which are attended by all colleagues, and this year we also started our Sounding Board.

Thorough our transformation programme, we've continued to invest in our people and the culture that will support the growth of the Society. This is delivered through our internal Leadership development programme, investing in career development and progression within the organisation, a strong rhythm and routine of colleague communications and shared information, and deeply and actively listening to



Our Member Services team strive to provide an excellent service

People & Colleagues

colleague feedback and input as we evolve and grow. The majority of our people leaders are accredited Mental Health Champions, and we were able to extend access to this training to local participants from People First Keighley & Craven, Nell Bank and Yorkshire Housing as well. We continue our journey to becoming an accredited menopause-friendly workplace.

Our Green & Ethical Champions support and empower colleagues to take sustainable action in all aspects of their lives. We encourage colleagues to enjoy our Ecology garden and to help care for and harvest the fruit and vegetables that we grow. We have an online noticeboard for Recycling and Selling unwanted items and we have recently donated old IT equipment to a local charity.



Expert advice at the end of the phone for mortgage enquiries

Our Positive Impact

Ecology's activities are guided by our mission to build a greener society, through enabling the positive power of finance.

We are proud to support our colleagues in giving back to the community.

During 2024 colleagues volunteered at Nell Bank summer camps and more than 20 colleagues also attended the Bolton Abbey Solstice Saunter as runners, walkers or volunteers. This has inspired the creation of our 'Scrambled Legs' running club.

The Charity & Social Committee has raised funds for Dementia Forward and Yorkshire Wildlife Trust, with a variety of fundraising activities, including a Bonfire Pie Lunch and an auction of decommissioned IT equipment.

Representatives of Dementia Forward have visited our premises and presented to all colleagues at our weekly Team Time meeting.

As part of our support for our communities, every Ecology colleague benefits from three paid volunteering days each year.

Sharing expertise helps us to innovate and maximise our impact



We bring together and support communities, whether that's our Members, our colleagues or our peers

Altogether through community sponsorship, fundraising, use of volunteering days and in-kind value, colleagues have donated

£5,574 in value to our local community in 2024 (£395 in direct donations by Ecology).



Our Positive Impact

Products

Sustainable homes

In January 2023, we teamed up with leading modular manufacturers to launch our new and unique range of mortgages to support the growth of off-site, manufactured homes.

During 2024 we extended these partnerships to cover nine manufacturers. Our innovative approach enables lending to be secured on the modular panels before they arrive on site, ensuring that finance is available for the more than 50% of self-builders who use off-site construction. We are the first UK lender to bring together modular construction manufacturers with a dedicated mortgage solution (including an advanced payment option), making it easier to access mortgage finance for this type of self-build.



Our Positive Impact

Enabling people-powered housing

Ecology's commercial mortgages support homes which offer a range of benefits to the occupiers, including affordable rent, shared ownership options, or are priced at a discount in perpetuity compared to open market prices. Once completed, these homes will deliver energy-efficient homes for local people within a range of intentional housing communities.

Often these projects are in fragile, rural communities and help sustain other services, such as schools and shops. Others are in more urban settings impacted by high property prices, second home ownership, private landlords and holiday lets, which further restrict the ability of local people, including key workers, to afford their own home. As well as supporting community groups, the Society remains committed not to lend to second homeowners or to holiday lets in areas of high tourism.

In 2024, we recruited a new Business Development Manager. Ecology continued to support community-led housing projects across the UK in partnerships with Community Land Trusts, Development Trusts and housing co-operatives with the provision or improvement of over 50 homes, as well as lending for community gain projects. These included:

- Retrofit of 39 homes to bring them up to a more environmentally-friendly standard and to reduce tenants' energy costs
- Building of new permanently affordable homes
- Purchase of newly-completed affordable homes into Community Land Trust ownership
- Conversion of commercial property space into quality affordable living space for tenants

We are looking forward to supporting more in 2025.



Energy-efficient home renovations

Our Positive Impact



A new self-build home under construction

Sustainable savings

Following the traditional building society model, our impact-led lending to our borrowers is funded by the deposits we attract from our savers.

Our savings Members can be reassured that cash deposited with Ecology is not invested in industries such as fossil fuels or deforestation – it works hard to create positive change beyond financial returns. Every pound saved with Ecology makes a difference by contributing to innovative, eco-friendly projects which have a lasting impact.

By saving ethically, our Members directly support efforts to create sustainable communities and a healthier planet.

Ecology's savings accounts are designed to offer a fair return and be simple and straightforward to understand. Our range offers different types of products to meet savers' needs and goals. Last year we launched a new 35 Day Notice account in response to customer need.

As part of our commitment to transparency, in 2024 we updated our Terms and Conditions to be simpler and more clear and savers can see on our website where their money goes, showing the real-world impact of our lending in communities across the UK.

We also improved how we operate our Ecology Cash ISA, which is our most popular savings product, to accept electronic payments and transfers in from previous tax years' ISAs held elsewhere.

2024 Member Stories

Case study: The Leeds Library

The Leeds Library – the oldest subscription library in the UK – is embarking on the ‘Next Chapter’ in its 256-year history, made possible through an Ecology mortgage.



The new Members Room at The Leeds Library as part of its “Next Chapter” redevelopment

“ Our reputation goes back 256 years, so it was important for us to find somebody who cares about heritage, about charity, and the sorts of things we do. Ecology is a very caring organisation that, like us, looks after its members.

Nina Corey, Chief Executive Officer at The Leeds Library

”

Expanding into the adjacent 19th century building on Commercial Street in central Leeds, the Next Chapter project will make the library fully accessible for the first time, able to welcome more members and visitors from across the region.

To protect the building’s Grade II* listed Georgian heritage, it has not been possible to install a lift in the historic building, limiting access until now.

The project will allow the charity to offer more activities, including lectures, music, open mic and live theatre. The new spaces will be able to

accommodate larger gatherings, such as school and community groups, while income from room hire and events hosting will help to secure the organisation’s financial future.

The new building at Number 15 spans five floors and is a complete redevelopment of the former retail space. It changes the layout and restores the Georgian façade and original features.

The redevelopment includes energy efficiency improvements to heating and ventilation, using sustainable materials where possible.

Case study: Leeds Community Homes

Ecology's loan of £390,000 to Leeds Community Homes has enabled the society to realise its long-term plans to acquire nine affordable homes at the Climate Innovation District in Leeds.



Living space in a new social rented flat in the Leeds Community Homes scheme in Leeds city centre



Leeds Community Homes project on the banks of the River Aire

These homes comprise six social rented flats for local people in housing need and three shared ownership homes for first time buyers struggling to get onto the first rung of the property ladder, and form part of this innovative and highly sustainable development on the banks of the River Aire.

The homes are built to Passivhaus standards and provide affordable, desirable accommodation in a beautiful setting and are in easy reach of Leeds city centre.

The scheme has a strong community element, with the freehold being in control of a Community Interest Company (CIC).

The residents are shareholders in the CIC, thus empowering members of the community to be able to control the long-term management and maintenance decisions and, importantly, future service charges.

The CIC also has the benefit of site-wide community Photo-voltaic electricity generation and a private wire power network, allowing the whole community to enjoy reduced energy bills.

Tackling Climate Change

For the planet to remain safe and liveable, widespread economic, societal and policy change is needed, and this decade is the critical window of opportunity for action. Ecology's role is to be part of the solution to climate change.

Ambition

Unlike traditional businesses that aim to maximise shareholder value, our priority is to maximise positive economic, social and environmental impact on the social system we are part of, while taking action to mitigate negatives.

Within our 2024 Annual Report & Accounts we've published our Net Zero Transition Plan, following best-practice international guidance. It outlines our progress since we declared a Climate and Ecological Emergency in 2019, what we're currently doing and aim to do in the future, and supports delivery of ambitions set out in Our 2030 Strategy. It includes how we understand and mitigate climate-related financial risks.

We've made our net zero targets more specific, to be clear about the year we are comparing to, and raise ambition in areas we have full control over.

'Net zero' is achieved when greenhouse gas emissions are reduced by at least 90% and the remaining amount is removed from the atmosphere by technological or natural solutions.

Ecology's updated net zero targets are:

- We will achieve zero greenhouse gas emissions from the electricity and heating of our headquarters by the end of 2025.
- We will halve emissions from our suppliers and colleagues against a 2019 baseline by 2030.
- We will achieve net zero greenhouse gas emissions in our lending by 2050 or sooner (by physical intensity in kgCO₂e/m² against a 2019 baseline), with an interim target to halve emissions by 2030.

It's important that our targets are in line with current climate science, but we acknowledge our limited control over our suppliers and UK home energy and travel infrastructure. We will take all the measures within our gift inside our business and by influencing others, and report transparently about the barriers we experience, as we cannot guarantee the target is achievable by ourselves.

Action

This year, we are prioritising zero-carbon heating for our HQ. We will also be improving monitoring and engagement of key suppliers on their net zero targets and progress. We'll use our business

transformation to give us better data to quantitatively factor environment and society into decision-making and our reporting.

Since our inception, we have been an active participant in the environmental movement, seeking ways to build a fair and sustainable society. We 'agitate for change' in society by:

- **Advocating**, and innovating to create new ideas
- **Incubating** ideas into genuinely impactful solutions
- **Demonstrating** solutions that others may adopt, helping to scale up system change.

To ensure we maximise our impact, we prioritise opportunities based on whether they are within our control or influence, the impact they will have on our strategic objectives, and the timeliness of the opportunity to lead to meaningful change. We share details of how we've engaged with our suppliers, colleagues and members, the sustainable building and finance industry, and government and civil society in our Net Zero Transition Plan.

Accountability

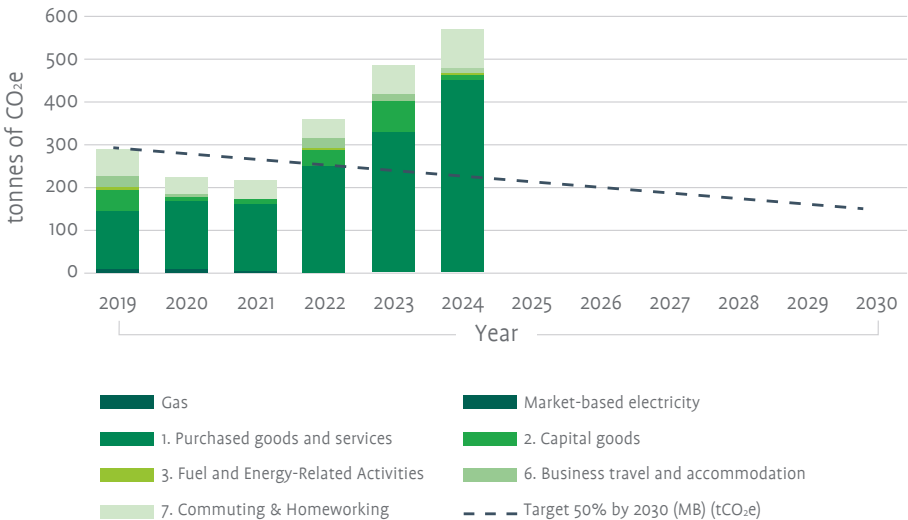
Emissions from our business operations

Since our baseline year of 2019, we've now reduced the gas use for heating our headquarters by almost 60% through efficiency measures, and business travel by 52%. In 2024, we generated 20% of our electricity through onsite solar energy generation and purchased the rest through a 100% renewable tariff with Ecotricity. This was a slight decrease on last year, as more

colleagues are using our electric vehicle charging, helping to reduce commuting emissions.

Operational emissions in 2024 were 566.86 tonnes CO₂e, an 18% increase from 2023 (482.1 tCO₂e), and a 100% increase in emissions since 2019, reflecting our exceptional investment in our business transformation and doubling of our colleague numbers. However, this is only a 10% rise in emissions intensity based on our turnover.

Greenhouse gas emissions from our operations: our progress



Emissions from suppliers are estimated based on spend and an emissions intensity factor, so rises in spending are reflected in reported emissions. Reductions are dependent on suppliers taking action and reporting progress, and engaging their own supply chains. To better understand and reduce our supplier emissions where we can influence them, we have improved our calculation methodology so it helps us to prioritise our most carbon-intensive suppliers for engagement, and use their reported emissions, instead of estimates, where available.

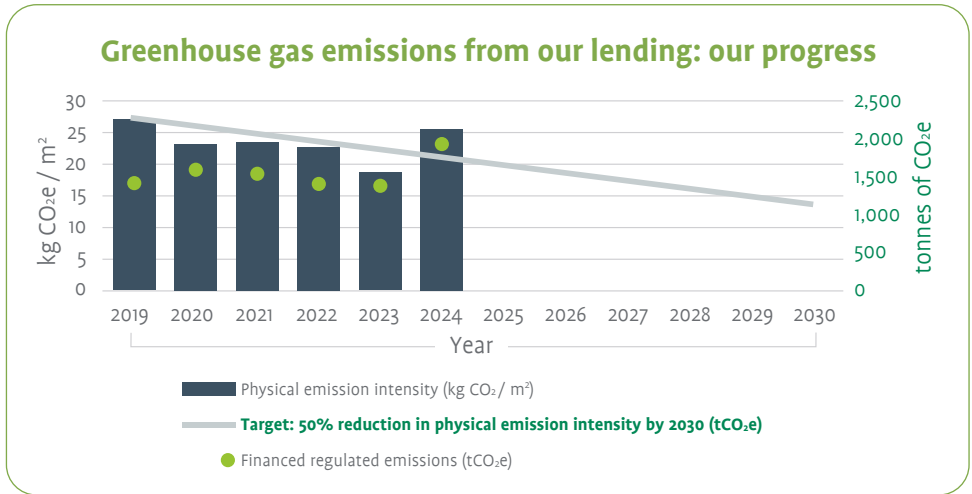
We continue to take responsible action for these emissions that we can't eliminate yet, by purchasing an equivalent volume of high-quality carbon credits. We also support accredited UK tree-planting schemes, towards future carbon absorption.

Carbon emissions from our mortgage lending

Between 2023 and 2024, the average physical greenhouse gas intensity based on regulated emissions across all mortgaged properties with an Energy Performance Certificate (EPC) was 25.6 kgCO₂e/m² compared with 18.7 kgCO₂e/m² in 2023.

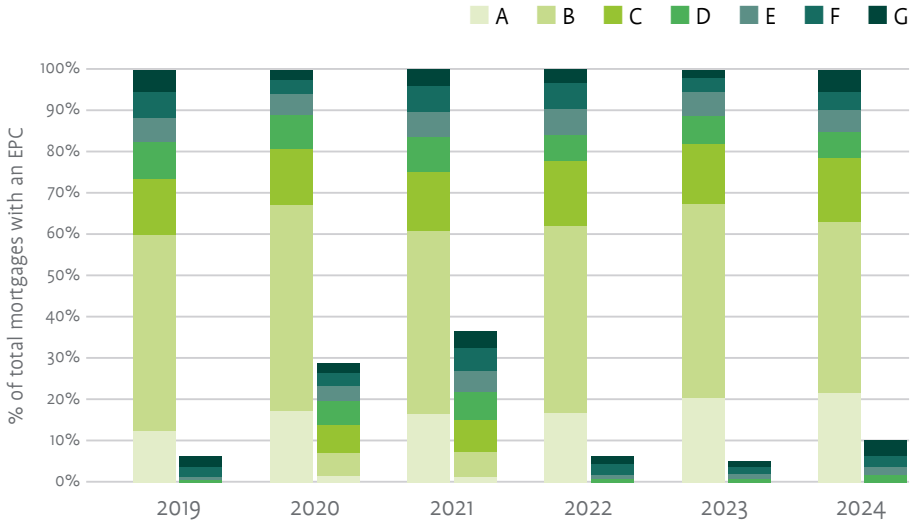
Our absolute financed regulated emissions increased by 39.4% (2024: 1,949 tCO₂e; 2023: 1,403 tCO₂e). Our financed regulated emission intensity has also risen by 34.7% to 13.2 kgCO₂e/£000, compared to 9.8 kgCO₂e/£000 in 2023. This is still a decrease of 15.4% against our updated baseline year of 2019.

The rise is due to a higher proportion of D-G EPC-rated properties we're lending on, which are currently undergoing renovation or conversion. We've also seen a very positive continued rise in the number of properties achieving A and B EPC ratings in 2024, which generate far less emissions per property.



Our net zero targets cover 100% of our lending portfolio. However, as we finance new properties under construction, there are always a proportion of incomplete properties yet to produce operational emissions. These are excluded from reporting until completed.

EPC distribution 2019 - 2024



Left hand column for each year shows all property types, compared to the right hand column, which shows only renovations and conversions where works are ongoing (in 2020 and 2021, complete and ongoing renovations are grouped). In 2024 we've lent on more than double the number of ongoing projects than in 2019.

The financed emissions and spread of energy ratings across our mortgage book is dynamic, reflecting the balance of new and existing properties and the transition of poorly-performing properties undergoing retrofit to reduce their emissions. 80% of the homes we'll be living in

by 2050 already exist today, so retrofitting existing buildings is critical. We seek to continue to increase our lending on renovation and conversion, predicated on environmental improvements being made to the property.

Based on all the EPCs currently available for properties in our mortgage portfolio, the average SAP score was 77, equivalent to an energy efficiency rating of C. SAP points are calculated in the 'Standard Assessment Procedure' model to work out a property's energy efficiency.



“ Our own transition to net zero demonstrates how we live our values and lead by example.

Gareth Griffiths, CEO, Ecology Building Society

”

Physical risks of climate change

We assess the exposure of our mortgage book at the end of each year to the physical risks of flooding, subsidence and coastal erosion. Although we are hopeful that the Paris Climate Agreement will succeed in limiting global temperature rise, we cannot rule out future climate disruption, so we use a scenario which assumes emissions will not achieve net zero until 2100. Physical risks take time to materialise and get worse over time, so we report on results for the 2050s, given the typical mortgage term is up to 30 years. Currently we assess physical risks across our book as low. Our assessment will evolve over time to take account of property-specific and local adaptation mitigation.

The Society's full Net Zero Transition Plan, including 2024 activity updates and detailed data can be found on pages 50 to 74 of the 2024 Annual Report & Accounts, available on our website at: ecology.co.uk/about/corporate

*Our head office in Silsden,
West Yorkshire*



Directors' Remuneration Report

Introduction from the Chair of People, Remuneration and Culture Committee

I am pleased to present this year's Remuneration Committee report, which includes a summary of our remuneration approach, together with any material changes made in the year.

The focus of the Committee is to maintain and apply an appropriate remuneration policy, which aligns to our values and adheres to the Financial Conduct Authority (FCA) Remuneration Code. As you would expect, our Remuneration Policy consistently promotes sound risk management, thereby ensuring our processes and practices do not introduce risk of detriment to our Members or consumers more widely.

The Committee comprises at least three Non-Executive Directors. The Society's Chair, Chief Executive Officer (CEO) and other members of the senior management team may attend meetings as required, but Executives may not participate in any discussion which could impact their remuneration.

The Committee met on five occasions in 2024 and the terms of reference are published on the Society's website at <https://www.ecology.co.uk/corporate-information/>

Material Changes in 2024

In the spirit of our ongoing commitment to openness and transparency, we have introduced a new section in this report, which will be used annually to highlight any material changes.

The Society operates a 'performance-related pay' scheme which, subject to performance, is payable in addition to basic salary. Having previously excluded Executive Directors from the scheme, we have taken action to include them moving forwards, aligning to our value of 'fairness'.

While colleague salaries are benchmarked annually, the equivalent process for the CEO is typically every few years. The CEO annual salary has increased by £15,000, or 10.34%, in 2024. This includes a cost of living increase of 4.5%. Executive salaries are always a contentious subject, but it is equally important to recognise that the resulting salary remains one of the lowest of any UK building society CEO.

For a number of years, we have reported a 'salary multiple', highlighting the relationship between the highest paid colleague (Chief Executive Officer) and entry level salaries, typically the lowest paid. Mindful of the increasing use of other benefits to enhance executive pay elsewhere across many industries, the Society engaged Members and, based on their feedback, we are evolving our approach. With effect from 2024, our reported ratio will be based on 'total reward' – basic salary, performance-related rewards plus pension contributions.

We will consider how this change requires us to evolve our use of the salary limit used in previous years.

Our total reward ratio for the financial year 2024 is 7.4:1. Based on the published annual report and accounts for 2023, we estimate comparable sized building societies operate with a ratio of 10 to 15:1.

The Society has previously tracked this ratio using the ratio between the highest and lowest level of basic salary. In 2024, the basic salary ratio was 7.3:1 (2023: 7.2:1).

Pay Range	Men	Women	Variance
£0 – £24,999	£22,497.50	£22,746.67	£249.17 in favour of women
£25,000 – £49,999	£34,977.90	£35,907.68	£929.78 in favour of women
£50,000 – £74,999	£63,645.00	£64,327.82	£682.82 in favour of women

Gender Pay Reporting

In direct response to Member feedback, we have introduced gender pay gap reporting for 2024 and committed to inclusion of the ethnicity pay gap from 2025. To aid transparency, the

gap is presented by salary band, albeit excluding apprentices and the executive team. Executive salaries are presented elsewhere in this section of the Annual Report & Accounts.

Apprentices have been excluded from the Gender Pay Reporting calculations as they sit outside the main salary scale. Ecology pays apprentices at an enhanced rate compared with the Government published rates.

Remuneration Structure

The following table summarises the components of total remuneration for Executive Directors.

Fixed remuneration	Basic Salary	All colleagues (including Executive Directors) are remunerated in relation to their expertise, experience, overall contribution and the general marketplace, supporting our ability to attract and retain colleagues with the necessary skills. We are committed to paying the Living Wage with accreditation from the Living Wage Foundation.
	Pension	All colleagues (including Executive Directors) are eligible to join the Society's defined contribution pension scheme after three months, with an employer contribution of 8% of basic salary upon auto enrolment. Colleagues have the option to make additional contributions up to 12% using salary sacrifice.
	Benefits	Death in Service (four x basic salary) benefit is available to all qualifying colleagues (including Executive Directors). The Society operates an electric vehicle salary exchange scheme which is open to all colleagues. Within this scheme, the Chief Executive Officer, Chief Financial Officer, Chief Risk Officer and Chief Member Officer also receive a car allowance, which is included in the breakdown of their remuneration.
Variable remuneration	Performance-related pay (core scheme)	All colleagues (including Executive Directors) benefit from an element of performance-related pay. Reward is directly linked to the achievement of key objectives aligned to sustainability of the Society and the service it provides. Payments awarded under the scheme in 2024 are limited to a maximum of £3,750 and are not pensionable.
	Performance-related pay (SMF)	A specific leadership scheme was introduced from 1 January 2025 for colleagues who hold a Senior Management Function (SMF) role (including Executive Directors). Complementing the core scheme, it provides balance, rewarding delivery of key 'strategic stepping stones', each of which helps to secure the longer term success of the Society. Aligned to our values, the average payout is contained and proportional; expected to be circa £5,000 after tax and national insurance.

Remuneration policy Non-Executive Directors

Non-Executive Directors receive a fee for their services that reflects the time commitment for their duties. They do not participate in any performance-related pay schemes, nor do they qualify for pensions or other benefits.

Non-Executive Directors do not have service contracts. Each Non-Executive Director serves under a letter of appointment and their contribution is appraised annually by the Chair.

Contractual Terms

The Chief Executive Officer has a service contract, entered into on 30 March 2022 for service commencing on 1 June 2022, and the contract is terminable by either party giving at least six months' notice. The Chief Finance Officer has a service contract, entered into on 27 March 2023 for service commencing on 4 September 2023, and the contract is terminable by either party giving at least six months' notice.

Non-Executive Directors' remuneration

Non-Executive Directors	Days Paid 2024	Paid 2024 £	Paid 2023 £
Louise Pryor	62	26,784	25,352
Andrew Gold	47	20,079	19,063
Jaedon Green (from March 2023)	50	21,523	14,558
Kerry Mashford (to April 2024)	13	5,496	16,368
Vincent Smith (to April 2024)	13	5,721	17,651
Giovanni D'Alessio	37	16,071	15,396
Kellie Hargraves (from April 2024)	31	13,357	–
Andy Mulligan (from April 2024)	29	12,434	–
Tim Morgan (to April 2023)	–	–	6,368
Chris Newman (to April 2023)	–	–	5,537
Non-Executive Directors' remuneration	282	121,465	120,293
Sameera Khaliq (from April 2024)*	29	12,434	–
Totals	311	133,899	120,293

*Clause 13(1)(d) of the Society's rules requires all Non-Executive Directors to hold a minimum of £500 in a savings account with the Society at their time of election and during their period of service on the Board. At the time of the 2024 AGM, due to an error this condition had not yet been met for Sameera Khaliq, so the indicative vote to elect her was declared invalid. The Board very much values the significant positive contribution Sameera has made since she first began work for the Society in 2024. She will stand for election to the Board in 2025.

This payment has therefore been agreed as an attendance allowance rather than as a fee payable to Non-Executive Directors.

Executive Directors' Remuneration

The table below outlines the total reward for Executive Directors.

Executive Directors: Total Reward

Role	Base Salary £	Car Allowance £	Pension 8%	2024 Total £	2023 Total £
Chief Executive Officer	156,484	6,000	12,519	175,003	154,500
Chief Financial Officer*	139,556	6,000	11,164	156,720	48,665

*Appointed September 2023.

Looking ahead

Looking ahead to 2025, the Committee will ensure our reward structures (1) enable the Society to attract/retain relevant capability and skill sets, (2) maintain appropriate focus on service delivery balanced with strategic development, all the while (3) fostering our ecological principles, mutual culture and ethical values.

Aligned to our ethical values, your Chief Executive Officer, Chair and Non-Executive Directors have opted to forgo their annual cost of living increase in 2025. This feels appropriate because, despite the Society's underlying business model remaining profitable, the required investment in technology to better serve our Members is expected to continue to materially suppress profitability in 2025.

For the avoidance of doubt, this means the day-rate payable to the Chair and Non-Executive Directors will remain unchanged. However, the actual number of days expected of them can and does vary in accordance with the needs of the organisation.

Other colleagues will receive an annual cost of living increase in 2025, recognising their contribution and helping protect family budgets against the pressures of inflation.

Finally, the People, Remuneration and Culture Committee recommends Members vote to accept the 2024 Directors' Remuneration Report.

Jaedon Green

Chair of People, Remuneration and Culture Committee

11 March 2025

Summary Financial Statements

This financial statement is a summary of information in the audited Annual Accounts, the Directors' Report and Annual Business Statement, all of which will be available at ecology.co.uk or free of charge to Members and depositors on request from the head office after 31 March 2025.

Summary Directors' Report

The Business review for 2024 is detailed on page 10.

Summary financial statement for the year ended 31 December 2024

	2024 £000	2023 £000
Results for the year		
Net interest income	7,908	8,147
Other income and charges	3	3
Administration expenses	(7,558)	(6,760)
Provisions for impairment (charge) on loans and advances	218	(27)
Provisions for impairment (charge) on investments	(126)	(25)
Profit before taxation	445	1,338
Tax expense	(121)	(318)
Total comprehensive income for the year	324	1,020
Financial position at end of year		
Assets		
Liquid assets	83,425	65,710
Mortgages	250,342	241,081
Fixed and other assets	2,942	2,914
Total assets	336,709	309,705
Liabilities		
Shares	307,085	280,154
Amounts to other credit institutions	1,018	–
Borrowings	9,296	9,813
Other liabilities	1,451	1,913
Reserves	17,859	17,825
Total liabilities	336,709	309,705

Approved by the Board of Directors on 11 March 2025
and signed on its behalf by:

Louise Pryor
Chair

Gareth Griffiths
Director and
Chief Executive Officer

Christopher White
Director and
Chief Financial Officer

Summary of key financial ratios

	2024 %	2023 %
Gross capital as a percentage of shares and borrowings	5.63	6.16
Liquid assets as a percentage of shares and borrowings	26.28	22.66
Profit for the year as a percentage of mean total assets	0.10	0.33
Management expenses as a percentage of mean total assets	2.34	2.20

Gross capital represents the General reserves and Core Capital Deferred Shares as shown in the Statement of financial position.

Liquid assets are taken from the items so named in the Statement of financial position.

The **profit after taxation** is the profit for the year as shown in the Statement of comprehensive income.

Management expenses are the administrative expenses plus depreciation and amortisation for the year as shown in the Statement of comprehensive income.

Mean total assets are the average of the 2024 and 2023 total assets.



Our permaculture garden at Head Office is managed to support biodiversity and local wildlife

Independent Auditor's Statement to the Members and Depositors of Ecology Building Society

Opinion on the Summary Financial Statement

On the basis of the work performed, as described below, in our opinion the Summary Financial Statement is consistent with the full Annual Accounts, the Annual Business Statement, and the Directors' Report of the Society for the year ended 31 December 2024 and conforms with the applicable requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

We have examined the Summary Financial Statement of Ecology Building Society ('the Society') for the year ended 31 December 2024 which comprises the Results for the year and the Financial position at the end of the year, together with the summary Directors' Report.

Basis for Opinion

Our examination of the Summary Financial Statement consisted primarily of:

- Agreeing the amounts and disclosures included in the Summary Financial Statement to the corresponding items within the full Annual Accounts, the Annual Business Statement and the Directors' Report of the Society for the year ended 31 December 2024, including consideration of whether, in our opinion, the information in the Summary Financial Statement have been summarised in a manner which is not consistent with the full Annual Accounts, the Annual Business Statement and the Directors' Report of the Society for that year;
- Checking that the format and content of the Summary Financial Statement is consistent with the requirements of section 76 of the Building Societies Act 1986 and regulations made under it; and
- Considering whether, in our opinion, information has been omitted which although not required to be included under the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it, is nevertheless necessary to include to ensure consistency with the full Annual Accounts, the Annual Business Statement and the Directors' Report of the Society for the year ended 31 December 2024.

We also read the other information contained in the Annual Review 2024 and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the summary financial statement.

Our report on the Society's full Annual Accounts is unqualified and describes the basis of our opinions on those Annual Accounts, the Annual Business Statement and the Directors' Report.

Directors' Responsibilities

The directors are responsible for preparing the Summary Financial Statement within the Annual Review 2024 in accordance with applicable United Kingdom law.

Auditor's Responsibilities

Our responsibility is to report to you, our opinion on the consistency of the Summary Financial Statement within the Annual Review 2024 with the full Annual Accounts, the Annual Business Statement and the Directors' Report, and its conformity with the relevant requirements of section 76 of the Building Societies Act 1986 and regulations made under it.

The purpose of our work and to whom we owe our responsibilities

This auditor's statement is made solely to the Society's members, as a body, and to the Society's depositors, as a body, in accordance with section 76 of the Building Societies Act 1986. Our work has been undertaken so that we might state to the Society's members and depositors those matters we are required to state to them in such a statement and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Society and the Society's members as a body and the Society's depositors as a body, for our work, for this statement, or for the opinions we have formed.

James Billingham

(Senior Statutory Auditor)

**For and on behalf of BDO LLP,
Statutory Auditor**

London, UK

11 March 2025

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

Glossary

Some of the financial terms we use in this Annual Review are explained below:

Advance: Money loaned ('advanced') to a borrower.

Amortisation: The process of gradually writing off the value of something to reflect a reduction in its value over time. It is the same as depreciation, but is usually used for intangible assets, such as goodwill.

Assets: Something belonging to the business that has value. For Ecology, this means liquid assets, mortgage assets and fixed assets.

Capital: Profit retained by Ecology to act as a buffer against losses and instruments that qualify as capital, such as Core Capital Deferred Shares.

Counterparties: The banks, building societies and money market funds that hold Ecology's liquid assets.

Depreciation: Depreciation is both the gradual writing down of the value of an asset and the allocation of the cost of the asset over the period of time that it is used.

Fixed assets: Assets, such as the head office, furniture, machinery and IT equipment that the Society owns and uses, and does not buy and sell as part of its regular trade.

Forbearance: A special agreement between a lender and a borrower which aims to prevent repossession.

Gross capital: Reserves and Core Capital Deferred Shares.

Gross Capital Ratio: Gross capital as a percentage of shares and borrowing.

Gross lending: New advances made in the year.

Inflow: The flow of money into the Society from savers' deposits and mortgage repayments.

Liabilities: Something the business is legally responsible to repay to others. For Ecology, this means our Members' savings, our reserves, and debt we owe to other organisations.

Liquid assets: Cash, or assets that can be converted into cash (such as bonds).

Liquidity: The availability of liquid assets to Ecology.

Management expenses: Administrative expenses, plus depreciation.

Management Expenses Ratio: The proportion of management expenses to the average of total assets during the year.

Mortgage assets: The value of mortgage loans, less provisions.

Net lending: New advances made in the year, less redemptions.

Net profit: Profit, less tax.

Provisions: Money set aside to cover potential losses on loans.

Redemptions: When borrowers pay back their mortgage loan.

Reserves: For Ecology, this is accumulated retained profits.

Shares: For Ecology (like other building societies), shares refer to money deposited by Members, who have a 'share' in the business should it be wound down.

Subordinated debt: Debt that has a lower ranking than other forms of debt. If Ecology were to be wound down, subordinated debt would only be repaid after other claims on the business had been repaid.

Write-back: When the value of a provision is subsequently restored ('written back') to the balance sheet.



The garden outside Ecology's home in Silsden, West Yorkshire

What our Members say

“

I have been really impressed with Ecology Building Society. They are clear, transparent and straightforward.

”

“

It is a privilege to save knowing that my money is being used to benefit others.

”

“

Decent savings rates but helping to save the planet and that's worth more than anything.

”

“

I would definitely recommend them to anyone, especially those who want to have a positive social impact.

”

“

The customer service is very good and they are a genuinely competitive option for saving, which is a joy of mutuals.

”

“

Great to know my monthly savings are being used for purposes that strongly align with my values.

”

All comments submitted to Smart Money People by Members in 2024, giving feedback in response to our Member Meet-ups and regular Member Roundup emails.

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Registration number 162090.