

Sustainability Report

Doing the right thing for our customers, colleagues, communities and the planet.

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Just Transition

We are committed to environmental stewardship, supporting the transition to a low carbon economy, and achieving net zero across our value chain by 2050¹.

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People

We are committed to having a positive human and social impact on the lives of the customers, colleagues and communities we work with.

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Stewardship

We are committed to operating responsibly, ethically and transparently, delivering sustainable value to all our stakeholders.

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For further information see supporting ESG disclosures on our website.

[Climate Transition Plan 2024](#)

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1. Ambition includes Scope 1 and 2 emissions, relevant Scope 3 categories including category 15 – investments.

Sustainability Report continued

Introduction

We furthered our commitment to helping customers, colleagues and communities prosper through deeper integration of ESG into our business operations.

As a specialist mortgage lender focused on the UK Private Rented Sector (PRS), we recognise the vital role we play in supporting landlords to prosper and, through the homes they provide to tenants, to fulfil the needs of a dynamic and evolving society. Supporting landlords to improve housing standards, empowering tenants through better living conditions, and driving sustainable practices across the sector reflects our understanding that long-term success depends on balancing economic growth, social responsibility, and environmental stewardship. The OSB Group Landlord Leaders Community continues to unite those with influence to help drive positive change and deliver collective progress see [page 75](#).

In April, we published our inaugural Climate Transition Plan, outlining our ambitions, targets, and the steps we are taking to address the challenges of climate change.

We made progress in reducing direct emissions¹ by 41% versus 2023, achieved through investment and proactive estate management. Reducing financed emissions remains a challenge, with progress dependant on government policy, customer appetite, and technological advancements, although an improvement was seen in the number of properties with an EPC of C or better. Despite these hurdles, we focused on data quality and information availability to support our strategy to help customers transition to energy-efficient, low-emissions buildings.

The Group continued to establish itself as a great place to work by fostering a culture of diversity, equity, and inclusion. We launched initiatives to enhance education and awareness on DE&I topics, extended career development programmes for women to include entry-level management and introduced supplementary policies such as our Sexual Harassment policy. Employee wellbeing was a key focus, with the introduction of enhanced benefits, including menopause support. These efforts contributed to improvements in employee engagement survey results. Notably, the proportion of female colleagues in senior roles increased to 36% (2023: 33%).

Our Employee Engagement Networks (Our Diversity, Our Planet and Our Community) continued to deliver colleague and community engagement and capacity building opportunities and impact across the Group in areas important to our diverse workforce in both the UK and India.

This Sustainability Report outlines how we progressed in 2024 embedding environmental, social, and governance (ESG) principles into our business.

1. Defined as Scope 1 and Scope 2 emissions calculated using market-based methodology.

Just Transition



42.8%

EPC rating of C or better
2023: 41%



41%

reduction in direct emissions (Scope 1 and 2)
2023: 12% increase



100%

of electricity from renewable sources (UK)
2023: 99%

Stewardship



36%

of women in senior management
2023: 33%



45th

of top 100 large companies in Best Companies Survey
2023: 60th



7,038

volunteering hours undertaken
2023: 4,998

People



60%

of UK employees engaged in community activities
2023: 46%



£394k

total benefit to charities and community organisations
2023: £288k



8th

consecutive year OSB India confirmed as a Great Place to Work

Greenhouse gas emissions



101.83 tCO_{2e}

Scope 1
2023: 171.44



0.00 tCO_{2e}

Scope 2 (market-based)
2023: 1.39



294,137 tCO_{2e}

Scope 3 Financed emissions
2023: 314,413

Sustainability Report continued

ESG Strategic Pillars

Through our annual materiality assessment we identify, assess and respond to the ESG topics most important to our stakeholders.

The topics that matter most are embodied in our strategic pillars and commitments. In 2024, our assessment included a mapping of our ambitions, commitments and targets to the United Nations Sustainable Development Goals (SDGs) as an important reference point for our activities and impact.¹

ESG Strategic Pillars

Just Transition

Establish our ambitions

A fair and equitable transition to a low-carbon economy

People

Delivering on the needs of people now and into the future

Stewardship

Acting responsibly to deliver sustainable value

Identified UN SDGs



Supported by our Strategic Commitments

Customers

The Group's approach will be appropriately inclusive for our customer base, ensuring that the social mobility of our customer base is not compromised through our products or decisions. Thought leadership, education, awareness and products that enable, incentivise and reward our customers to embrace the transition to a low-carbon housing economy will be provided.

Colleagues

We will retain, recruit and train the best talent, enabling all employees to maximise their ambition and seek to embed a diverse, inclusive and equitable culture the Group is proud of; ensuring appropriate ongoing internal communications which drive enthusiasm in proactively supporting the ESG agenda and helping the Group achieve its Purpose and Vision.

Communities

A strategic and coordinated programme will be defined and delivered, supporting our communities and wider social economic environment, through collaboration, partnerships and volunteering. With focus on the United Kingdom and India housing projects, propositions that play a vital role in the lending and savings activities of the Group, including supporting a strong PRS and education of the owner-occupier sector, will be developed.

Net zero

The Group's environmental ambitions and transition plan will align to the Paris Accord on climate change, achieving carbon net zero across our operational emissions by 2030 and our total emissions by 2050.

Supply chain

We will encourage and support our value and supply chain with their transition to an ESG strategy that aligns to the Group's ambitions.

1. The Sustainable Development Goals (SDGs) are a set of 17 non-legally binding global goals established by the UN for countries and governments. Mapping was based on UN Global Compact – Blueprint for Business Leadership on the SDGs. References included are indicative only and OSB Group make no representation, warranty or assurance of any kind, express or implied, or takes no responsibility or liability as to whether the areas of focus further the objective or achieves the purpose of the SDGs.

Sustainability Report continued

Landlord Leaders

At OSB Group, our dedication to sustainability extends beyond financing homes; it encompasses a deep understanding of tenants' needs, behaviours, and aspirations. Thought leadership has been a cornerstone of the Group's approach since 2022, driving research and dialogue to address a pivotal question: what actionable steps can we take to foster a truly sustainable and functional PRS?

In 2023, we launched the Landlord Leaders Community – a membership network uniting individuals and organisations committed to creating a fairer and more sustainable PRS. This initiative serves as a platform for collaboration, enabling stakeholders to share insights, exchange ideas, and drive positive change. The findings from our thought leadership initiatives aim to guide those dedicated to shaping a better future for the sector.

To complement our existing proprietary research initiatives, including Landlord Leaders and the Future Tenant Standard, the Community published its latest thought leadership report in late 2024 'Bricks to Belonging: The Psychology of Home Ownership'. This report explored the factors influencing individual's aspirations for home ownership. Notably, it identified renters' perceptions of their landlords as the fourth most significant predictor of their decision to move. To support landlords in navigating these dynamics, the Community developed the Bricks to Belonging playbook, which distils key findings, offers practical advice, and provides actionable recommendations.

Each year, the Community captures fresh insights through its Landlord Leaders questionnaire, surveying 1,000 UK landlords. The 2024 survey explored critical topics, including challenges landlords face, strategies for success, rising operational costs and the importance of relationships within the PRS value chain. Potential changes to the Minimum Energy Efficiency Standards for the PRS energy efficiency and EPC reform, topics key to both the improvement of UK housing stock and the Group's climate transition strategy, were included. These insights shape the priorities for future research, content, and events, ensuring the Community continues to deliver value while advancing its mission.

In 2024, the Community prioritised broadening representation to reflect the sector's diversity, expanding its reach through new research, digital content, and events. By year-end, membership had grown to 111 members, with over 8,500 visits to the Community's website. Responding to a dynamic landscape, the Community shared timely content on topics such as the General Election, the Budget, and the Renter's Reform Bill. It also hosted four events, including round tables and panel discussions, fostering dialogue on critical issues.

Through these initiatives, OSB Group reaffirms its commitment to supporting a sustainable PRS, contributing to a resilient and inclusive housing market for all.



Find out more on our website /
<https://landlordleaders.osb.co.uk>



Sustainability Report continued

Strategic Pillar – Just Transition

Climate Transition Plan

The Group published its inaugural [Climate Transition Plan](#) (the Plan) in 2024, reinforcing our ongoing commitment to addressing climate change within the sector. The Plan prioritises areas where we can deliver tangible value to our stakeholders, leveraging our influence, while seeking cross-sector collaboration. We remain committed to embedding climate change considerations across our business processes, ensuring a just transition that balances environmental stewardship with shared prosperity for our customers, colleagues and communities.

The five pillars of action outlined in the Plan represent a responsible and proportionate strategy, focusing on real economy decarbonisation, footprint reduction, and climate risk management. Our strategy recognises the scale and complexity of the challenge, and our dependence on external stakeholders such as customers and government.

We acknowledge further work is needed to align disclosures with guidance from the Transition Plan Taskforce. We intend to release an updated version of the Plan in 2027, following a comprehensive review of our targets. Material updates will be shared in future Annual Reports until then.

Progress summary

Since the Plan's launch in April 2024, we have made progress in advancing the priority actions that contribute towards our emissions reduction targets for direct operations (see [page 77](#)) and financed emissions (see [page 78](#)). Our approach to managing the Plan has matured with the introduction of a Climate Transition Dashboard and a gap analysis against Transition Plan Taskforce guidelines.

Our objectives	We have an ambition to reduce the carbon intensity of our mortgage lending by 25% by 2030 from a 2022 baseline	We plan to achieve net zero emissions in Scope 1 and Scope 2 by 2030¹	We plan to reduce our financed emissions to net zero by 2050		
Our pillars for action	Thought leadership, education and awareness Through research we provide thought leadership, aiming to start a conversation towards creating a fair sector for all, offering education and raising awareness of the issues faced in creating a sustainable sector	Connecting our customers Seeking ways to connect customers to the information and services they want and need, creating a positive environment for change	Transition-friendly products and services Our approach to transition products and services places priority on delivering on our customers' needs, aligned to increasing energy efficiency and reducing emissions from UK housing	Greening our offices and branches We accept responsibility for ensuring our buildings deliver on our net zero ambition and recognise that we can achieve this earlier than the emissions we finance	Continuing to embed climate thinking Further embedding climate thinking into our management processes, ensuring we have expertise where it is needed to manage risk and deliver on opportunities

1. Scope 2 calculated using Market-based methodology.

Sustainability Report continued

Strategic Pillar – Just Transition continued

Pillars of action

Below and on the following page are summaries of activities completed towards the priority actions identified in the Plan.

Reducing the emissions from our operations (Scope 1 and 2) Expected impacts are full year estimates of impact, not just those realised in 2024.

Action	Progress	Expected impact on emissions
Removal of gas from our office buildings and branches		
Fit-out of new office location in Wolverhampton and replacement of gas heating system with electric solution	Complete	-34tCO ₂ e
Removal of gas heating from a KRBS branch	Complete	-1.5tCO ₂ e
Removal of diesel generator from an office location	Complete	Unknown
Rationalisation of corporate real estate		
Fit-out of new office location in Wolverhampton with consolidation of two existing locations	Complete	-14.45tCO ₂ e
Potential exit of existing location in Chatham	Pending	
Replacement of fluorinated gases with lower Global Warming Potential (GWP) alternatives		
Continued maintenance of existing assets to limit risk of release	Ongoing	
Fit-out new office location in Wolverhampton with modern cooling technology and lower GWP	Complete	-28tCO ₂ e (potential avoided)
Continue to purchase electricity from renewable sources		
Continue to purchase electricity from REGO-backed tariffs	Complete	-387tCO ₂ e
Increased energy efficiency through employee engagement and property management		
Property services implementation of energy savings measures, following energy modelling exercises	Ongoing	Not yet calculated
Our planet – Employee network focus on energy efficiency and raising awareness	Ongoing	n/a
Developing a series of voluntary climate change training modules for employees to access	Ongoing	n/a

Sustainability Report continued

Strategic Pillar – Just Transition continued

Reduce emissions from mortgage lending (Scope 3 – category 15)

Action	2024 Priorities	Progress
Transition-friendly products and services		
Providing products and services that contribute to greater energy efficiency and/or decarbonisation – existing products	See below	See below
Providing products and services that contribute to greater energy efficiency and/or decarbonisation – new product development	Development and launch of a suite of products aligned to the Group's transition priorities	A range of product concepts supported by market research were designed in 2024 and presented to the Customer and Product Committee. Progress paused as resource was prioritised towards alternative activities in the second half of the year. The transformation programme will enable the development and implementation of transition products in the future.
Connecting our customers		
Providing accurate, reliable and actionable information to support retrofit decision-making and action	Continuing to explore solutions that provide information that customers will value and trust Continue to consider data and information requirements in new process design	Internal stakeholders met with several potential solution providers during the year maintaining awareness of market maturity and product capabilities. Additional property criteria (e.g. EPC ratings), have been considered in the requirements of the transformation programme.
Improving data – access and quality, to support the product strategy and customer journey	Continue working with third-party provider to develop solution	Transition risk project completed with a third-party data provider to benchmark transition risk and identify potential steps towards net zero. Key outcomes included: property-level insight into actions to improve energy efficiency and the costs of retrofit; data on drivers for energy efficiency; EPC profile of the OSB Group lending book versus national average by segment (e.g. Buy-to-Let, Owner-occupier); modelling of macroeconomic factors such as grid decarbonisation on the lending book.
Connecting customers to the retrofit supply-chain	Continue working with third-party provider to develop solution	Workshops took place to understand the capabilities of potential solutions with a set of OSB Group-specific use cases developed to support a proof of concept in 2025 for one potential solution.
Thought leadership, education and awareness		
Landlord Leaders Community – focused on creating a fairer and more sustainable Private Rented Sector	The community defined its mission statement in 2023, and in 2024 will look to make progress under four pillars: 1) Communication 2) Education and training 3) Collaboration 4) Positive industry perception	The Community continued to deliver member-led educational content relevant to the Private Rented Sector, placing content in the places people are looking. Topics included the psychology of home ownership, a political pulse event in advance of the General Election and the annual Landlord Leaders questionnaire.
Thought leadership – commissioned research to inform the work of the Landlord Leaders Community	Quarterly meetings were planned for 2024 including refreshed research findings to further inform the focus and work of the community	Four events took place in 2024 as planned, comprising three round table events and one panel discussion. Bricks to Belonging – The Psychology of Home Ownership was commissioned to understand what influences people's thinking when they talk about wanting to buy a home compared to wanting or needing to rent, and to understand what drives their decision-making.

Sustainability Report continued

Strategic Pillar – Just Transition continued

Thought leadership, education and awareness

The Landlord Leaders Community, convened by OSB Group, continued its growth in 2024, reaching 111 members. The Community engaged on a variety of issues, including home ownership psychology, policy landscape changes, and updated research on the evolving PRS from an ESG perspective. Our findings suggested that while landlords and tenants were increasingly interested in energy efficiency and heating decarbonisation, these were not yet prioritised.

Connecting our customers

In 2024, we explored solutions to connect customers to the retrofit journey, including workshops with internal and external technology solution stakeholders. These sessions, alongside insights gained during the year into the energy efficiency of our mortgage lending book, will help inform future product and technology offerings aimed at supporting customers in their transition.

Providing customers with transition-friendly products

We continued to offer products to support energy efficiency in property refurbishments for our Buy-to-Let customers under the Precise brand, however, uptake remained limited. Through our InterBay brand, we offered reduced rates for properties with an Energy Performance Certificate (EPC) rating of C or higher.

The Product Team developed new product concepts in 2024 to help customers navigate a number of the reported barriers to retrofit such as the initial cost of work, awareness of energy efficiency and benefits, and ongoing affordability. Looking ahead, our transformation programme will allow us to offer more tailored energy efficiency products. The Group recognises the importance of providing customers with supportive financing options for energy-efficiency and retrofit works in order to deliver progress towards our 2030 interim target.

Greening our offices and branches

Significant progress was made in 2024. Two main office locations and two KRBS branches transitioned to electric heating, which is expected to result in a Scope 1 emissions reduction of 63.3tCO₂e versus 2023. Our net zero targets were considered as part of refurbishment works and we continued sourcing 100% renewable electricity from REGO-backed tariffs, ensuring zero market-based emissions from purchased electricity.

Continue to embed climate thinking

We strengthened our Climate Risk team to further our climate strategy and evolved the Climate Risk Appetite to align with our net zero target trajectory and expected Minimum Energy Efficiency Regulations for the Private Rented Sector. The Climate Transition Working Group met five times in 2024, overseeing progress and planning. A Climate Transition Dashboard was also developed to track progress against our targets, key performance indicators and priority actions.



Sustainability Report continued

Strategic Pillar – Just Transition continued

Emissions reduction targets

Our 2030 emissions reduction targets, established in 2023, align with our commitment to the Net Zero Banking Alliance (NZBA). We continue to await clarification on the SBTi Financial Institutions Net Zero Standard to ensure interoperability with our NZBA commitments.

Approximately 96% of our total emissions stem from financed emissions, which arise from the properties we finance. These emissions are a key focus of our climate strategy. While our direct emissions are smaller, they remain critical to achieving our 2030 net zero target for Scope 1 and Scope 2 emissions.

Financed emissions – reduce the emissions intensity (kgCO₂e/m²) of our mortgage lending by 25% by 2030 from a 2022 baseline.

Operations – reduce Scope 1 and Scope 2 emissions to net zero by 2030 from a 2022 baseline.

Renewable electricity – Source 100% of electricity from renewable sources where OSB Group have operational control.

For further information on our targets, see [Net Zero Banking Alliance Intermediate Targets – Basis of Preparation – Basis of Preparation](#).

Both emissions reduction targets use 2022 as a baseline from which reduction trajectories were calculated and progress is reported. Progress against the baseline (2022) and against the previous year (2023) are reported here to demonstrate performance over time.

Reducing the emissions from our mortgage lending – financed emissions

Over 97% of the Group's 2024 lending was secured against residential, Buy-to-Let, semi-commercial and commercial properties. Our financed emissions (see [page 85](#)) are calculated using the Partnership for Carbon Accounting Financials (PCAF) methodology, and we track progress through emissions intensity per square metre (kgCO₂e/m²).

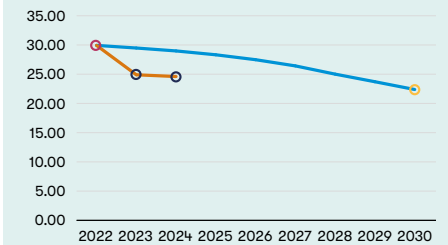
In 2024, we saw a 19% reduction in financed emissions (tCO₂e) and a 18% reduction in emissions intensity (kgCO₂e/m²) compared to the 2022 baseline. This was primarily due to improved data quality and the exclusion of erroneous data included in the initial baseline.

As of 2025, we will review our targets to ensure they remain relevant, incorporating insights from the Climate Change Committee's Seventh Carbon Budget and the Beyond Net Zero Pathway which was used to set the existing target. This review will allow the Group to assess progress towards its ambition and interim target, beyond the gains made through data improvements.

Estimates of financed emissions continue to rely on external data sources, primarily Energy Performance Certificates (EPCs), which assess and estimate the emissions of properties. In 2024, 83% of properties (2023: 83%) were matched to a valid EPC, while 16% (2023: 17%) were either modelled or estimated using postcode or national averages. The remaining properties, representing less than 1% (by number), were assigned a D rating.

The Group identified a number of external dependencies that impact our progress, including energy grid decarbonisation, pace of retrofitting, heat pump roll-out, government policy, education and cost. More information can be found in the [Climate Transition Plan](#).

Mortgages – financed emissions Physical intensity (kgCO₂e/m²)



— CCC BNZP – pathway
 ● Performance 2024 24.56 kgCO₂e/m²
 ○ Interim target 22.38kgCO₂e/m²
 ○ Baseline physical intensity 29.93kgCO₂e/m²

Financed emissions intensity

-18% vs 2022

2024: 24.56 kgCO₂e/m²
2023: 24.89 kgCO₂e/m²
2022: 29.88 kgCO₂e/m²

PCAF data quality score

3.14

2023: 3.15

Scale is 1–5 with 1 being the highest quality

Sustainability Report continued

Strategic Pillar – Just Transition continued

There are inherent limitations in using EPCs for calculating financed emissions. These include delays in updating external data sources, the age of certificates which may be up to ten years old, and the fact that EPCs do not prioritise carbon-neutral technologies over fossil fuel-based alternatives. For further details on our calculation methodologies, please refer to our Basis of Reporting. In 2024, the Group engaged a third-party environmental data specialist to assess the Group's mortgage portfolio and identify potential actions customers could take to improve energy efficiency and reduce emissions. This data will inform our future customer engagement strategies, ongoing product development and the consideration of technology solutions.

Despite the challenges and dependencies outlined in our Climate Transition Plan which remain relevant, internal analysis revealed that 66% of properties have the potential to achieve an EPC rating of B, and 96% have the potential for an EPC rating of C or better. Less than 4% of properties would not be able to achieve an EPC rating of C. The project also quantified the costs associated with retrofit activity to achieve an EPC C for each property the Group provides finance for.

The UK Government has committed to further consultation on Minimum Energy Efficiency Standards for the Private and Social Rented Sectors, which may require rental properties to meet a minimum EPC rating of C by 2030. While many details remain to be clarified, we will continue to monitor these developments to ensure our climate strategy remains aligned with emerging requirements.

Greening our offices and branches – direct operational emissions

Our transition to net zero emissions by 2030 continues with tangible progress in Scope 1 and Scope 2 emissions. In 2024, we reduced operational emissions by 41% compared to 2023 and 34% from the baseline of 2022.

Notable achievements include the new Wolverhampton office design and fit-out, which integrates energy-efficient technologies powered by renewable electricity, that contain lower Global Warming Potential fluorinated gases in cooling systems than the previous systems, LED lighting throughout, and sustainable materials such as carpets made from 75% recycled materials. Four additional locations also moved to electric heating solutions, eliminating old gas boilers.

While direct emissions are a smaller element of our total inventory, we continue to seek reductions in this area.



Additional Scope 3 emissions

Given the complexity of Scope 3 emissions (categories 1-14) we continue to refine our understanding and actions. 75% of the top 20 vendors (Categories 1 and 2) by spend have set net zero targets of some kind. These categories contribute over 10,000tCO₂e per year to our inventory, so we have expanded our Scope 3 reporting to include them, showing our ongoing commitment to transparency and accuracy in emissions measurement.

Engagement

The Group continued to collaborate with organisations and initiatives to advance our climate goals, enhance knowledge, and benefit from shared insights. We contributed to activities through UK Finance such as a net zero homes policy paper which accompanied a welcome letter sent from UK Finance to Ed Miliband – Secretary of State for Energy Security and Net Zero. The policy paper outlined the opportunity of upgrading the UK's most energy-inefficient homes, four requests to unlock potential and the role UK banks can play in the transition.

Organisations we belong to and associations that support our climate work include:

- UN Environment Finance Initiative – Net Zero Banking Alliance (Member)
- Science Based Targets Initiative (Committed)
- United Nations Global Compact (Signatory)
- UN Finance Sustainability Committee (Participant)
- Partnership for Carbon Accounting Financials (Member)

Raising awareness and developing climate competence among our colleagues is a vital part of embedding climate thinking throughout the business. In 2024, this was supported by the following initiatives:

- ESG Roadshows across offices and branches, focusing on the Climate Transition Plan
- Our Planet Employee Engagement Network, which included articles, office events, and 'lunch and learn' sessions
- The development of a series of employee e-learning modules on climate change, set to launch in 2025.

Operational emissions

-34% vs 2022

2024: 101.83 tCO₂e
2023: 172.83 tCO₂e
2022: 153.87 tCO₂e

Sustainability Report continued

Strategic Pillar – Just Transition continued

Environmental and energy management

The Group has established comprehensive environmental policies to ensure compliance with all relevant environmental obligations and to mitigate negative impacts on the environment. Our Environmental Management System (EMS), is ISO 14001:2015 certified and covers 100% of our UK corporate real estate, including the KRBS branch network.

In 2024, we achieved a reduction in energy consumption (purchased electricity and natural gas) of 15% compared to 2023. These reductions were realised through the successful implementation of our Energy Policy focusing on continuous improvements in energy management practices. The policy is aligned with our commitment to reach operational net zero by 2030, with a strong emphasis on emission reductions, energy efficiency, responsible consumption, and minimising environmental impact during refurbishment of buildings.

To meet Energy Saving Opportunity Scheme (ESOS) legislation, we conducted energy audits that provided valuable insights into our energy consumption. This helped us identify opportunities for reducing unnecessary energy use by improving control within our building management systems. Our office buildings now have optimised temperature set-point controls, which help to ensure energy is not wasted when buildings are unoccupied. We estimate these measures could reduce energy usage by 90,765kWh.

Transitioning to net zero emissions will not result in consistent year-on-year reductions. Some actions require time before their full benefits are realised. For example, in October 2023, we replaced end-of-life boilers at one of our office buildings with energy-efficient electric alternatives. The energy savings from this initiative became evident throughout 2024, resulting in an annual natural gas saving of approximately 123,950.73 kWh. We expect further reductions in emissions in 2025 due to continued investment and action taken in 2024.

Electricity and gas

In 2024, the Group reduced its natural gas consumption by 386,634kWh (-45%) compared to 2023. This was primarily due to the replacement of gas heating at Exchange Court and the KRBS Chatham branch, as well as the move of KRBS Gravesend to a new location, which is exclusively heated and cooled by renewable electricity.

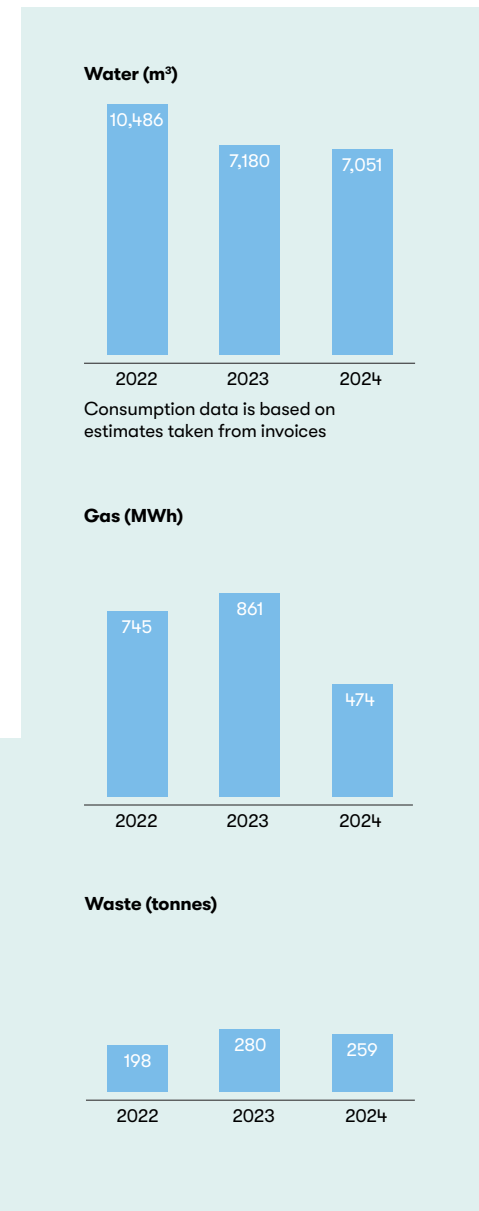
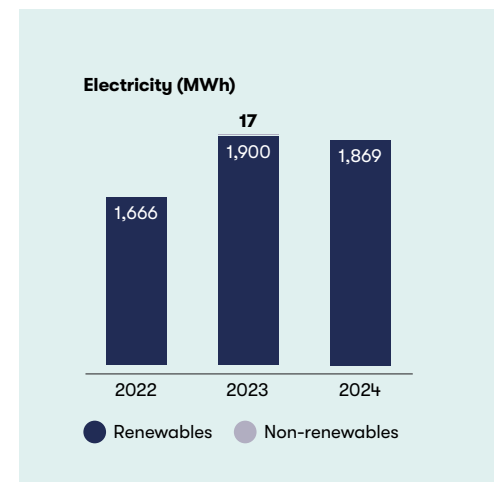
We maintained our commitment to purchasing 100% renewable electricity. As a result, 2024 Scope 2 emissions using the market-based methodology were zero tCO₂e, reflecting that all electricity purchased for our offices and branches within our operational boundary came from renewable sources. Emissions from purchased electricity reported using the location-based methodology were 1,869 tCO₂e (2023: 396.95 tCO₂e).

We will continue to seek greater energy efficiency through enhanced energy management and by replacing outdated equipment with more energy-efficient alternatives. While future energy savings are expected to be smaller incremental gains, our Our Planet Employee Engagement Network implemented several initiatives in 2024, including lunch and learn sessions, sharing case studies on reducing carbon footprints, and conducting office audits.

Both absolute and intensity metrics (tCO₂e per m² and per FTE) are used to track and report our progress against our 2030 target for Scope 1 and Scope 2 emissions (see [page 80](#)).

Water

Water is used responsibly with 7051m³ used in 2024 (2023: 7180m³). This consumption is for hygiene and drinking purposes only. All water used is potable.



Sustainability Report continued

Strategic Pillar – Just Transition continued

Waste

In the UK, the Group manages waste contracts at certain locations, ensuring that waste is diverted from landfill in accordance with the waste hierarchy and legislation. Non-recyclable materials are sent to an energy-from-waste facility.

In 2024, we generated 259 tonnes of waste (2023: 280 tonnes). Recycling and waste segregation (recyclables and food waste) stations are available at all our offices and branch locations.

Our operational processes do not generate hazardous waste or pollutants beyond those typically found in an office environment. All hazardous waste, such as batteries and electrical equipment, is stored and disposed of in accordance with UK regulations.

Carbon mitigation

To offset emissions directly associated with our business activities in 2024, the Group purchased and retired 3800 tonnes of carbon credits. These credits were selected based on the principles outlined in our offsetting strategy, which adopts a structured, proportionate, and adaptable approach to carbon offsetting, following the Oxford Principles for Net Zero-Aligned Carbon Offsetting. All offsetting projects are verified and certified under reputable standards such as the Gold Standard or Verified Carbon Standard. The projects supported are a combination of avoidance, reduction, and removal efforts. The use of carbon credits do not contribute towards the Group's emissions reduction targets.

Nature

The Group is in the early stages of understanding the UK Government's approach to the voluntary Taskforce on Nature-Related Financial Disclosures. We are evaluating how these systems will evolve and assessing the extent to which our activities impact nature and biodiversity. We will continue to monitor developments in this area as they emerge.


Greenhouse gas emissions

The Group follows the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard for all GHG accounting across Scopes 1, 2 and 3. By obtaining a comprehensive view of our greenhouse gas emissions (GHG) inventory we can have greater control of (or over) emissions.

We have reported on all emissions sources in accordance with The Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013 and the Companies (Directors' Report) and Limited Liability Partnerships (Energy and Carbon Report) Regulations 2018 – also known as Streamlined Energy and Carbon Reporting. As part of these regulations, we provide annual reports on greenhouse gas emissions from Scope 1 and 2, covering electricity, gas and transport. All emissions are reported in tonnes of carbon dioxide equivalent (CO₂e).

The Group's 2024 Greenhouse Gas emissions basis for reporting are publicly available on our corporate website: <https://www.osb.co.uk/sustainability/our-environment/>

Verification and assurance

Deloitte LLP provided independent limited assurance over the following metrics and ESG information for the year ending 31 December 2024 :

Greenhouse gas (GHG) emissions

- Total direct (Scope 1) emissions – tCO₂e
- Total indirect (Scope 2) emissions – market-based – tCO₂e
- Total indirect (Scope 2) emissions – location-based – tCO₂e

GHG intensity

- Scope 1 and 2 metric tonnes of CO₂e per full-time employee (FTE)
- Scope 1 and 2 metric tonnes of CO₂e per £m turnover

TCFD

- The description of activities undertaken to meet the recommendations of the TCFD

Deloitte's assurance statement can be found on [page 268](#).

In accordance with ISO 14064-1:2018 requirements, Categories 3, 5, 6, 7, and 8 within Scope 3 were verified to a limited level of assurance by Interface-NRM, an ISO 14064-1 accredited verification and certification body. The third-party verification was conducted in compliance with ISO 14064-3:2019 standard.

1. Under the International Standard on Assurance Engagements 3000 (Revised) Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 (Revised)) and the International Standard on Assurance Engagements 3410 Assurance Engagements on Greenhouse Gas Statements (ISAE 3410).

Sustainability Report continued

Greenhouse gas emissions continued

Greenhouse gas (GHG) emissions

Direct and indirect GHG emissions (Scopes 1, 2 and 3)		Further description	Specific fuels where applicable	2022	2023	2024
Amounts in metric tonnes CO ₂ equivalent						
Scope 1						
Stationary combustion	Combustion of fuel on-site	On-site: natural gas, diesel for generators		138.22	157.10	86.86
Fugitive emissions	Fugitive emissions	Leaks and other irregular releases of gases or vapours from a pressurised containment: air-conditioning units		15.65	14.34	14.97
Total Scope 1 direct emissions				153.87	171.44	101.83 ◆
Scope 2						
Purchased electricity						
Total Scope 2 location-based			Electricity – location-based	322.13	396.95	386.91 ◆
Total Scope 2 market-based			Electricity – market-based	0.00	1.39	0.00 ◆
Total Scope 1 and 2 direct emissions	Combustion of fuel on-site, fugitive emissions, electricity – market-based			153.87	172.83	101.83
Scope 3						
Purchased goods and services	Products and services purchased			– ²	– ²	8,582.04
Capital goods	Fixed assets, plant, property and equipment			– ²	– ²	2,651.86
Business travel	Unknown vehicle fuel, rail, bus, taxi, hotel stays	Unknown vehicle fuel		193.00	256.67	466.43
Employee commuting	Rail, bus, taxi, hotel stays, home working	Unknown vehicle fuel		– ¹	2,021.06	2139.71
Fuel and energy-related activities (not included in Scope 1 or 2)	Well-to-tank (WTT) emissions for fuel use, upstream emissions for non-renewable electricity generation, transmission and distribution losses in the electricity network			136.71	155.95	141.69
Water	Water use			0.78	1.27	1.08
Waste	Waste from operations			4.20	5.95	1.67
Leased assets	Combustion of fuel on-site, fugitive emissions, electricity – market-based			–	55.95	50.38
Total indirect Scope 3 emissions (Category 1, 2, 3, 5, 6, 7 and 8)			Unknown vehicle fuel, water, waste, home working, energy-related activities	334.69	2,496.85	14,034.06
Total operational emissions (location-based)				810.69	3,065.24	14,552.80

Sustainability Report continued

Greenhouse gas emissions continued

Direct and indirect GHG emissions (Scopes 1, 2 and 3)	Further description	Specific fuels where applicable	2022	2023	2024
Total operational emissions (market-based)			488.56	2,669.68	14,135.89
Total indirect Scope 3 – financed emissions (Category 15)	Category 15 Investments (financed emissions). Calculated by multiplying an attribution factor (outstanding amount of loan divided by the property value at origination) by the emissions associated with the property taken from EPC. Calculated for Buy-to-Let and residential lending	Gas & Electricity for heating, hot water and lighting only	363,680.00	314,413.00	294,137.00
Total GHG emissions (location-based)	All measured emissions for the year		364,490.69	317,479.24	308,659.80

GHG intensity

GHG intensity ratio	Description	2022	2023	2024
Full Time Equivalent (FTE) employees (UK)	full-time equivalent (FTE) is a unit of measurement equal to one full-time employee	1,237	1,427	1,530
Annual turnover	£million	775	658	667
Scope 1 and Scope 2 location-based	metric tonnes of CO ₂ equivalent per full time equivalent	0.38	0.40	0.32 ◆
Scope 1 and Scope 2 location-based	metric tonnes of CO ₂ equivalent per £million total income	0.61	0.86	0.73 ◆
Scope 3 financed emissions – physical emissions intensity	kgs of CO ₂ equivalent per square metre*	29.9	24.9	24.6

Energy consumption

Energy usage kWh	2022	2023	2024
Electricity	1,665,812.80	1,916,950.94	1,868,449.85
Gas	744,504.18	860,512.00	473,877.66
Total kWh	2,410,316.98	2,777,462.94	2,342,327.51

Electricity; natural gas

N/M = not measured

- 2023 was the first year of reporting emissions from employee commuting and leased assets.
- 2024 is the first year of reporting Scope 3 category 1 and 2 emissions.

* Financed emissions physical intensity ratio is calculated by multiplying the total estimated attributable financed emissions in tCO₂e for 2024 (294,137 tCO₂e) by 1,000 to give kgCO₂e (294,137,000 kgCO₂e). This is divided by the total floor area in m² of the properties taken from the Energy Performance Certificate (11,974,297m). Estimated absolute financed emissions were 470,596 tCO₂e for 2024. Financed emissions estimates are for the mortgage portfolio as the largest asset class. It does not cover non-modelled book or securitised loans.

Sustainability Report continued

Strategic Pillar – People

Customers

Building meaningful connections for long-term success

The foundations of our business lie in the trust and satisfaction of our intermediaries and customers, which drive our success.

To achieve our Vision, we offer a comprehensive range of competitive propositions, strive for exceptional customer service, and provide the necessary support to customers who may face financial difficulties. Through our specialist brands we focus on continuous investment in customer-focused solutions that deliver the outcomes our customers want and we are positioned to meet the unique needs of our borrowers and savers.

Working with intermediaries, we help bridge the gap in housing demand across the UK, providing funding for first-time homebuyers, shared ownership, affordable housing developments, Buy-to-Let investments, and commercial properties. Our representatives actively participated in both physical and virtual events with brokers throughout 2024. This understanding has allowed us to continuously refine our customer propositions, with our efforts recognised in our broker Net Promoter Score (NPS) of +57 for OSB and +52 CCFS (2023: OSB and CCFS +57).

Our mortgages are distributed via intermediary partners across England, Wales, and Scotland, except for our Heritable brand, which operates directly with developers.

Our dedicated Client Management Team provides portfolio clients with specialised services. In recognition of our commitment to service excellence, the Group won the Mortgage Strategy Award for Best Specialist Lender and Commercial Lender of the Year at the Crystal Ball Awards.

We are committed to supporting vulnerable customers, and through our highly trained Financial Support Teams, we provide tailored assistance to those facing financial difficulties. As a Mortgage Charter signatory we ensure the right support is available for customers who are up-to-date with payments but concerned about their financial situation. In 2024, we enhanced our initiatives, focusing on developing a proactive, personalised approach, simplifying the customer experience, and signposting to trusted charitable partners for additional support.

We support savers through channels including online and telephone services, in addition to our nine KRBS branches in the South East.

Our savings products maintained strong retention rates, with 90% of customers with maturing fixed rate bonds and ISAs at Kent Reliance and 85% at Charter Savings Bank choosing to reinvest with the same brand (2024: 91% and 85% respectively). Our savings products were also recognised in the industry, with Charter Savings Bank being named Cash ISA Provider of the Year.



OX Living

Founded in 2016 by David Granat, OX Living is committed to developing high-quality co-living environments that embody the values of happiness, boldness, openness, and community. The organisation provides premium house shares designed for young professionals throughout Oxfordshire. The properties managed by OX Living are located in desirable areas where the aim is to transform the co-living sector by offering luxurious, sustainable, and innovative living solutions.

In 2024, OX Living expanded its portfolio, signifying another year of substantial growth. A key challenge encountered was the outdated perceptions regarding shared accommodations within the

local community and among planning authorities. OX Living is dedicated to reshaping this narrative by offering properties that enhance the standards of shared living. Furthermore, the rising costs of utility bills for residents pose a significant challenge. To address this concern, they are improving the energy efficiency of their properties through enhanced insulation, the installation of triple glazing, the addition of solar panels, and the use of smart thermostats. This progress has been facilitated by strategic partnerships with Kent Reliance, whose competitive rates, outstanding service, and dependability have been crucial in supporting expansion.

Sustainability Report continued

Strategic Pillar – People continued

Colleagues

The skills, expertise and commitment of our colleagues have always been fundamental to the achievement of the Group’s strategic goals.

In 2024, we continued to invest in training, development and engagement activities to ensure that the Group provides a compelling and attractive employee proposition both for our existing employees and for candidates considering joining the Group.

Retention and progression

We have a genuine desire to retain, support and develop our employees. During 2024, over 140 UK employees were promoted to a more senior grade along with 185 employees within OSB India.

We actively promote internal and career development opportunities for existing colleagues. In 2024, 27% of UK vacancies were filled by way of internal appointments with just over 7% of vacancies at OSB India being filled by existing employees.

At 7%, the 2024 UK regretted attrition rate was lower than the 2023 rate of 9%. The OSB India regretted attrition rate was broadly flat to 2023 at just 12% which compared favourably with rates within the local sector demonstrating a strong culture and compelling employee proposition.

A redundancy programme in late 2024 saw us apply a high level of focus on reducing staff costs that affected 139 colleagues across the Group. A robust UK collective consultation process was undertaken, with several employees being redeployed into alternative roles. However the UK non-regretted attrition rate increased from 2% in 2023 to 12% in 2024. A similar programme was undertaken within OSB India, with non-regretted attrition rate increasing to 16% from 6% in 2023.

Recruitment

Our Talent Acquisition teams provide bespoke support in attracting high quality candidates for vacant positions and, through robust and inclusive interview and selection processes, assist in making strong recruitment decisions.

During 2024, our teams filled almost 600 vacancies, resulting in the Group welcoming almost 250 new UK employees and almost 290 new employees in India. There were 2,498 Group employees as at the end of 2024 (2023: restated 2,506¹).

A key focus for our Talent Acquisition team was the proactive identification of potential candidates directly and through improved use of our website and external job boards. In 2024, they filled almost 40% of UK vacancies on a direct recruitment basis, resulting in a saving of over £1.1m of agency recruitment fees. Within OSB India, over half of all the vacancies which closed in 2024 were because of direct recruitment activity, resulting in a further saving of over £300k of agency fees.

Remuneration and benefits

We believe in rewarding our employees fairly and transparently, enabling them to share in the success of the business. Details of the Group’s remuneration policies can be found in the Remuneration Report on [pages 154 to 179](#).

As an accredited Living Wage employer, we ensured that all UK employees and regularly contracted third-party staff earned more than published Real Living Wage rates and we continued to encourage our employees to hold shares in the Group, through our Sharesave Scheme, which is offered annually to all UK employees.

Group vacancies filled by the Talent Acquisition

c. **600**
2023: over 1,068

Employee promotions across UK and India

327
2023: 183

1. Restated due to change in calculation methodology.

Sustainability Report continued

Strategic Pillar – People continued

Colleagues continued

Just under 470 employees joined the 2024 Sharesave scheme and, including the schemes launched in previous years, over 800 UK employees were Sharesave Scheme members as at the end of 2024.

2024 saw the Group further enhance its UK employee benefit offering, providing colleagues and their partners with fully funded reproductive health support as well as funded access to advanced health assessments and in-house clinical services. In addition, we became a member of Employers for Carers and launched our Carer Leave Policy, providing colleagues with an entitlement of 35 hours of carers' leave, of which the first 14 hours are treated as paid leave.

Employee engagement and culture

Our 2024 Best Companies survey result saw us retain an overall '2 Star' rating, with Best Companies defining this as an outstanding level of employee engagement. This resulted in the Group moving up to 45th place on their 2024 Top 100 list of large companies (between 200 and 1,999 people). Colleagues within OSB India participated in a separate survey, run by the Great Place to Work Institute and following which OSB India were officially certified as a 'Great Place to Work' for the eighth consecutive year.

We continued to see strong feedback through Glassdoor, with the UK score at the end of 2024 sitting at 4.1 and the OSB India score slightly higher at 4.2. The scores were based on reviews submitted by current and former UK employees, reflecting the positive culture that exists throughout our teams.

Following the launch of the Group's People and Culture Strategy last year, significant progress was made regarding many of the initiatives that had been identified to support the wider achievement of business strategy, the transition to a modernised working environment and the achievement of our People Vision of becoming recognised as a genuine employer of choice.

To further support our cultural progression, 2024 saw us welcome both our Chief People Officer and our Group People Transformation and Skills Director, which enabled us to refine our ongoing areas of cultural focus and commence our journey towards becoming a skills-based organisation.

The Group's Workforce Advisory Forum (Our Voice) continued to meet regularly in 2024, including employee representatives from all geographical locations, including OSB India. The aim of the forum is to further enhance the level of engagement that the Group Executive Committee and the Board have with the wider workforce. To achieve this, in addition to employee representatives, the forum is attended by rotating Non-Executive Directors and Group Executive Committee members to ensure that they can hear directly from the employees and share feedback on important matters.

Employee recognition and awards

In 2024, the Group recognised the significant tenure of around 170 UK employees who reached a five, ten, 15 or 20 year milestone of employment through our Long Service Award programme. At the end of 2024 there were seven UK employees who had over 20 years' continuous service. In OSB India, over 50 employees reached a five or ten-year service anniversary and around 200 OSB India colleagues had five or more years' service, of which almost 50 were with OSB India for over ten years.

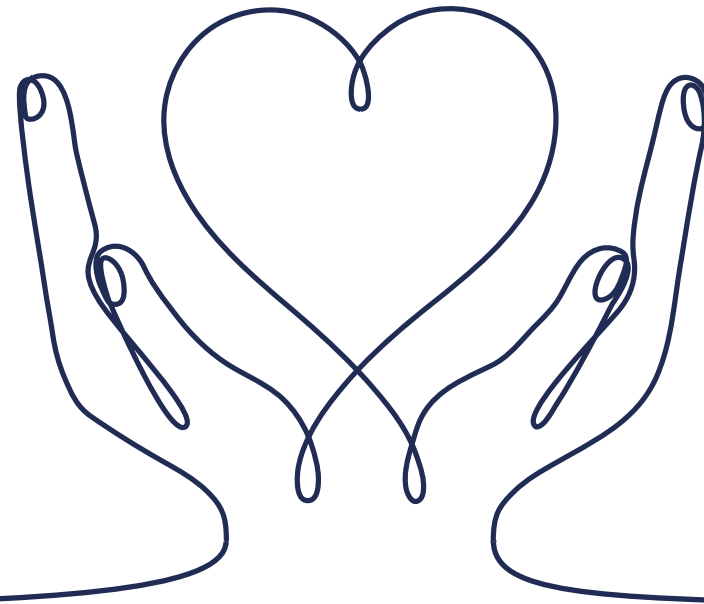
Each quarter, all employees are invited to nominate colleagues as part of our Galaxy Award Scheme. Nominations are sought for categories that link directly to each of our Values with individual winners and runners-up for each category.

For our 2024 awards, over 400 nominations were submitted, with the details of all nominees being shared internally, along with details of the quarterly award winners and their nomination rationale.

Training and development

Our People Transformation and Skills team, based in both the UK and India, concentrate on providing learning and development opportunities for all employees, using a mix of internal and externally sourced content, which are delivered through a range of media, including workshop and digital formats.

Throughout 2024, the team delivered almost 2,500 internal workshops, with the number of recorded training hours averaging over 4,500 hours per month, representing around 11 workshop training hours per UK employee and over 38 hours per OSB India employee.



Sustainability Report continued

Strategic Pillar – People continued

Colleagues continued

The team also worked in partnership with MGI Learning to become accredited to deliver a key programme in support of our Consumer Duty response, providing a methodology for front-line colleagues to utilise when dealing and communicating with our customers.

2024 saw a continued focus on leadership development with the team delivering three bespoke programmes to different levels of existing leadership and management employees. 30 employees joined our Future Supervisors and Managers Programme, 11 managers commenced the Essential Managers Programme and 16 managers completed the Essential Managers Apprenticeship.

We also continued our partnership with WDI Consulting to deliver the Group’s Women in Leadership initiative, supporting 31 female managers and senior leaders with their individual progression pathways. In addition, 35 female future leaders commenced a Women in Leadership Apprenticeship Scheme, launched in partnership with Raise the Bar.

In 2024 we commenced our journey to become a skills-based organisation by joining the Financial Services Skills Commission and we continued to support the professional development of colleagues, with 26 UK employees receiving financial support to pursue their professional qualifications during the year.

Diversity, equity and inclusion

We recognise the benefits that diversity brings to the business, and we actively promote and encourage a culture and environment that values and celebrates our differences.

In 2024, we continued our journey to become a truly diverse and inclusive organisation which is committed to providing equal opportunities through the recruitment, training and development for all employees.

We continued to support mental health and wellbeing through the provision of advice and workshops for employees and line managers. We increased our UK network of trained UK Mental Health First Aiders to 50 and introduced a network of 21 trained Mental Health First Aiders within OSB India.

Our published 2024 Gender Pay Gap Report is available on the Group’s website (www.osb.co.uk) and shows that OSB Group’s mean gender pay gap as at the snapshot date of 5 April 2024 was 35.5%, reducing from the 2023 reported figure of 36.1%. Whilst it is pleasing to see continued progress, we are committed to reducing these gaps further. Fundamentally, the gaps relate to the structure of our workforce and reflect the fact that we have more men than women in senior roles and more female employees undertaking clerical roles.

We recognise the need to improve our gender balance and having achieved our previously published commitment as a signatory of HM Treasury’s Women in Finance Charter (WIFC) of 33% of senior management positions within the UK undertaken by female employees by the end of 2023, we increased this to a commitment of achieving 40% by the end of 2026. At the end of 2024, further positive progress was made, with our WIFC percentage increasing considerably to 36.1%.



Sustainability Report continued

Strategic Pillar – People continued

Colleagues continued

The Group applied a continued focus in the year to enhancing ethnicity diversity, particularly in respect of the senior management population. The proportion of senior managers identifying as non-white increased to 15% at the end of 2024 from 14% in the prior year. In line with the Parker Review requirement applicable to all FTSE 350 companies, we will prioritise increasing ethnic diversity among Executive Committee members, with an aim of 14% by 2027, from 11% at the end of 2024.

We increased DE&I initiatives across the Group, including employee communication and events enhancing awareness and celebrating our differences. These were often aligned with the dates of national events such as Pride, Black History Month, National Inclusion Week and International Women's Day, with related activities being coordinated by the internal 'Our Diversity Network' made up of passionate volunteers.

Our internal Inclusivity Survey was completed by nearly 800 UK colleagues and over 600 OSB India employees, with the results showing an overall improvement across all categories compared to the 2023 results when the survey was first undertaken. This demonstrated a positive shift in how colleagues viewed our overarching approach to DE&I and provided insights as to where additional focus can be applied to further enhance inclusivity throughout the Group.

We continue to capture diversity data from our UK employees and at the end of 2024, over 80% of colleagues submitted some or all of their data. We introduced this within OSB India in September 2024 with around 19% of colleagues having submitted data.

At the end of 2024, around 56% of our UK workforce was female similarly almost 54% of employees who joined us in 2024 were female. Within OSB India, females constitute 40% of all employees, with over 46% of 2024 starters being female. In addition, 27% of our Group Executive Committee were female as were 44% of the OSB Group Board.

The Group achieved all required targets in respect of Board diversity of which two females hold the senior Board positions of CFO and Senior Independent Director. Additionally, two members of the Board were from a minority ethnic background.

For the CEO and the CFO, gender and ethnicity data is collated within the Group's HR System, in a manner consistent with all UK employees. Both Board members who confirmed their ethnically diverse status have self-reported this to the Group HR Director within responses required by the Parker Review (FTSE 350 Ethnic Diversity Submission for 2024).



Sustainability Report continued

Strategic Pillar – People continued

Colleagues continued

	Male	Female
Number of Board Directors (OSB Group)	5	4
Number of Directors of subsidiaries	16	0
Number of senior managers (not Directors) ¹	157	92
All other employees ¹	1,074	1,150

1. Includes all UK and OSB India colleagues. Senior managers are employees within the Grade A to E population.

Board diversity

Gender	Number	Minority ethnic background
Men	5	1
Women	4	1

Safety and welfare

The Group operates to all applicable Health and Safety regulations, with access to competent advisors, and processes in place to assess risks and monitor compliance with internal policies, procedures and controls. Training is provided to employees who perform in the roles of fire marshals, first-aiders and mental health first-aiders.

In 2024, there was one incident classified as a lost-time incident (2023: one) resulting in five lost working days. The incident did not meet the criteria for reporting under the Reporting of Incidents, Disease and Dangerous Occurrences Regulations 2013. The total injury rate was 8.452 (2023: 5.054).

OSB India

OSB India, which is a wholly owned subsidiary of the Group, is based in Bangalore and Hyderabad, and at the end of 2024 had 949 employees. OSB India supports the Group across various functions including Support Services, Operations, IT, E-Labs and Finance. OSB India is a holder of ISO 27001: 2013 certification, demonstrating high standards of information security.

To help support our ongoing growth, our new office in central Hyderabad became operational in 2024. It aided in attracting new employees and supporting the retention of existing colleagues given that for the vast majority, the new location significantly reduced commuting time. As at the end of 2024, our Hyderabad employee base grew to almost 260.

In compliance with the Modern Slavery Act, OSB India does not support excessive overtime and all employees in India are encouraged to work in accordance with local legislation. Employees are based in our modern Bangalore and Hyderabad offices and are provided with a range of benefits which include 22 days of annual leave, 12 days' sick leave and cafeteria services.



Sustainability Report continued

Strategic Pillar – People continued

Communities

Our employees have sparked positive change in our communities.

2024 was a year marked by significant change and challenge for many, with low social mobility remaining a persistent issue, disproportionately affecting underserved elements of communities.

We believe that everyone, regardless of background or origin, deserves opportunities to thrive, and as a business we have a responsibility to contribute to a fairer society by sharing our skills and resources.

Our employees are passionate about making a difference and throughout 2024 they actively supported many community organisations, helping to create a lasting impact and build stronger, more equitable communities, wherever they live and work.

Through volunteering, raising funds through charity events, and providing small grants to local community groups that are important to our colleagues, we made a distinct impact across our local and national communities.

Our approach to making an impact on our communities is about making informed decisions to improve the wellbeing and outcomes for our customers, our people, and the communities we serve. Through strong partnerships, we combine financial support, business skills, and the power of our voices to create a truly meaningful difference.

Our Purpose – to help customers, colleagues, and communities prosper – guides our commitment to wellbeing, the environment, education, and the arts, and is purpose-built upon the strength of our ‘connection and collaboration’ foundations. These building blocks enhance the quality of life for those who use our products, work with us, and support our vision of becoming the UK’s leading specialist bank.

Depaul benefitted by:

£55,145

Demelza benefitted by:

£69,177

Total benefit to all charities/organisations:

over £394k

2023: over £288k



Connection and collaboration: Depaul UK and Demelza Children’s Hospice – pop-up shop

In September we partnered with Demelza Children’s Hospice and Depaul UK, two of our corporate charity partners, and delivered a combined clothing pop-up shop and recruitment advice session for Depaul’s young homeless clients.

Prior to the event, Depaul’s clients created mood boards to give an idea of the kind of clothing they wanted to see at the event, and we encouraged our employees to search their wardrobes and donate anything they no longer needed.

We received some wonderful donations across all of our UK office locations, which were collected by Demelza’s warehouse team and taken to be sorted prior to the event.

The outfits chosen for the event were based on the mood boards, ensuring we delivered items in the style and sizing requested. Demelza has 31 charity shops in Kent and the South East and was the perfect logistical partner for this event.

The young people were able to walk around the racks of donated clothing, choosing outfits they would feel confident wearing within (and outside) a work environment. The Group volunteer Grace Sawyer was on hand to help them sort through the donated clothing and find items they were excited about.

I really liked meeting the young people, talking to them and hearing their career aspirations, and it felt wonderful putting an outfit together for them.

Grace Sawyer,
Our Community Employee
Network Representative



Sustainability Report continued

Strategic Pillar – People continued

Communities continued

We strive to do more than just improve financial wellbeing. We aim to empower individuals to flourish, thrive, and achieve their personal and professional goals.

To achieve this, we prioritise people and the planet. We recognise that community impact isn't a by-product but a core responsibility of our business.

Understanding the unique needs of diverse communities, we collaborate with local and national organisations and charities to effectively allocate resources and maximise our reach. This ensures that our collective efforts, underpinned by robust collaborative partnerships, foster a supportive environment where partners can mutually benefit and amplify each other's efforts.

By measuring and learning from outcomes, we ensure our actions create a lasting positive impact. With the Group amplifying the combined impact, we leverage our collective strengths to achieve our common goals.

Overall benefit

When combining monetary support from initiatives including the Good Causes Fund, fundraising and match-funding, EV car park charging, and Pennies from Heaven, as well as the value of donations in kind including preloved office furniture and equipment, multiple charities and community organisations benefitted by a combined total of over £394k (2023: £288k) in 2024.



OSB India

Our colleagues in OSB India delivered support to vulnerable people and causes in their local communities or where needs are greatest. Across the business, our colleagues volunteered their time across a range of local community partners, spending 500 hours helping those in need.

Our teams have supported many community initiatives from providing education to orphanages and government schools, and healthcare equipment to hospitals in economically disadvantaged communities, providing funding for healthcare for those who can't afford it.

In a key collaboration, a team of 20 volunteers, joined by our UK Group Underwriting Director, dedicated over 100 hours to connect with and support the incredible work happening at SOS Children's Villages of India. Our teams had the privilege to meet the inspiring mothers and children who form the heart of this unique initiative focused on family support, where children without parental care or at the risk of losing it, receive quality care services that goes beyond childcare alone, ensuring comprehensive child development.

We also have a close relationship with HBS Hospital which provides medical services to individuals who are living below the poverty line within the community in and around the vicinity of Shivajinagar, located in central Bengaluru.

HBS's mission is to provide accessible, affordable, high quality, curative and preventive healthcare to the less fortunate, by bringing together strengths and contributions of healthcare professionals, staff, volunteers, and community.

OSB India has focused on supporting the crucial dialysis services, providing care for 335 patients, with 1,704 sessions of sponsored dialysis care – which translates to almost 7,000 hours of life-saving dialysis given in the last year.

Donations to HBS Hospital:

£11,200

(GBP equivalent)

Total hours volunteered:

500

Total volunteer hours:

7,038

41% increase on 2023

Donations to good causes:

£64,484

60% increase on 2023

Total fundraising & matching:

£112,393

Sustainability Report continued

Strategic Pillar – People continued

Communities continued

Charity partners

Partnering for impact: Our long-term partnerships with charities and community organisations are crucial to our community impact strategy. By collaborating with these important organisations, we can address local needs beyond our core business.

Depaul UK: We support Depaul UK’s vital work with young people experiencing, or at risk of, homelessness. Our contributions extend beyond financial assistance to include skills development, such as coaching Board members, advising on energy efficiency, and providing HR support to help young people secure employment and a home of their own.

Demelza Children’s Hospice: We’ve partnered with the hospice since 2017 to offer the Demelza Children’s Savings Account. By encouraging young people to save, even small amounts, we instil valuable financial habits. Additionally, we match a portion of the total annual average balances in these accounts to support Demelza’s essential services for children and their families. This is on top of the valuable volunteering and fundraising we support alongside the donations raised through the savings account.

Sponsorship

The Group operates partnerships, supplying charities and organisations with more than monetary donations – we share skills and experience too, and encourage each partner to support one another so they can increase the power and reach of the messaging. And we do this by working together, amplifying the impact across our separate channels.

Volunteering

We’re committed to being better neighbours – and we recognise that we can achieve this, not only through the donation of money, but through the donation of our time, skills, and expertise across a broad spectrum of organisations. To demonstrate this commitment, all Group employees are entitled to 14 hours volunteering time per year and are actively encouraged to use the full allocation to give something back to our communities.

Community organisations supported:

144

Good Causes Fund

Our Good Causes Fund is designed to financially support projects and causes that are close to our employee’s hearts.

All UK employees can apply on behalf of a registered charity, school, club, community group, animal sanctuary, or voluntary organisation.

Grants of up to £500 are available to help local charities and organisations make a positive difference in our communities.

Community organisations supported:

131

Match-funding

Every year, we engage in a variety of fundraising events to raise money for important organisations focused on helping the sick and disadvantaged. We positively encourage individuals, teams, and departments to think about the different ways they can raise money in a fun and inclusive way. We know that every penny makes a huge difference to our communities, and that’s why we’re proud to offer match-funding to all UK colleagues.

Community organisations supported:

52

Donations in kind

OSB provides financial support, specific business skills and training sessions, as well as support through our volunteering programme.

Where possible we also donate office furniture and equipment that is no longer needed, or has been replaced, to local organisations who can make use of it.

During the year, office desks, chairs, computer display screens and other items were donated to Coventry Rugby Foundation, Wolves Play Cafe, and Icknield Primary School.

Partnership with Coventry Rugby Foundation:

Number of underprivileged children supported:

1,700

Number of nutritional food parcels supplied:

1,350

Sustainability Report continued

Strategic Pillar – Stewardship

ESG Governance

At OSB Group, we embrace our role as responsible stewards, underlining our commitment to conducting operations ethically, transparently, and sustainably, while delivering lasting value to our stakeholders.

The Board-approved ESG Strategy is vital in managing ESG risks while enabling the pursuit of strategic opportunities that benefit our stakeholders. In 2024, the Board oversaw the development, evaluation, endorsement and progress of key governance initiatives, including:

- **ESG Operating Framework:** Establishing clear processes and responsibilities.
- **Materiality Assessment** (non-financial).
- **ESG Scorecard:** Measuring performance against ESG objectives and targets and strategic opportunities.
- **ESG Strategy:** Analysis of progress against the Group's ambitions, commitments, targets and ratings and Diversity, Equity and Inclusion, Community Impact, and People and Culture strategies.

To ensure accountability and drive progress, the Group links ESG performance to executive and senior management compensation through the Performance Share Plan, for further details see [page 173](#).

In 2024, the Group made its first submission as a member of United Nations Global Compact, demonstrating our commitment to aligning our operations with recognised principles in the areas of human rights, labour, environment, and anti-corruption. As a new participant, we have begun integrating the ten principles of the Global Compact into our strategies and operations reinforcing our dedication to transparency, responsible business practices, and long-term sustainability, while supporting the UN Sustainable Development Goals. We look forward to building on this partnership and strengthening our ESG commitments.

In 2024, the Group's existing Employee Engagement Networks (EENs) were further enriched with the launch of the OSB India Network. Together, these networks promote awareness, encourage participation, and foster collaboration on sustainable initiatives across the organisation.

By continuously reviewing and enhancing our governance structures and processes, the Group reaffirms its commitment to creating a positive, lasting impact and ensuring that ESG principles are considered in our strategy and operations.

The Group's ESG Operating Framework works along the three lines of defence model. First-line reporting, risk management and coordination of strategic opportunities is executed by business functions, the EENs and the Climate Transition Working Group. Governance and oversight is provided by the ESG Committee, a dedicated management committee chaired by the Chief Sustainability Officer, that reports to the Group Executive Committee. The ESG Operating Framework identifies how ESG-related matters are communicated through the Group's existing governance committees.

In 2024, the Terms of Reference for the Group's ESG Committee were thoroughly reviewed to ensure their continued alignment with the Group's objectives. This review reinforced the Committee's role as a cross-functional body, providing strategic guidance on ESG and sustainability matters. The process also ensured the Committee had access to the necessary expertise to support informed and effective decision-making, further strengthening the Group's ability to address evolving ESG challenges and opportunities.



Sustainability Report continued

Strategic Pillar – Stewardship continued

Customers

Consumer Duty

The Group successfully completed the implementation of Consumer Duty for our closed book products in July 2024, in line with the regulatory deadline. The first annual assessment report regarding customer outcomes was presented to the Board and was approved. The FCA's guidance on good and poor practice allows us to ensure that our approach remains aligned with regulatory expectations.

Group policies

The policies that govern our customer interactions are detailed in the following section. Each policy document identifies where training is required.

Group Arrears Management and Forbearance policy

The policy emphasises equitable treatment of customers experiencing financial challenges, actively engaging individuals exhibiting indicators of possible distress. Arrears rates are monitored on a monthly basis by the Group Credit Committee, ensuring senior management is informed. Tailored assistance is provided to customers dealing with financial pressure.

Group Complaint Handling policy

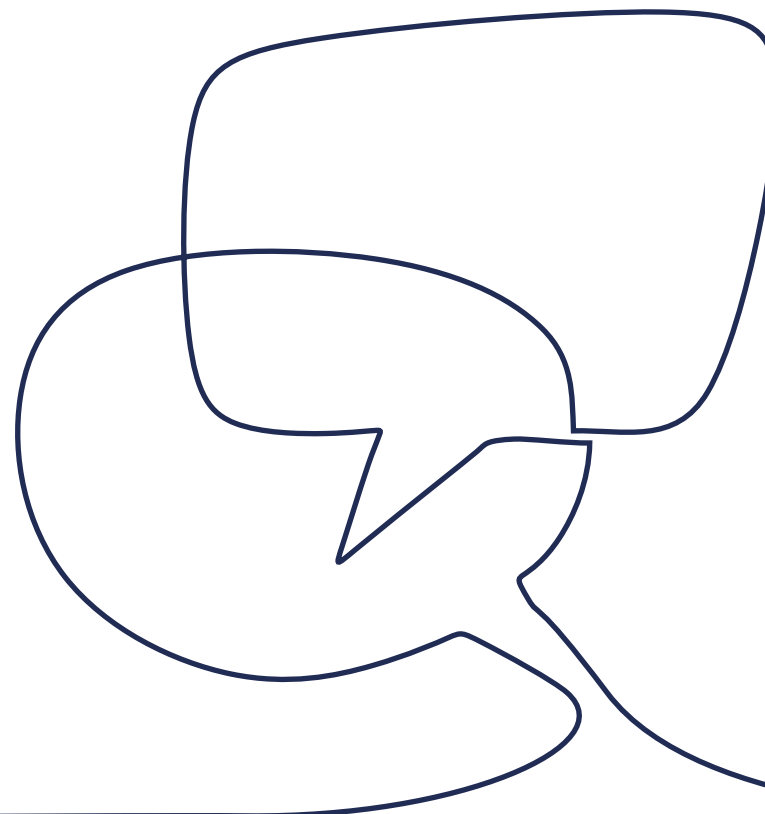
The policy is designed to meet regulatory standards while prioritising a customer-focused approach. Thorough and unbiased investigations of complaints are conducted and facilitated by trained staff. Processes are accessible to all customers, including those in vulnerable situations. Management information is provided to Committees and the Board, aiding informed decision-making.

Group Lending policy

The policy defines responsible lending guidelines consistent with our credit risk appetite and established criteria. Assurance processes serve as a secondary line of defence, providing independent oversight across first line assurance. Control measures, such as system parameters and underwriting procedures are in place. Our approach to affordability considers recent fluctuations in the cost of borrowing, thereby ensuring a current evaluation of a customer's creditworthiness.

Group Customer Vulnerability policy

The policy establishes standards and the methodology for recognising and assisting vulnerable customers, ensuring equitable outcomes across the Group. The Vulnerable Customer Working Group conducts regular evaluations to provide a comprehensive assessment of the state of Vulnerable Customer service across the organisation. Our strategy aims to support colleagues to recognise challenges and obstacles faced by these customers, while providing appropriate tailored support and effective solutions.



Sustainability Report continued

Strategic Pillar – Stewardship continued

Ethical practices

In 2023, the Group became a signatory of the UN Global Compact and in 2024 provided its first submission. The ten principles serve as a reference for the evolution of our approach to stewardship supported by the following policies:

Modern Slavery Statement and Vendor Code of Ethics

The Group delivered a new statement that endorses the UN Declaration of Human Rights and supports the UN Guiding Principles of Business and Human Rights. The Group adheres to the International Labour Organisation Fundamental Conventions and does not tolerate child labour or forced labour. The Group also respects freedom of association and the rights of employees to be represented by trade unions or works councils.

The UK Vendor Code of Conduct and Ethics (UK VCCE) is provided at the initiation of any new partnership and is reviewed annually. OSB India maintains a Vendor Code of Conduct that is subject to external verification by qualified legal professionals in India.

To mitigate the most significant risks of modern slavery within our supply chain, Indian operations, and employment practices, our Vendor Management team conducts evaluations of essential controls. Breach reporting protocols are in place and there were no reportable incidents in 2024.

Group Vendor Management and Outsourcing policy

The outsourcing policy establishes the requirements for effectively managing and overseeing third-party relationships and complying with regulatory standards. The policy establishes a framework for the identification and onboarding of new third-party providers and the oversight and performance monitoring during the life of a contract.

During 2024, the policy was enhanced to place a greater emphasis on ESG matters, and consideration through the key lifecycle stages including ESG questions within selection criteria during on-boarding due diligence, a confirmed commitment to OSB Vendor Code of Conduct and Ethics (or equivalent), in defining contract requirements and during periodic reviews.

We monitor third party compliance with our standards to meet our obligations to stakeholders.

Group Whistleblowing policy

The policy aims to promote a workplace where all employees and concerned individuals feel empowered to report any serious misconduct promptly. Whistleblowing cases are treated with fairness and consistency, with a focus on protecting the whistleblower's identity. The Group Audit Committee has, as a standing agenda item, Whistleblowing Reports, where updates are noted and an Annual Whistleblowing Report is delivered to the Board. A Non-Executive Director has been appointed as the whistleblowing champion.

Conflicts of Interest policy

The policy is focused on identifying and managing conflicts, and commits to preventing them whenever possible. It is incorporated into the mandatory financial crime training for all employees and into the Vendor Management and Outsourcing policy, ensuring an integrated approach. The Group Compliance function supervises the conflicts of interest register, which is evaluated quarterly by the Group Conduct Risk Management Committee and annually by the Group Nomination and Governance Committee for Executives and Directors.



Sustainability Report continued

Strategic Pillar – Stewardship continued

Ethical practices continued

Group Financial Crime policy

The policies concerning Sanctions, Anti-Money Laundering, Anti-Bribery, and Fraud have been integrated into a unified Group Financial Crime policy through ongoing improvement initiatives. The policy is a vital component of our Group Financial Crime Risk Management Framework and is reviewed and approved annually by the Group Audit Committee.

The Group's approach to financial crime is to ensure compliance with legal standards and implementing effective systems and controls to reduce the risk of the Group and its products being used for the furtherance of financial crime; the approach promotes a zero-tolerance policy towards financial crime, while also recognising the inherent risks associated with business activities. The Group's strategy on Anti-Money Laundering and Counter Terrorist Financing articulates the roles and responsibilities of key responsibility holders and all employees. It establishes a strict zero-tolerance stance towards any violations of anti-money laundering or counter terrorist financing laws. The Anti-Bribery and Corruption stance reflects our commitment to conducting business ethically and with honesty, and a zero-tolerance policy. This policy applies to employees, contractors, and third-party service providers to uphold ethical practices in accordance with local laws in all jurisdictions where we operate.

All employees participate in mandatory Financial Crime awareness training on an annual basis to foster a culture of vigilance and responsibility. A specialised Group Financial Crime Team investigates any suspected financial crime-related incidents and initiates recovery actions when necessary. Multiple committees are engaged in monitoring and evaluation to ensure effective oversight and response. Senior management conducts regular reviews of key risk and performance indicators. This process generates management information that enhances visibility into our exposure to financial crime, to enable informed decision-making and effective risk management strategies.

Group Health and Safety policy

The policy outlines our approach to identifying and meeting legal obligations, identifying and managing risks and creating a safe environment for employees, customers, and other stakeholders. Risks are assessed across the Group on an annual basis. Training is provided for all employees. We routinely evaluate our controls to verify their effectiveness. An accountable Executive is responsible for the Health and Safety policy, which undergoes an annual review prior to Operational Risk Management Committee approval. Management information is provided to Committees and the Board.

Group Operational Resilience policy

The policy reflects our commitment to enhancing operational resilience in order to meet the needs of our customers alongside our financial and legal obligations. This policy is intended to ensure that the Group complies with the supervisory regulator requirements. The policy establishes the operational resilience framework which incorporates a range of activities to prepare for, prevent, detect, respond to, recover from, and learn from disruptions. Regular review and testing takes place to support our resilience strategies so the Group can adapt to new threats, regulatory changes, and business evolution.

Group Data Retention policy

The policy and underlying procedures set out measures to protect the personal data of our customers, employees and third parties and ensure adherence to the UK General Data Protection Regulation (GDPR) and the Data Protection Act 2018. We view effective privacy practices as vital to our corporate governance and accountability framework. The Group Data Protection Officer provides reports to both the Group Executive Committee and the Board.

Sexual Harassment policy

In 2024, the Group introduced a sexual harassment policy that plays a vital role in ensuring a secure and respectful working environment. This policy is relevant to all employees and contracted staff in the UK connected to the Group. Additionally, it complements the OSB India Prevention of Sexual Harassment policy, which addresses obligations in India. The policy articulates a clear definition of sexual harassment, describes the reporting mechanisms, and specifies the potential disciplinary actions for any violations.

Trans Inclusion and Gender Identity policy

The Group is dedicated to fostering equal employment opportunities and creating a supportive and inclusive workplace, irrespective of gender identity. In alignment with the Gender Recognition Act 2004 and the Equality Act 2010, the Group has implemented a policy focused on trans inclusion and gender identity, which safeguards the rights and dignity of transgender and non-binary individuals. The policy is relevant to all employees and contracted staff and outlines the procedures for reporting incidents and shares the possible disciplinary measures that may be imposed for any infractions; supporting the Group's commitment of ensuring inclusivity, respect, and the protection of individuals from discrimination based on their gender identity.

Sustainability Report continued

Strategic Pillar – Stewardship continued

Ethical practices continued

Tax

OSB Group recognises that its tax contributions make an important social and economic impact, benefitting the communities we operate in by delivering valuable public services and building infrastructure that allows communities to thrive.

	2024		2023	
	£m	£m	£m	£m
Taxes paid				
Corporation tax	109.6		92.6	
Bank surcharge	8.9		10.2	
Irrecoverable VAT	23.3		22.1	
Employer's NIC	11.8		10.8	
Other	1.8		2.3	
Total taxes paid		155.4		138.0
Taxes collected				
Income tax	25.6		23.2	
Employee's NIC	4.3		5.3	
VAT	3.6		3.8	
Total taxes collected		33.5		32.3
Total tax contributions		188.9		170.3

The Group is proud to make a significant UK tax contribution each year. During the 2024 period our contribution was £188.9m (2023: £170.3m).

The Group believes it is important to pay the right amount of tax, in the right place, at the right time. All of the Group's subsidiaries (including those incorporated in Guernsey and Jersey) are tax resident in the UK, with the exception of OSB India Private Limited (OSBi) which is tax resident in India and pays all appropriate taxes in India. We do not use tax havens for tax avoidance purposes.

The Group is open and honest in all dealings with tax authorities in both the UK and India. In the UK we have signed up to the Banking Code of Conduct and always follow the spirit and the letter of tax law. Our strategy can be found at <https://www.osb.co.uk/sustainability/tax-strategy>.

Cyber security

The Group's cyber resilience programme is founded on recognised frameworks for cyber risk and controls, including those from the National Institute of Standards and Technology, the Microsoft Cloud Security benchmark, and the Centre for Internet Security. Oversight is provided across the conventional three lines of defence, with reporting structures established for governance committees and the Group Board. The framework not only facilitates effective reporting but also continuous improvement to our cyber security posture and in addressing potential vulnerabilities. The cyber programme aims to deliver robust counter-measures, effective monitoring, and a responsive approach to incidents in the face of both existing and evolving threats.

The Group conducts regular security testing and engages independent reviews from specialised CBEST-accredited third parties to evaluate the effectiveness of its operational and technical capabilities in cyber resilience, which are necessary for regulated financial services organisations.

Artificial Intelligence Responsible Use policy

The policy provides guidelines on how to interact and utilise AI tools and applications. Additionally, the Group is currently progressing with several controlled Proof of Concepts in supporting business functions with a view to understanding the risks, accuracy, ethics and reliability. Given the maturing nature of AI technology and its usage, the Group takes a proactive but cautious approach to the adoption of AI.

