

# Summary Report

## Principles for Responsible Banking

Ecology Building Society is a founding signatory of the Principles for Responsible Banking, launched by the United Nations Environment Programme (UNEP) Finance Initiative in September 2019. The Principles provide a framework for a sustainable banking system, by signatories demonstrating how their strategies and activities support the UN Sustainable Development Goals and the Paris Climate Agreement.

The Principles are a natural fit for Ecology. We have been dedicated to sustainable development throughout our 43 year history, and we are more committed than ever to our mission to build a greener society. Our motivation for signing the Principles extends far beyond organisational and lending activity considerations particular to Ecology Building Society. By signing the Principles, we are adding our weight to global efforts to transform the financial system, creating a growing movement that more banks are signing up to.

# Building a greener society

5<sup>th</sup> Progress Report, March 2025

Principle 1: Alignment	Principle 2: Impact & Target Setting	Principle 3: Clients & Customers
<p>Ecology Building Society has been dedicated to sustainable development throughout its 43-year history and enshrined in its Memorandum: “The primary purpose is making loans which are secured on residential property and are funded substantially by its Members, promoting ecological policies designed to protect or enhance the environment in accordance with the principles for sustainable development”.</p> <p>Our approach to sustainability and alignment with international frameworks is described in our Net Zero Transition Plan, published in March 2025 within our 2024 Annual Report and Accounts. This plan outlines our progress since we declared a Climate and Ecological Emergency in 2019, what we’re currently working on and what we aim to do in the future. It supports delivery of ambitions set out in Our 2030 Strategy and includes how we understand and mitigate climate-related financial risks.</p> <p>All lending and investments have been assessed against the UN Sustainable Development Goals. Impacts are most associated with SDGs 7, 11, 12 and 13.</p>	<p>We are a specialist mortgage provider for properties and projects that have a positive impact across the UK. These include the construction or renovation of residential properties, including community housing, mortgages for sustainable businesses, charities and community organisations, and a small investment portfolio mainly in renewable energy infrastructure. Our geographic breakdown of our portfolio is shown in our Annual Report and Accounts.</p> <p>Our most significant potential impact areas are <b>environmental</b>, with targets on our greenhouse gas emissions, and <b>social</b> through supporting sustainable communities.</p> <p>As a small financial organisation, we have focussed in 2024 on developing our Net Zero Transition Plan. This includes details of our updated net zero targets, increasing ambition for our HQ building, decarbonisation action, value change engagement, progress achieved and challenge areas. We’ll now be focussing on furthering the development of appropriate social impact metrics.</p>	<p>Ecology’s mortgages are focused on generating an ecological benefit, in terms of saving energy or other scarce resources, or supporting sustainable communities. This is implemented through our lending policy and our product design. Further details can be found in the ‘Our positive impact: Planet and Products’ section of our Annual Report and Accounts.</p> <p>As a Member-led organisation, engaging with and hearing from our Members is essential to guide us and keep us accountable. In 2024 we ran a series of member meet-ups as well as welcoming members to our AGM, which are discussed in the ‘Our positive impact: People – members’ section of our Annual Report and Accounts.</p> <p>Strategic risks and opportunities which impact our marketplace, products and members are detailed in our Net Zero Transition Plan, published in March 2025 within our Annual Report and Accounts.</p>
<p><b>Links &amp; references</b>  <a href="https://www.ecology.co.uk/corporate-information/">https://www.ecology.co.uk/corporate-information/</a>  <a href="#">Ecology Building Society First Progress Report Principles for Responsible Banking Pages 3 and 5-11</a>  <a href="#">Our 2030 Strategy Pages 4 and 11-17</a>  <b>Annual Report and Accounts 2024 Pages 6, 9-15 and 50-74.</b></p>	<p><b>Links &amp; references</b>  <a href="#">Ecology Building Society First Progress Report Principles for Responsible Banking Pages 11 – 15</a>  <a href="#">Our 2030 Strategy Pages 6, 8, 10 and 13</a>  <a href="https://www.ecology.co.uk/mortgages/">https://www.ecology.co.uk/mortgages/</a>  <b>Annual Report and Accounts 2024 Pages 4, 6, 20-25, 53 and 62-74.</b></p>	<p><b>Links &amp; references</b>  <b>Annual Report and Accounts 2024 Pages 16-17, 22-24, 54-55, 57-59 and 69-72.</b></p>

<p><b>Principle 4: Stakeholders</b></p>	<p><b>Principle 5: Governance &amp; Culture</b></p>	<p><b>Principle 6: Transparency &amp; Accountability</b></p>
<p>Ecology exists to serve our Members and deliver on our ecological mission, guided by our values of Fairness, Openness, Responsibility, Co-operation and Activism. 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:</p> <ul style="list-style-type: none"> <li>• <b>Advocating</b>, and innovating to create new ideas</li> <li>• <b>Incubating</b> ideas into genuinely impactful solutions</li> <li>• <b>Demonstrating</b> solutions that others may adopt, helping to scale up system change.</li> </ul> <p>We engage with partners and alliances where we can have an influence, to facilitate removing barriers to change. Details of this can be found in the ‘Engagement’ section of our Net Zero Transition Plan, published in March 2025.</p>	<p>Ecology is a member-owned mutual. Our mission is enshrined in our Memorandum, and our mandate comes from the membership. The Board of Directors is responsible for the governance of Ecology, on behalf of the Members through defined oversight which is embedded in the articles of association.</p> <p>Details of our governance structures can be found throughout our Annual Report and Accounts, in our Corporate Governance Report, Risk Management Report and newly published Net Zero Transition Plan.</p> <p>Our Net Zero Transition Plan also covers how our culture and remuneration support our strategic ambition,</p>	<p>As a small financial institution, we focus our capacity on delivering impact through our lending and streamlining our reporting where possible.</p> <p>Our Annual Review and Annual Report and Accounts will continue to be our main avenue for impact disclosure. The Annual Report and Accounts are subject to independent audit, and the Independent Auditors Report to the Members of Ecology Building Society details the scope of the audit with respect to climate change.</p> <p>Our approach to sustainability disclosures will continue to evolve, in line with best practice, regulation covering the financial sector and advancing global standards, and we will make use of the Principles for Responsible Banking tools to inform our social impact targets and metrics.</p>
<p><i>Links &amp; references</i>  <a href="#">Ecology Building Society First Progress Report Principles for Responsible Banking Pages 16-19</a>  <a href="#">Our 2030 Strategy Pages 6-9</a>  <b>Annual Report and Accounts 2024 Pages 56 and 59-61.</b></p>	<p><i>Links &amp; references</i>  <a href="https://www.ecology.co.uk/corporate-information/">https://www.ecology.co.uk/corporate-information/</a>  <a href="#">Ecology Building Society First Progress Report Principles for Responsible Banking Pages 20, 21</a>  <b>Annual Report and Accounts 2024 Pages 18, 26-33, 41-49 and 67-68.</b></p>	<p><i>Links &amp; references</i>  <b>Annual Report and Accounts 2024 Pages 51 and 76.</b></p>