



Annual Review 2025

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Our progress in 2025



Our Members

Powered by more than

15,000

Members including over
1,300 mortgage customers

1,081
(8.71%)

eligible Members voted in our AGM
with most voting online

The Society is planning more Member Meet-ups
this year to talk and listen to our Members



Our premises

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

540 litres

of food waste composted onsite
and used in our garden, avoiding an
estimated 26 lorry collections

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

50%
reduction in total
waste volumes

79%
Recycling rates,
up from 55%

75%
reduction in
non-recyclable waste



Our lending

Mortgage assets of **£233 million**

through new loans for properties including residential conversions, renovations and self-build, as well as shared ownership and social housing

New products launched to support energy-efficient homes, green home improvements, affordable local homes and cohousing residents



Spread of lending

1% to 2%

3% to 5%

6% to 8%

9% or more



Funding for mortgage growth

We strengthened capital reserves and created a springboard for future lending growth with our second issue of Core Capital Deferred Shares (CCDS)

£4.1 million

of additional capital in 2025 takes to

£7.1 million

the funding secured from investors in CCDS

For every **£1 million**, raised through CCDS, we can lend

£22 million,

helping us to increase our impact



Our financial performance

Successful year of new lending in 2025 of more than

£31 million

across **92** properties and projects

Profit before tax decreased in the year to

£0.42 million (2024: £0.45m)

as the Society invested in key projects and delivering against our long term strategy



Our colleagues

To support the modernisation of the Society and our colleagues throughout that period of change, actions including:

- ✓ Continued leadership development
- ✓ Regular rhythm of colleague communications, with surveys to gather feedback and ideas
- ✓ Clarified ways of working and embedded new processes for strategic planning to enable better collaboration across Society functions
- ✓ Simplified benefit and reward scheme, with quarterly recognition awards nominated by peers



Our carbon emissions

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

1,840 tCO₂e Financed emissions from our mortgage lending

19.7 kgCO₂/m² average physical emission intensity of our lending

37.3% reduction in financed emissions intensity since 2019 baseline year

Chair's Statement

In 2025, Ecology Building Society continued to evolve.

We made significant progress with modernising, refreshing and improving our products and services, so we can attract more Members and increase our positive impact. In doing so, we remain mindful that the needs of our existing and new Members continue to change, as does the world around us.

The fight against climate change felt like it was stalling or even backsliding in 2025, with a disappointing outcome from COP30. A weakened consensus on the climate crisis and action needed to tackle it continued to be a political football at home and abroad. Yet this apathy or opposition from politicians, particularly on the right and often fuelled by and creating misinformation,



flies against public opinion. Global research consistently shows most people want governments to do more to address the climate emergency, which should give us heart.

As the cost of living remains a worry for so many, some people claim the green transition is too costly, personally and collectively. We think that argument is false but understand how investment in net zero can feel like an added burden on us all. But the cost of "not zero" is far greater,

and this investment in everyone's futures will support the economic growth the Government is seeking, without relying on ever-increasing consumption.

Our imperfect world is full of uncertainties so we must show creativity, flexibility and tenacity in meeting its challenges on behalf of our Members. Ecology continues to campaign for a greener society, including being part of conversations in our industry and beyond. In 2025 we joined public panel discussions, met MPs and wrote to ministers about affordable homes and the crisis in housing supply. As an impact-led business, we'll continue to press for progress.

“

Ecology was founded as a pioneer in sustainable finance and is still an exemplar in our sector. Pioneers don't hang back and wait for others to act – they step up and seek solutions.

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Our Chair, Louise Pryor, was a panellist at FT Live's Climate & Impact Summit in the City of London

Ecology was founded as a pioneer in sustainable finance and is still an exemplar in our sector. Pioneers don't hang back and wait for others to act – they step up and seek solutions. Even when things don't work out as expected, they know their efforts have enabled progress towards the end goal. Sometimes we need to be brave and press on. And sometimes it takes bravery to acknowledge the need to adjust course.

We retain a clear vision and strategy but have to deal with the world as it is, not how we'd like it to be. That includes remaining responsive to changes in climate science and policy. Available data has advanced significantly since 2021, when we published our 2030 Strategy, and key UK green transition deadlines have been pushed back by five years or more. For example, National Grid decarbonisation is now unlikely before 2035, causing a knock-on effect on our financed emissions.

We're staying true to the spirit of our Strategy and the intensity of our ambitions is undimmed as we update our objectives for the next five years, which we'll be sharing with our Members for feedback during 2026.

I look forward to speaking to more Members at Member Meet-ups and the AGM, when you will be invited to elect a new Non-Executive Director to further strengthen our Board. Details are included in the Notice of AGM.

Louise Pryor
Chair
17 March 2026

In a world that doesn't
add up, daring to be
different is our calling,
lending our power so
everyone's story gets a
chance to thrive.



Chief Executive Officer's Review

A great many successful changes made 2025 a transformative year for Ecology, as we move towards the culmination of our major investment to futureproof the Society.

At the mid-point of a pivotal decade, I'm pleased to report that we've laid the foundations which will enable us to meet our ambitions to grow and deliver greater positive impact.

After so much hard work behind the scenes, I'm excited about our Members' reactions when the fruits of these labours start to become more apparent in the coming months.

As well as completing the main phase of our digital transformation journey early in 2026, we will be launching our new brand, which follows the restatement of our Purpose in 2024. Again, this is the result of many months' work through 2025 and will help us to reach new and different customer groups, an important part of our Society's future sustainability.



Other progress in 2025 is supporting our move to completing more lending through intermediaries, having bolstered our specialist mortgage team and made ready our new online mortgage platform. New digital functionality will make us quicker and simpler to deal with, for brokers and borrowers alike, which they have told us is important to them.

2025 was also a busy year for product launches, as we refreshed our range with a selection of new mortgages focused on supporting energy-efficient new builds and retrofits,

as well as self-builders and purchasers of affordable and community-led housing.

We reviewed and refreshed existing products and criteria, to ensure all align with our values, and we will be adding to our sustainable savings products in 2026, following the launch of our new Ecology App and enhanced online services. With our new core banking platform, we'll be able to offer fixed rate savings and mortgage products for the first time.

For 2025, we'd expected to make a small loss due to the planned investment in transformation. As the project completion date moved into 2026, this forecast loss also moves into that year. This means Ecology made a modest profit in 2025 and we forecast a return to usual levels of profitability in 2027.

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Investment in our digital transformation and new brand, for the benefit of current and future Members, has been significant for a mutual our size.

This one-off cost, broken down to cost per Member, equates to less than £1 per day for transformation and little over 1p per day for our rebrand. I think both represent good value for the long-term benefits delivered.

Modernising our business to become a 21st century mutual goes far beyond improving our systems and IT; we've also strengthened our risk and governance functions to meet the ever-changing demands of the regulatory landscape. And like the rest of the financial services sector, we must invest in and maintain prudent measures to keep our Members' money and data safe and secure.

The achievements and progress made during 2025 would not have been possible without the professional skill and dedication of our colleagues. They have stepped up to every challenge, finding solutions, identifying improvements and supporting each other throughout.

I am proud of their commitment to our purpose as a business and their care for our Members, who've received and will continue to enjoy the benefit of great, people-powered service from our base in West Yorkshire.

We've almost doubled our workforce since I joined Ecology in 2022 and we will add to our team to bring in skills we need as the Society continues to evolve and mature.

Day to day, we aim to carry on leading by example in how we operate, including reducing our own environmental impact. Our Head Office was already running on 100% renewable electricity, with a fifth of our power supplied by our own solar panel arrays.

Now, having reduced emissions from our gas boiler over recent years, for the last phase of decarbonising our office we've replaced that boiler with a heat pump.

Founded as a building society to challenge the norm, we've always sought out ways to do business differently and show our peers how this is achievable, aspiring to go further in delivering a positive impact.

In 2025, we successfully completed a second issue of Core Capital Deferred Shares (CCDS), which raised £4.1m, taking the total CCDS balance to £7.1m.

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Founded as a building society to challenge the norm, we've always sought out ways to do business differently.

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This enables us to significantly increase our impact-led mortgage lending – for every £1m raised through CCDS, we can lend £22m. CCDS holders benefit from higher (though not guaranteed) returns than our savings Members but their holdings are not protected by FSCS or other guarantees.

CCDS were created as a way for building societies to raise extra high-quality capital and the issue involved my meeting professional and corporate investors across the UK, such as pension funds. I was gratified by how warmly they welcomed our vision for Ecology and our ethical standards.

As the world around us changes, the Board and I have been giving much thought to Ecology's response in the face of developing climate science, while remaining true to why we were created, to help people through a just transition.

The transition is not just if people are left behind and never has this been more important. The average first time buyer is 35 years old; the Government is failing to deliver on its 1.5m new homes target. When human dignity depends on having a roof over your head, social and environmental impact become indivisible.

The space in which we operate continues to become increasingly competitive. A number of other providers see opportunities in markets where we've specialised and are going after our share of business more aggressively. But consumers can benefit from increased competition where more lenders enter under-served markets currently offering borrowers limited choice.

At the same time, some businesses are "greenhushing" and playing down their ethical values. We believe we are right to dare to be different, to be brave and prepared to step in front of the argument.

Ecology has been a first mover on net zero planning and in publishing our transition plans, all the while remaining a triple bottom line organisation.

To make sure we maintain this position and keep delivering on our Purpose, we want to be very clear on the outcomes and goals we're seeking, and how we deliver them profitably and safely. That's not easy, otherwise everyone would be doing it.

We remain focused on the outcomes of the just transition and I'll be speaking to our Members over the coming months about how they'd like us to balance the risk and reward of our impact. Our Members' support is integral to the direction we take.

I look forward to hearing Members' views on our future strategy, including at the AGM and forthcoming Member Meet-ups, and am contactable at any time by emailing ceo@ecology.co.uk

Gareth Griffiths
Chief Executive Officer
17 March 2026

Corporate Governance Report

Your Board of Directors

<p>Louise Pryor</p>	<p>Appointed: February 2020</p>	<p>Non-Executive Director and Chair</p>
	<p>Committee membership Chair of the Board and the Nominations Committee.</p> <p>Background Louise is an actuary and risk specialist with over 30 years of experience in actuarial consulting, software development and academia, having worked with a variety of clients in the public and private sectors.</p> <p>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.</p>	
<p>Giovanni D'Alessio</p>	<p>Appointed: September 2022</p>	<p>Non-Executive Director</p>
	<p>Committee membership Member of the Board Risk Committee, the Audit Committee, the Remuneration Committee, and the IT Transformation Committee.</p> <p>Background 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.</p> <p>From 2014 until March 2025, Giovanni was CEO of Doosan Digital Innovation Europe, a company delivering Digital and Cybersecurity services to customers in a variety of sectors. Since September 2025, Giovanni also serves as a Non-Executive Director in the NHS Greater Glasgow & Clyde Board and as a Non-Executive Adviser for Forestry and Land Scotland.</p>	
<p>Jaedon Green</p>	<p>Appointed: March 2023</p>	<p>Non-Executive Director, Deputy Chair, Trustee of Ecology Building Society Charitable Foundation</p>
	<p>Committee membership Chair of the Board Risk Committee and Remuneration Committee.</p> <p>Background 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.</p> <p>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.</p>	

<p>Gareth Griffiths</p>	<p>Appointed: June 2022</p>	<p>Chief Executive Officer, Trustee of Ecology Building Society Charitable Foundation</p>
	<p>Committee membership Member of the Nominations Committee, Audit Committee, and Board Risk Committee. Chair of the Society's Core Management Committee.</p> <p>Background 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.</p> <p>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 to achieve change.</p>	
<p>Kellie-Ann Hargraves</p>	<p>Appointed: April 2024</p>	<p>Non-Executive Director</p>
	<p>Committee membership Member of the Board Risk, Nominations Committee and Remuneration Committees.</p> <p>Background Kellie has over 25 years' experience in global regulations and risk management within the financial services industry. She also serves as a NED on Quoted Company Alliance (UK) and is the founder of a consultancy that advises start-ups, SMEs and listed companies on financial, risk and sustainability standards.</p> <p>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 UK 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.</p>	
<p>Andrew Mulligan</p>	<p>Appointed: April 2024</p>	<p>Non-Executive Director, Senior Independent Director</p>
	<p>Committee membership Chair of Audit Committee and a member of the Board Risk Committee.</p> <p>Background 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 Bank, a small independent bank, safely growing it from inception to profitability. A Fellow of the Institute of Chartered Accountants England & Wales, Andy also supports a community group in his local area.</p>	
<p>Sameera Khaliq</p>	<p>Appointed: April 2025</p>	<p>Non-Executive Director</p>
	<p>Committee membership Member of the Audit Committee.</p> <p>Background Sameera is a qualified accountant and currently serves as Chief Financial Officer for DF Capital Bank, a specialist lender providing inventory finance and asset finance products and services.</p> <p>Sameera has almost 20 years' experience in the mutual sector, with expertise spanning several financial and strategic disciplines, including financial planning, stress testing, business partnering, strategic costs, procurement and commercial strategy, within a complex regulated environment.</p> <p>Beyond Ecology, Sameera chairs Beckfoot Allerton School Trust, in her local West Yorkshire community.</p>	

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 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 7 to 9 provides an overview of the Society's performance during 2025 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

	2025	2024
Total assets	£347.9m	£336.7m
Mortgage asset growth	(6.56)%	3.84%
New Mortgage lending	£31.6m	£53.6m
Savings balances	£325.2m	£316.4m
Liquid assets as a % of shares and borrowings	33.19%	26.28%
Management expenses as a % of mean total assets	2.42%	2.34%
Cost to Income	94.02%	95.53%
Net profit	£0.31m	£0.32m
Profit after taxation as a % of mean total assets	0.09%	0.10%
Core Tier 1 capital	£21.6m	£17.7m
AGM – voting turnout	8.71%	10.93%

The Society has, in 2025, continued to focus on the digital transformation to modernise our Member offering and customer experience. As shown above, our mortgage book declined by 6.56% to £233.9m as we moderated new lending to enable colleagues to focus on the digital transformation.

The Society strengthened its capital reserves and provided the springboard for future years' growth with its second issue of Core Capital Deferred Shares (CCDS) during the year, increasing Core Tier 1 capital.

Finance Director's Review

Executive Summary

The Society has, in 2025, continued to focus on the transformation of its core banking system to modernise our Member offering and customer experience. We had forecast to make a small loss in 2025, but the project completion date has moved into 2026, leading to a profit before tax for the year at £418k (2024: £445k).

Our underlying profit, removing one-off transformation costs, has increased to £1,922k (2024: £1,383k), as we have been more selective with our new lending during the transformation. Underlying costs have been carefully controlled in 2025 and have risen by less than the increase in assets.

The Society's total assets increased to £347.9m (2024: £336.7m), growing our balance sheet by 3.3% in the year (2024: 8.7%). This growth was driven by an increase of



nearly £9m in our savings book in the year to £325.2m (2024: £316.4m). Our mortgage book declined by 6.6% to £233.9m (2024: £250.3m) as we moderated new lending to enable colleagues to focus on the system transformation.

The Society strengthened its capital reserves and provided the springboard for future years' growth with its second issue of Core Capital Deferred Shares (CCDS). This increased the Society's regulatory total capital ratio to 18.9% (2024: 15.3%).

Society Performance

Net interest margin

The Society's net interest margin increased from 2.45%

to 2.57% in the year, with net interest income of £8.8m (2024: £7.9m). We reduced gross lending in the year, which meant that, in order to manage the level of liquidity, that we did not require as many savings balances.

The Society always seeks to balance the risks and rewards in relation to borrowing Members while looking to support its savings Members by offering value on its savings products whenever possible. The Society reduced its residential standard variable rate (SVR) to 6.04% in 2025 and together with the C-Change discount, the Society continues to offer a very competitive SVR, when compared to other UK mortgage lenders.

Profitability

The Society continued its significant effort and resources to work on transformation activities in 2025 and, as a result, recorded a reduced profit before tax result for the year of £418k (2024: £445k). While the recorded profit was broadly in line with prior year, the underlying profit, once the costs of one-off transformation costs were removed, increased to £1.9m (2024: £1.4m) due to careful margin management and cost control.

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A huge amount of investment to transform Member experience, enable future growth and improve the Society's resilience has reduced our reported profit in 2025 but underlying performance remains strong.

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As a result of the investment expenditure, management expenses increased to £8.1m (2024: £7.4m). The increase resulted in our management expenses ratio (as a % of mean total assets) increasing to 2.42% (2024: 2.34%).

The decision was taken in the year to move the core system project completion date to early 2026, so that further testing could be completed. This meant that some project costs will now be incurred in 2026 instead of 2025 and the loss that was forecast to happen in 2025 is budgeted to transfer to the current year.

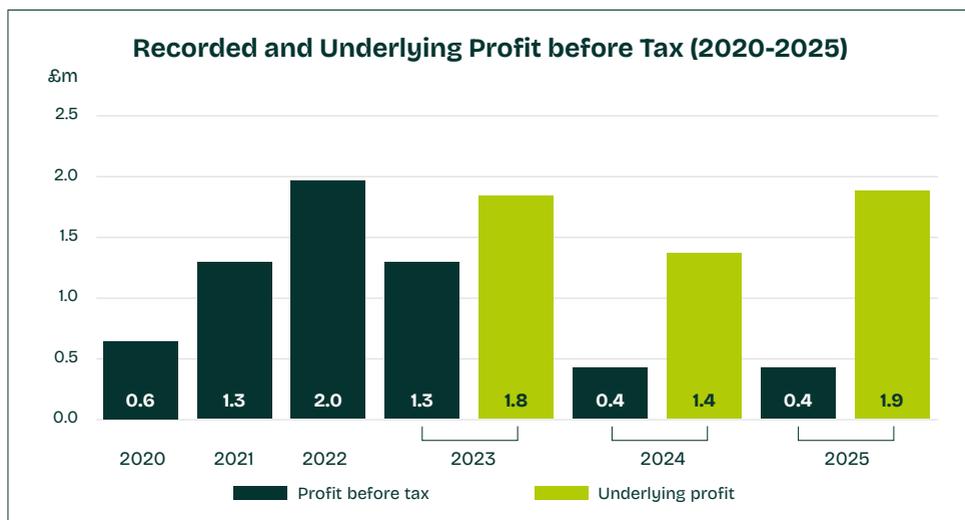
The lower lending in 2025 does mean that forecast underlying profit is expected to be lower in 2026.

Underlying Profit	2025 £000	2024 £000
Profit before Tax	418	445
Exceptional adjustments		
Risk Transformation	-	250
Core System Transformation	1,384	582
Business Model Transformation	120	106
Sub Total	1,504	938
Underlying Profit	1,922	1,383

The recorded and underlying profit are shown on the graph (below) and reconciled in the table (above).

We have fully costed the system transformation project and 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

During the year, the Society raised £4.1m additional capital through its second issuance of Core Capital Deferred Shares (CCDS), bringing the Society's total holding to £7.1m before issue costs, following the first £3m issuance in 2020.

The success of the issuance means that in 2026 the Society has raised another £2.9m external capital to further support future balance sheet growth, bringing the total to £10m.

CCDS are key for Ecology to deliver its growth plans, futureproof the Society and have enabled the substantial investment in the modernisation of its IT systems and improved Member experience that will follow. For every £1m raised through CCDS, the Society can lend £22m and create a much greater impact in future years. The success of the issuance means that in 2026 the Society will explore raising additional external capital to further support future balance sheet growth.

The Society raised this funding through CCDS, rather than savings accounts, as financial regulations stipulate that sufficient capital must be held to ensure the Society

is protected against adverse economic conditions and risks it might be exposed to. CCDS cannot be withdrawn by holders and are not protected by the Financial Services Compensation Scheme (FSCS) and so meet these regulations, whereas savings accounts do not.

The CCDS issuance increased total capital as at 31 December 2025 to £21.6m (2024: £17.9m). Our regulatory capital metrics also increased with the UK leverage ratio being 8.1% at 31 December 2025 (2024: 6.4%) and our regulatory total capital ratio increasing to 18.9% at the 2025 year end (2024:15.3%). Capital levels and ratios remained comfortably above regulatory requirements throughout the year.

Balance Sheet

The Society's total assets increased to £347.9m (2024: £336.7m), which represented an increase of £11.2m or 3.3% (2024: £27.0m, 8.7%).

The Society's mortgage assets fell by 6.6% to £233.9m (2024: 3.8% increase year on year to £250.3m). 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 2025 compared to previous years. Growth is forecast to exceed prior year levels in the future years, enabled by the CCDS issuance and new IT platform.

The Society saw a 2.8% increase in the overall balance of its savings book in the year to £325.2m at year end (2024: £316.4m). This growth allowed the Society to support more Members to save ethically while gaining a fair return on their funds.

Our liquidity position remains very strong, sufficient to meet customer and business needs and significantly in excess of regulatory requirements.

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Ecology's capital position was boosted in 2025 by £4.1m CCDS issuance. This will enable the Society to create a much greater impact as every £1m of capital enables £22m of lending.

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Mortgage Credit Quality

Arrears

The Society continued through 2025 to have low numbers of cases where arrears or forbearance were needed. As at 31 December 2025, there were no cases in possession (2024: nil) and no cases were taken into possession during the year (2024: nil). The Society has 9 cases with arrears of three months or more (2024: 9) with a total balance of £2.17m (2024: £2.26m). Total arrears greater than one month reduced to £3.3m (2024: £4.9m).

Forbearance

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.

There were 16 cases (2024: 18) under forbearance with total balances of £3.1m (2024: £3.41m) and arrears totaling £5.0k (2024: £16.3k).

Provisions

The Society has, in 2025, seen a reduction in the provisions it holds for potential loan losses, to a balance of £339k (2024: £378k). The movement was primarily driven by revising our assumptions regarding the cost-of-living impact on future arrears. Concerns around cost of living have receded in 2025 as inflation has reduced from its peak and the Bank of England Base Rate has fallen. We therefore updated our assumptions in this area and reduced the cost-of-living overlay that we were holding.

Nigel Turner

Finance Director
17 March 2026

Our impact model



A mortgage designed to support cohousing residents was among the new mortgages launched in 2025

People – Members

As a building society, Ecology wouldn't exist without its Members and we're run in their interests. Their needs and feedback shape our products, services and our direction and priorities as a business.

Since restating our Purpose in 2024, we've reviewed our product range to identify unmet customer need and ensure products align with our values. During 2025 we launched new mortgages and improved existing ones.

Ecology returned to self-build lending in spring 2025, after temporarily pausing in late 2024 to adhere to regulatory agreed limits; as 2025 progressed we added a new self-build product and were shortlisted for the title of Best Self Build Mortgage lender in the 2025 Build It awards.

Focused on supporting people wanting to live more sustainably, we launched our Eco Home mortgage for owners and purchasers of energy efficient properties. We added more choice for borrowers wanting to cut their home's carbon footprint, with a second renovation mortgage for green home improvements, complementing our existing product for more extensive renovation projects.

Two further new mortgages indicated the importance Ecology places on helping under-served sectors and diversity of tenures and property types in the housing market. Our Community Living mortgage is designed for purchasers of homes in cohousing schemes, alongside our lending to facilitate creation of these intentional communities. These projects tend to have purchaser waiting lists, indicating an unmet need, and we believe there's greater scope for more cohousing in the UK.

Housing affordability remains a concern and challenge for many – Ecology already offered a shared ownership mortgage, which we improved in 2025, and in the summer we launched our Affordable Local Homes product. This supports purchasers of Discounted Market Sale (DMS) Homes, a category covering various affordable housing schemes intended to help more people onto the property ladder.

DMS Homes are discounted in perpetuity and subject to conditions which give local residents priority as purchasers, so they can stay in their area instead of being forced to move away

because of high property prices. DMS restrictions deter many lenders and when we commissioned independent YouGov research into the scheme, we found fewer than one in 10 of those surveyed knew about DMS, even though it could help them buy a home.

We wrote to the Minister responsible for affordable housing to flag the poor public awareness of DMS and have since been in touch with the Ministry of Housing, Communities and Local Government to share the YouGov findings.

Being part of public conversations – and sharing our knowledge and experience – about issues concerning Ecology Members is one way we can lend our power to drive positive change on their behalf.

We also wrote to Steve Reed MP, on his appointment as Housing Secretary, about the housing crisis and the Government's pledge for 1.5m new homes during this Parliament. We endorsed off-site construction as a means to speed up building high-standard, energy-efficient homes at scale with less waste.

Adding our voice to sector and peer campaigns is another way to influence issues which matter to our Members.

Ahead of the Budget, Ecology signed an open letter to the Government in support of protecting funding for the Warmer Homes Plan, opposing proposed cuts to grants for making homes energy efficient. We also signed a Building Societies Association letter to the Chancellor, to protect Cash ISAs and the annual allowance.

Strong inflows into our Cash ISA helped us to grow total savings balances in 2025. We will be launching new savings products in 2026 once our new core banking platform and other digital enhancements are in place. This will include our new App, as well as fixed rate products for the first time.

Ahead of these major changes, we continued to improve our service and processes, especially how we support vulnerable customers. Vulnerability can affect any of us at any time so making our service as simple and straightforward as possible helps all our Members.

Money from our savings Members is essential in enabling our impact-led lending and we've worked hard to keep our savings rates as high as possible for as long as possible. This was in the face of the Bank of England reducing Bank Base Rate four times during 2025.

When we've had to make changes to savings rates, we've moderated these as far as we've been able and not passed on the full Base Rate reductions where possible.

Like all building societies, we have to attract new Members to be able to thrive and grow as a strong, sustainable and financially-secure mutual. Unlike other societies, as a triple bottom line business we also pursue growth and profitability so we can deliver greater impact, socially and environmentally, in line with our mission.

Work throughout 2025 laid the foundations for Ecology's rebrand, which goes live in 2026, more than 20 years after our brand was last updated, and refreshes our identity aligned with our Purpose. We hope the new look and feel will help us attract new and different customer groups, who want to support the Society's cause and broaden our impact through future growth.

Another project coming to fruition in 2026 after months of effort behind the scenes is our first-ever branch in Porth, South Wales. Opening this pioneer branch aims to show the way in restoring essential financial services to communities abandoned by the big High Street banks.

We'll be holding our 2026 AGM in Porth, at 4pm on 22 April, and look forward to seeing and hearing from as many Members as possible. It's an opportunity for Members to visit our new premises, and meet the Board, Ecology colleagues, and each other.

Our Members are integral to who we are as a business and we were pleased to welcome them in person to our 2025 AGM at Silsden Town Hall in April. Voting turnout was 8.71% (2024: 10.93%).

As well as the AGM, last year we hosted a Member Meet-up in London and a further focus group of invited borrowing Members in London, during research to inform our affordable housing lending. Planned contact with Members in person and online in 2026 will continue to shape our priorities and business direction, including our impact appetite as part of our strategic planning.

To keep Members informed, our regular Round-up newsletter is supplemented by additional email updates on key milestones. We're also conducting more Member surveys to seek feedback our products, service and customer experience during this time of change for the Society.

Our impact model



Building birdboxes, just one of the tasks tackled by colleagues in our Head Office garden

People – Colleagues

People are what make Ecology what it is – our Members and, of course, our colleagues.

While 2025 was a challenging year as we navigated digital transformation, our colleagues' continued energy, their trust, belief, passion and commitment have been vital to our success.

Having restated our Purpose in 2024, during 2025 we refreshed how this was reflected internally across our workforce

and how we operate, with individual teams defining their collective purpose.

We focused on how colleagues can live our behaviours, which complement their individual and team objectives. This helps colleagues to better understand how every one of them contributes to successfully achieving the Society's aims, all the time delivering great service for our Members and a positive impact on the planet.

We refined our process for welcoming new recruits and contractors and inducting them into our collaborative, supportive community, clarifying ways of working and embedding new processes for strategic planning.

This has been especially valuable during the ongoing digital and business transformation projects, among a number of major initiatives which rely on close collaboration between multiple teams across the Society.

Modernising the Society has been a significant investment for a mutual our size; this includes ensuring we have the right skills in place for us to meet our future growth ambitions. We've improved our leadership efforts, to ensure colleagues feel support and benefit from 1-2-1 meetings with their managers, to monitor their progress and enable them to fulfil their potential.

We simplified our colleague benefits and reward schemes and redesigned bonus incentives in recognition of our people's efforts and achievements.

Quarterly recognition awards celebrate how individuals and teams go further to help each other as well as deliver exceptional service to our Members. These are nominated by their peers.

Good communication internally remains essential to a well-functioning business with a hybrid working pattern. Colleagues gather for weekly Team Time sessions, and quarterly for more in-depth Town Hall meetings held off-site.

Regular colleague surveys track sentiment and feedback so we can monitor progress and areas needing focus on improvement. The survey process is followed up with briefings on actions, showing how we respond to colleagues' feedback to drive change.

Exhibiting the behaviour of owning their impact, colleagues lead internal committees for social and fundraising activities, as well as environmental initiatives to inform and empower all our people to live more sustainably in and out of the workplace.

Colleagues have been supportive of initiatives to further reduce our waste at Head Office, including enhanced recycling and composting facilities. They also enjoy the permaculture garden at the office, tending and harvesting the fruit and vegetables and helping to create and care for wildlife habitats.

Our impact model



We retained our Investors in the Environment (iE) Green accreditation and were named Natural Environment Champion at iE's 2025 awards, also shortlisted in the Overall Outstanding Achiever category for resource efficiency and engaging colleagues in impactful projects.

People – Communities and partners

Ecology is known for its specialist knowledge and experience as a purpose-led business supporting greener homes and sustainable community projects.

Since our creation in 1981 we've built strong working relationships with peers and professional partners extending far beyond a business our size.

Among our industry commitments, Ecology is an active member of the Building Societies Association, supporting its efforts to encourage more of our mutual peers into specialised and under-served markets we lend in, such as community-led housing.

We remain members of professional networks and trade bodies which are key operators in the custom and self-build sector and community projects for social gain, as well as national and global associations advocating for sustainable finance and responsible business.

In 2025 we launched two new partnerships, with sustainable construction business Hemsplan and Retrogreen, an independent retrofit advice service.

During the year, colleagues – including our Chair, Louise Pryor – represented Ecology at national events, giving presentations about our work and appearing on panels to debate climate risk and sustainability topics.

We secured a perfect “Ethicscore” for Best Buy Mortgages and Savings accounts from Ethical Consumer, and again sponsored the magazine’s annual Climate Gap Report. We attended Ethical Consumer’s London conference as well as the inaugural Northern Way housing conference in Leeds for community-led housing providers.

One professional community we significantly built during 2025 was with mortgage brokers and financial advisors. They’re a vital way for us to reach more borrowers and expand the positive impact our lending can achieve, so investment in our people and systems included improving our services for them.

Brokers can submit and progress mortgage applications on our new digital mortgage platform, and we refreshed our website to make it easier for them to use. Investing in service, we boosted our specialist mortgage team, appointing two new full-time Business Development Managers, who support brokers with their cases.

By the end of 2025, we’d joined six national broker networks and mortgage clubs, putting Ecology’s range of products in front of tens of thousands of brokers advising customers across the UK. We will be joining more broker panels during 2026.

Closer to home, we’re proud of our West Yorkshire roots and have raised our profile around our home village of Silsden. We welcomed visitors to our permaculture garden during two village open weekends and have supported local community events.

As Silsden continues to grow, more businesses and homes close to our Head Office created the need for a defibrillator in this area. Silsden Town Council provided the defibrillator and we were happy to offer a prominent public site for it at our office and pay for its fitting.

We hosted Robbie Moore, our constituency MP, to discuss challenges in managing commercial waste as we continue to reduce our own waste and explore ways to share our knowledge with neighbouring businesses.

Our impact model

Planet

As a responsible business, Ecology remains committed to tackling the climate emergency through how we operate as well as the impact we can deliver through our products.

Having declared a Climate and Ecological Emergency in 2019, we published our first climate and ecological emergency plan. This evolved into our Net Zero Transition Plan, which we published last year – you can read the full plan on our website.

The plan sets out expected climate change impacts which will influence Ecology in the short, medium and long term and actions we are taking to manage the risks, as well as the opportunities we are taking to accelerate the transition to a low-carbon future.

You can read more about how we manage climate risks in the Net Zero Transition Plan on our website.

Since our formation, Ecology has been a triple bottom line business. That means we measure our success as a business against what we achieve in three areas – people, planet and profit.

The triple bottom line model aims to create long-term value, offer clear accountability and support sustainability.

Following these principles, we measure the environmental and social impact of our activity as a business, as well as financial performance, under these three headings:

– **People:** through how we do business we demonstrate our responsibility to our Members (customers), our colleagues and third parties we work with, and we measure the social impact we achieve.

– **Planet:** this means our impact on the environment is embedded in our business strategy, not bolted on as an afterthought. Beyond our direct consumption of resources and how we manage waste, we seek to support our Members in reducing their carbon emissions too.

Turn to page 28 to read about how we've been managing and reducing Ecology's environmental impact.

– **Profit:** this includes reporting on overall financial performance but goes further to include elements such as job creation and paying our employees a fair wage. That said, delivering the right level of profit is important for building societies as it's the main way mutuals can build their financial strength to thrive long term and better serve and grow their membership.

Our Summary Financial Statements are on pages 38 and 39 of this Annual Review.

Grounded in
sustainability and
shaped by a brighter
future, we're a building
society powered by
stories that drive
positive change.



Case study: Number 23 retrofit renovation



Number 23, an award-winning whole-house riverside retrofit to create a fossil fuel-free home

This award-winning whole-house retrofit and refurbishment was made possible through an Ecology Renovation Mortgage.

The three-bed 1960s bungalow was transformed from a hard-to-heat, oil-fired dwelling into a fossil-fuel-free home with natural ventilation and exceptionally high indoor air quality.

On the north bank of the River Glen, the building was once a shipwright workshop, repairing fishing vessels in the off-season. After extensions in the 1970s and 1980s, it eventually became a home.

Its advanced building performance offers a national retrofit benchmark which is low tech, cost-effective and replicable.

Using passive solar design techniques, there are no gas or oil central heating systems, no ground or air source heat pumps, no MVRH (mechanical

ventilation with heat recovery) and no mechanical ventilation. Without mechanical equipment for heating and ventilation, there is no maintenance, servicing nor future capital replacement costs.

The retrofit included renewables, energy storage facilities and significant fabric upgrade.

In addition to rewiring and replumbing the entire building, ceilings and internal and external walls were insulated, and all windows were replaced with triple glazing.

Creating a healthy home was a priority, selecting materials with low volatile organic compounds (VOCs), such as timber skirting and architraves rather than MDF, solid oak floorboards rather than chipboard, and low VOC paint.

“

Ecology is a business you can talk to

You're able to pick up the phone and talk to a human being. You're not treated like a number and that's becoming rarer and rarer, particularly in the finance sector.

Ecology Member Dr Jerry Harrall,
independent architecture, planning
and development consultant

”

Case study: Project Home Housing Co-operative



Members of the Project Home Co-operative

Project Home is a fully mutual housing co-operative run by its nine members.

Frustrated by the rental market in Bristol, they decided to work together to find an affordable housing solution as a collective. After setting up their co-operative, they began the search for a suitable property.

With help from an Ecology mortgage, they bought The Brook, a 250-year-old Welsh longhouse in the Wye Valley.

When they moved in, in February 2025, the house was habitable but needed upgrading.

With a 12-month plan to fully retrofit, they managed to get the work completed in six, taking care of the building's fabric and retaining the original character and features of the property.

An air source heat pump and new radiators replaced the old heating system and oil boiler. With insulation inside all external walls and PV panels on the roof, the group has transformed The Brook's EPC G rating to a C, only one point short of a B rating.

Next the cohousing group has plans to install battery

storage, and add extensions to provide extra private living space, to be built using locally-available, natural materials.

Having developed knowledge and skills around finance and planning to successfully create their home, they're able to share that expertise with other co-operatives.



The Brook, a Welsh longhouse in the Wye Valley

“

Ecology are so experienced, they asked us all the right questions

We really want to see this model grow – for those people a co-operative suits, it's so important that this choice should be available.

Adam Rich, Project Manager for Project Home and co-operative consultant

”

Tackling Climate Change

More than 40 years after Ecology was founded in response to mounting environmental degradation and the excesses of consumerism, the challenges facing society have become even more complex and interconnected. Climate change, ecological collapse, widening social inequality and geopolitical instability continue to shape the context in which we operate and reinforce the importance of our mission.

In 2024 we published our Net Zero Transition Plan (NZTP), available on our website www.ecology.co.uk/corporate-information.

The plan sets out how we intend to deliver meaningful environmental and social impact throughout this decisive decade and how our business model will evolve to support the transition to a low carbon economy.

Our commitment to net zero remains unchanged. It is core to our purpose and embedded in the long term direction of the Society. However, a number of external factors have influenced the velocity of our progress. UK grid decarbonisation has been slower than anticipated, and the evolving political

and policy landscape has created uncertainty around the timing and delivery of some system wide changes. As a result, we have not been able to progress all elements of our NZTP at the pace originally intended.

In response, 2025 was a year of focus on what we can control, recognising that incremental, well targeted changes can collectively deliver meaningful reductions in our carbon footprint.

During the year, we improved the energy efficiency of our premises, eliminated fossil fuelled water heating, advanced initiatives to reduce waste, and supported the increased use of electric vehicles. Further details of these actions are set out below.

We also strengthened our approach to emissions measurement and insight. We onboarded a new provider, Cotality, to calculate our financed emissions. This partnership has enabled us to enhance the robustness of our methodology, better understand the key drivers of emissions within our portfolio, and adopt improved visual reporting tools. These enhancements will support more informed

discussion and decision making across Ecology as we move into 2026. Importantly, they also position us to begin monitoring and reporting emissions more frequently than on an annual basis, supporting a more responsive and effective transition to net zero.

Alongside our environmental commitments, we have continued to evolve our product offering with a deliberate focus on underserved communities, strengthening our contribution to positive social outcomes and reinforcing the link between climate action and social justice.

Our business model continues to evolve to ensure we can innovate, reach more people, and remain true to our ecological purpose. This evolution will play a critical role in underpinning our future net zero commitments and ensuring that Ecology remains resilient, relevant and impactful in a rapidly changing world.

What we delivered in 2025

In 2025 we continued to reduce the environmental impact of our operations, despite a year of wider organisational transformation. Through targeted investment, practical operational changes and strong colleague commitment, we strengthened our leadership in real world sustainability.

Decarbonising heat and hot water: We eliminated gas fired hot water heating and introduced efficient electric point of use systems powered by onsite solar PV and renewable electricity, making our hot water system fully fossil fuel free.

Reducing and preparing to eliminate gas use: Gas consumption continued to decline and usage has reduced from 3,310 units in 2021 to 1,769 units in 2025.

Improving energy efficiency: Electricity use at Head Office fell further, supported by several small but effective actions, including:

- replacing the standalone water boiler with a fridge integrated filter
- reducing hot water tap operating hours
- lowering ventilation and extractor speeds
- adjusting thermostat settings in low occupancy areas

These incremental changes demonstrate the cumulative impact of everyday efficiency measures.

Supporting electric vehicle adoption: We continued offering free EV charging for colleagues and visitors. Demand rose to 18,174 kWh (2024: 15,138 kWh), reflecting growing EV use and limited local infrastructure. Our solar PV system generated the equivalent of 74% of total charging demand, supporting low carbon transport.

Cutting waste and increasing recycling: Colleagues played a vital role in transforming how we manage waste during 2025:

- 50% reduction in total waste volumes
- Over 75% reduction in non recyclable waste
- Recycling rates increased from 55% to 79%

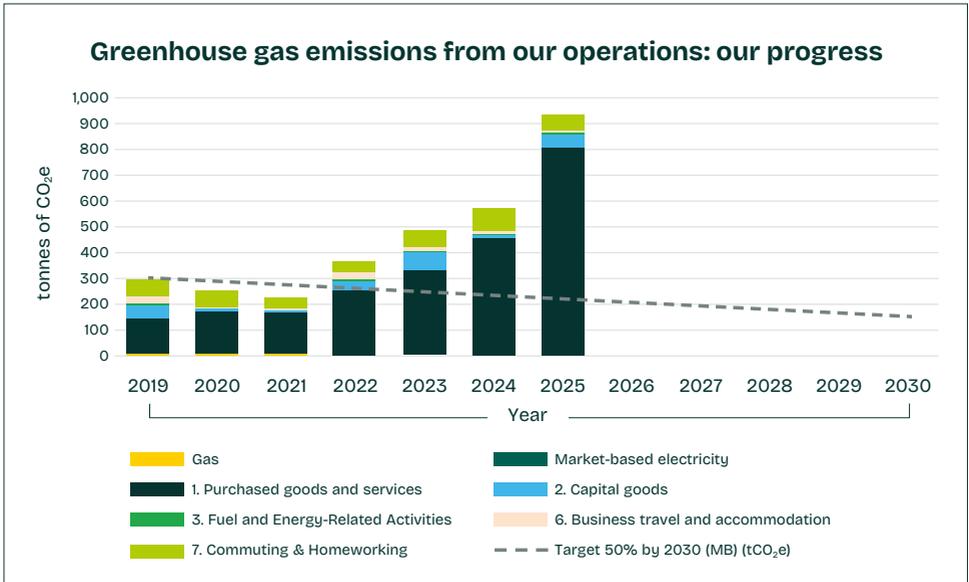
- Confidential paper waste reduced by 73%, all paper waste is recycled
- Reduced waste collection frequencies and bin sizes, avoiding 17 lorry journeys compared to 2024 and cutting black bin liner usage by 90%
- Onsite composting avoided an estimated 26 lorry collections during the year and has converted c540 litres of food waste into compost which we use onsite

We also introduced an onsite refill shop for closed loop cleaning products (avoiding 127 single use bottles), removed single use plastic bottles from office cleaning, adopted plastic free sanitary waste collection and sustainable period products, and donated surplus stationery to The Gambian Schools Trust. These actions reflect a growing culture of thoughtful consumption and community benefit.

To see how we're shaping a more sustainable future, you can discover our 2026 plans in our Annual Report and Accounts, available on our website.

Our 2025 Emissions

Our Operations



Targets:

- 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.

Although planning delays prevented us from achieving zero emissions from heating and electricity in 2025, we continued to make progress. Head Office emissions fell by 1% compared with 2024 and are now 60% lower

than in 2019. In 2025, 71% of our electricity came from onsite solar PV, up from 20% in 2024.

Total operational emissions increased to 926 tCO₂e as a result of supplier related emissions associated with our digital transformation programme. Supplier emissions rose by 79% compared with 2024. Capital emissions also increased due to the redevelopment of our new Porth branch, although this project is designed for long term sustainability through improved insulation, responsible material choices and solar generation.

Looking ahead: We continue to operate a hybrid working model and therefore report emissions from home working and commuting. As we continue to invest in business transformation and grow our team, we anticipate that emissions associated with suppliers and colleagues will remain elevated, but we remain committed to focusing on areas where we can have the greatest influence. Installing our new heat pump system in 2026 will be a major milestone, enabling us to transition our Head Office to net zero operations.

To mitigate unavoidable emissions, we purchase accredited carbon credits and support UK tree planting schemes that contribute to long term carbon absorption and wider environmental benefits.

Our Lending Emissions

Target

- We aim to halve greenhouse gas emissions associated with our lending by 2030 and to achieve net zero greenhouse gas emissions from our lending by 2050 or sooner.

Financed emissions reflect the greenhouse gases produced from energy use in the homes we finance and are measured using a physical intensity metric (kgCO₂e/m²).

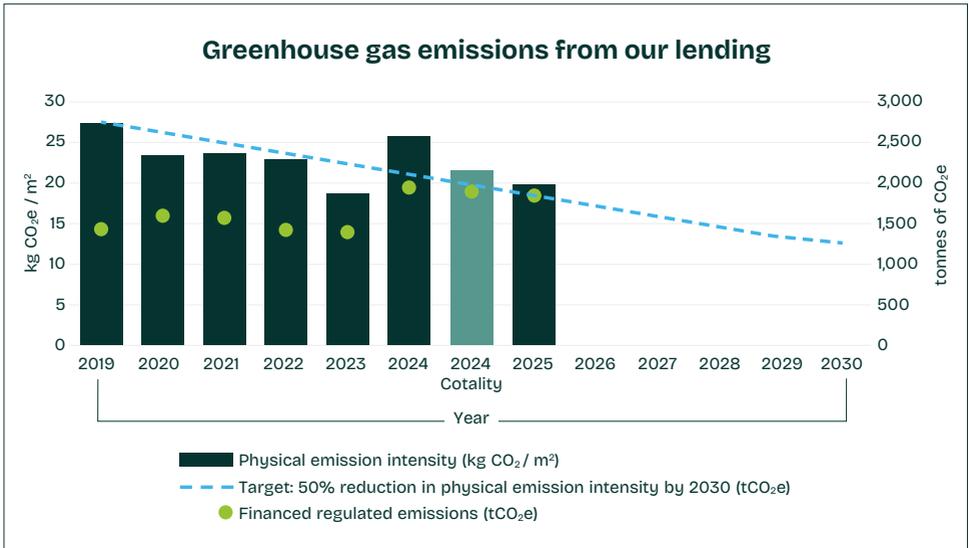
In 2025:

- Physical intensity improved to **19.7 kgCO₂e/m²** (2024: 25.6 kgCO₂e/m²).
- Absolute financed regulated emissions decreased by 5.6% to 1,840 tCO₂e.

The reduction in absolute financed emissions reflects two main factors:

1) Methodological improvements introduced during the year following the onboarding of Cotality as our financed emissions provider. To support transparency, we have illustrated the comparative position had the updated methodology been applied in 2024. On this basis, financed regulated emissions in 2024 would have been 1,878 tCO₂e, implying a like for like reduction of approximately 2% in 2025.

2) Lower mortgage lending volumes during the year, as the Society moderated new lending while undertaking our digital transformation.



Looking ahead: Around 80% of the homes that will exist in 2050 already exist today, making the retrofit and improvement of existing buildings critical to the transition to a low carbon economy. Our purpose and social ambition mean that we continue to support lending in underserved areas, including to properties with lower energy efficiency where retrofit is most needed.

While this approach is essential to delivering meaningful emissions reductions over the long term, it may result in financed emissions remaining broadly stable or increasing in the short term as lending to lower efficiency homes grows. We believe this reflects a responsible and impact led approach to the transition.

Our partnership with Cotality will enable us to track improvements within individual properties more effectively over time and to better evidence the impact of energy efficiency upgrades and retrofit activity. This enhanced insight will support clearer reporting of progress and more informed decision making as we continue to advance towards our net zero ambition.



Our head office in Silsden illustrates how we live our values as a triple bottom line business

We embed sustainability
into our culture, our
operations, and our
everyday decisions-
because real change
begins at home.



2025 Directors' Remuneration Report

Introduction from the Chair of Remuneration Committee

I am pleased to present this year's Remuneration Committee report, which includes a summary of our remuneration approach.

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 three occasions in 2025 and the terms of reference are published on the Society's website at <https://www.ecology.co.uk/corporate-information/>

Material Changes in 2025

As reported last year, the Chief Executive Officer, Chair and Non-Executive Directors elected to forgo their annual cost-of-living increase for 2025. This decision reflected their commitment to the long-term sustainability of the Society and responsible stewardship, particularly in light of the significant investment in technology and wider business modernisation expected to result in a temporary loss. Although they did not receive a standard cost-of-living uplift, although they did receive remuneration for additional days worked during the year. In practice, elements of investment in technology will now fall into 2026.

Perhaps counter-intuitively, despite this the remuneration tables show some increases. The CEO's remuneration reflects the full year impact of his 2024 increase.

Similarly, whilst the daily rate of Board Members remained unchanged, the actual number of days expected of them can and does change to meet the needs of the organisation. As such, in 2025, all NEDs were paid an extra day due to additional oversight of the digital transformation.

The performance-related reward scheme for Senior Management Function holders (a regulatory term, but in effect the leadership team) was suspended in 2025. This was an important decision, designed to ensure we remain focused on the right priorities – delivering a successful transformation for our Members.

All colleagues have worked tirelessly to ensure we are well prepared for our technological transformation in 2026. We have recognised this contribution, through an additional, one-off payment of £1,000 to all colleagues employed at 30 September 2025, irrespective of grade, role or hours worked.

Pay Range*	Men	Women	Variance
£0 – £24,999	£23,223	£22,994	£229 in favour of men
£25,000 – £49,999	£34,871	£36,875	£2,005 in favour of women
£50,000 – £74,999	£62,443	£62,369	£74 in favour of men

*Based on December 2025 payroll

Total Reward Multiple

Last year we announced the change from reporting salary multiple to 'total reward multiple'. This responds to a wider industry practice of reporting low salary multiples, whilst increasing the variable remuneration of executive leadership teams.

The Society's 'total reward multiple' was 6.9:1 for the year ended 31 December 2025.

The ratio highlights the relationship between the highest paid colleague (Chief Executive Officer) and entry level salaries, typically the lowest paid. This represents a decrease in the difference on the 7.4:1 reported in 2024.

For the avoidance of doubt, total reward includes basic salary, performance-related rewards plus pension contributions.

Gender Pay Reporting

The increased granularity of our gender pay gap reporting was well received by Members and we will continue to report at this level. As in 2024, to aid transparency, the gap is presented by salary band, albeit excluding the executive team. Executive salaries are presented elsewhere in this section of the Annual Report & Accounts.

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.
	Performance-related pay (SMF) (Suspended)	Senior Management Function (SMF) roles, which includes Executive Directors, would normally benefit from an additional element of performance-related reward. 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. This scheme was suspended in 2025.

Consistent with our 2024 reporting, (1) salary bands are grouped to protect the privacy of individual colleagues, and (2) apprentices have been excluded because they sit outside the main salary scale. For the avoidance of doubt, Ecology pays apprentices at an enhanced rate compared with the Government published rates.

Ethnicity Pay Reporting

In 2024, we committed to introducing ethnicity pay reporting. Introducing the

same level of granularity used for gender pay reporting has been challenging in context of an organisation of less than 80 colleagues. For the information to be meaningful, we would compromise our commitment not to identify individuals.

For the avoidance of doubt, the Society remains committed to the principles of equality and fairness. Members should be reassured that our use of independent benchmarking

is used to ensure all roles are rewarded fairly, irrespective of gender, ethnicity or beliefs.

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' remuneration

Non-Executive Directors	Days Paid 2025	Paid 2025 £	Paid 2024 £
Louise Pryor	56.5 days	28,279	26,784
Andrew Gold (to April 2025)	14 days	5,566	20,079
Jaedon Green	45.5 days	22,807	21,523
Kerry Mashford (to April 2024)	–	–	5,496
Vincent Smith (to April 2024)	–	–	5,721
Giovanni D'Alessio	38.5 days	17,449	16,071
Kellie Hargraves (from April 2024)	38.5 days	18,013	13,357
Sameera Khaliq (from April 2024)	38.5 days	17,449	12,434*
Andy Mulligan (from April 2024)	44.5 days	20,420	12,434
	–	–	–
Non-Executive Directors' remuneration		129,983	133,899

*The 2024 indicative vote to elect had been declared invalid, as clause 13(1)(d) of the Society's rules was not fulfilled at the time of election, therefore the 2024 payment was agreed as an attendance allowance rather than as a fee payable to Non-Executive Directors within the 2024 disclosure.

Note, the amounts paid to Non-Executive Directors in the table have been subject to external audit review.

Executive Directors' Remuneration

The table below outlines the total reward for Executive Directors.

Executive Directors: Total Reward

Role	Base Salary £	Other related pay £	Car Allowance £	Pension 8%	2025 Total £	2024 Total £
Chief Executive Officer	159,743	1,000	6,000	12,712	179,455	175,003
Chief Financial Officer (to August 2025)	99,944	72,654	3,500	6,696	182,794	156,720

Note, the amounts detailed in the table have been subject to external audit review.

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.

Payment for loss of office

Chris White left his position as the Society's Chief Financial Officer on 7 August 2025. In line with his contractual arrangements, he received pay in lieu of his contractual notice period amounting to £36,327 and compensation for loss of office of £36,327.

Looking ahead

Looking ahead to 2026, 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.

In keeping with our ethical values of fairness, we expect to undertake a routine benchmarking of all roles and responsibilities. This will ensure we continue to reward colleagues fairly, whilst also supporting our ability to recruit and retain talent.

The performance-related pay of Senior Management Function (SMF) holders will remain suspended throughout 2026.

This decision ensures we continue to focus on the right strategic priorities – delivering a successful transformation for our Members.

Over recent years there has been a steady increase in the number of days required for our Chair and Non-Executive Directors to discharge their regulatory responsibilities. Whilst we have historically paid a day rate, we propose to move to non-pensionable salary. This approach is consistent with the wider industry and effectively caps annual Board costs.

Finally, the Remuneration Committee recommends Members vote to accept the 2025 Directors' Remuneration Report, whilst thanking all colleagues for their contribution.

Jaedon Green

Chair of Remuneration Committee 17 March 2026

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 2026.

Summary Directors' Report

The Business review for 2025 is detailed on page 12.

Summary financial statement for the year ended 31 December 2025

	2025 £000	2024 £000
Results for the year		
Net interest income	8,795	7,908
Other income and charges	2	3
Administration expenses	(8,271)	(7,558)
Provisions for impairment (charge) on loans and advances	39	218
Provisions for impairment (charge) on investments	(51)	(126)
Provisions for impairments of intangible assets	(96)	–
Profit before taxation	418	445
Tax expense	(112)	(121)
Total comprehensive income for the year	306	324
Financial position at end of year		
Assets		
Liquid assets	107,913	83,425
Mortgages	233,867	250,342
Fixed and other assets	6,152	2,942
Total assets	347,932	336,709
Liabilities		
Shares	316,898	307,085
Amounts to other credit institutions	–	1,018
Borrowings	8,264	9,296
Other liabilities	1,200	1,451
Reserves	21,570	17,859
Total liabilities	347,932	336,709

Approved by the Board of Directors on 17 March 2026 and signed on its behalf by:

Louise Pryor
Chair

Gareth Griffiths
Director and Chief Executive

Nigel Turner
Finance Director

Summary of key financial ratios

	2025 %	2024 %
Gross capital as a percentage of shares and borrowings	6.63	5.63
Liquid assets as a percentage of shares and borrowings	33.19	26.28
Profit for the year as a percentage of mean total assets	0.09	0.10
Management expenses as a percentage of mean total assets	2.42	2.34

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 2025 and 2024 total assets.



Porth in South Wales – home to Ecology's first-ever branch © Rhondda Cynon Taf Council

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

Opinion on the summary financial statements

On the basis of the work performed, as described below, in our opinion the Summary Financial Statements are consistent with the full Annual Accounts, the Annual Business Statement and the Directors' Report of the Society for the year ended 31 December 2025 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 Statements of Ecology Building Society ('the Society') for the year ended 31 December 2025 which comprise 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 Statements consisted primarily of:

- Agreeing the amounts and disclosures included in the Summary Financial Statements 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 2025, including consideration of whether, in our opinion, the information in the Summary Financial Statements 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 Statements are 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 2025.

We also read the Other Information contained in the Annual Review 2025 and consider the implications for our statement if we become aware of any apparent misstatements or material inconsistencies with the Summary Financial Statements.

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 Directors' Report.

Directors' Responsibilities

The directors are responsible for preparing the Summary Financial Statements within the Annual Review 2025 in accordance with applicable United Kingdom law, including the Building Societies Act 1986.

Auditor's Responsibilities

Our responsibility is to report to you our opinion on the consistency of the Summary Financial Statements within the Annual Review 2025 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

17 March 2026

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.	Liquid assets: Cash, or assets that can be converted into cash (such as bonds).
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.	Liquidity: The availability of liquid assets to Ecology.
Assets: Something belonging to the business that has value. For Ecology, this means liquid assets, mortgage assets and fixed assets.	Management expenses: Administrative expenses, plus depreciation.
Capital: Profit retained by Ecology to act as a buffer against losses and instruments that qualify as capital, such as Core Capital Deferred Shares.	Management Expenses Ratio: The proportion of management expenses to the average of total assets during the year.
Counterparties: The banks, building societies and money market funds that hold Ecology's liquid assets.	Mortgage assets: The value of mortgage loans, less provisions.
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.	Net lending: New advances made in the year, less redemptions.
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.	Net profit: Profit, less tax.
Forbearance: A special agreement between a lender and a borrower which aims to prevent repossession.	Provisions: Money set aside to cover potential losses on loans.
Gross capital: Reserves and Core Capital Deferred Shares.	Redemptions: When borrowers pay back their mortgage loan.
Gross Capital Ratio: Gross capital as a percentage of shares and borrowing.	Reserves: For Ecology, this is accumulated retained profits.
Gross lending: New advances made in the year.	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.
Inflow: The flow of money into the Society from savers' deposits and mortgage repayments.	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.
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.	Write-back: When the value of a provision is subsequently restored ('written back') to the balance sheet.

What our Members say

“

I have had an account with Ecology Building Society since they opened in 1981. They deserve to be much more widely known.

”

“

I approached Ecology nine years ago for a mortgage to build a straw bale house. I love the fact they support people like me to build their dreams in a green and natural way.

”

“

With care of the environment as its purpose and practice on many domestic initiatives, a Building Society that gives savers assurance for the long-term.

”

“

I've been saving With Ecology Building Society for 40 years. I really like that they were 'green' before it was trendy and haven't watered down their values.

”

“

They make things easy to understand in plain English and are easy to talk to and very helpful. I love their ecological perspective.

”

“

This company is a true representation of how businesses should endeavour to help people to look after the planet.

”

All comments submitted to Smart Money People by Members in 2025.



Rated 'Excellent' on
Trustpilot

We're an Ethical
Consumer Best
Buy for Savings
& Mortgages





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 mortgages@ecology.co.uk

 EcologyBS

 [ecology-building-society](https://www.linkedin.com/company/ecology-building-society)

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Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

Financial Services Register No. 162090