

Principles for Responsible Banking

Progress Statement Report
2026

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In January 2025, Newcastle Building Society and its subsidiary businesses became a signatory to the United Nations Environment Programme Financial Initiative (UNEP FI) Principles for Responsible Banking (PRB).

This marked a milestone in our net zero journey allowing us to align our strategy, decision making and lending to a globally recognised framework which will support us in contributing to global climate efforts at a regional level.

The Principles form a global framework developed by banks and building societies alongside the UNEP FI. The framework requires signatories to assess environmental & social impact, set measurable sustainability targets, embed sustainability into decision-making and report progress transparently, aligned to the UN Sustainable Development Goals and international agreements such as the Paris Climate Agreement.

Over the next 4 pages we have documented our progress since joining in January 2025, using the summary template provided by the UNEP FI, against the six PRB framework principles: alignment, impact & target setting, clients & customers, stakeholders, governance & culture, and lastly transparency & accountability.

Links to further relevant information have been provided on the last page of the report, including the 2025 Group Climate-related Financial Disclosures including 2025 Streamlined Energy and Carbon Report.



Supporting the transition to a greener economy

The Society recognises the vital role financial services plays in supporting the transition to a low carbon economy.

This report documents activity across the Group, which includes the Society (operating under both the Newcastle & Manchester Building Society brands) and its subsidiaries, Newcastle Strategic Solutions Limited (NSSL) and Newcastle Financial Advisors Limited (NFAL).

Aligning our business to a net zero pathway

During 2025, we have been working hard to establish a clearer understanding of the impact our business currently has on the climate and in return the risks and opportunities the climate presents to our business, which has enabled us to identify and agree on the most orderly way to transition our business to operate on a net zero basis. The climate strategy is supported by the Group strategy, which includes environment as one of its five strategic pillars. The environmental strategic pillar outlines the Society's commitment documenting that the Society *will care for our environment and ensure a sustainable future for generations.*

UN Sustainable Development Goals (SDG's)

In 2025, as part of the proposals to become a UN PRB signatory we conducted a mapping exercise mapping UN SDG's to our purpose. The outcome of that work lead to us adopting the following goals.

- Goal 3 – Good Health and Wellbeing
- Goal 4 – Quality Education
- Goal 5 – Gender Equality
- Goal 8 – Decent Work and Economic Growth
- Goal 11 – Sustainable Cities and Communities
- Goal 13 – Climate Action

Target Setting

The Society has committed to a science-based pathway in line with its commitment to the UN PRB which will transition the business to operate as a net zero sustainable business by 2050.

In addition to monitoring key metrics associated with climate change, the Society is working hard to reduce absolute emissions, as measured by our emissions inventory with a specific focus on the reduction of scope 1 direct and scope 2 indirect purchase electricity emissions across our entire property estate, noting that during 2025 we have increased our property portfolio through organic growth of the business with the opening of the flagship office in the centre of Newcastle Upon Tyne alongside our first branch opening Manchester Building Society located in the centre of Manchester. In 2026, we are working on a phased approach to establish interim emission targets that follow an ambitious but achievable pathway, addressing scope 1 and 2 emissions first, then moving on to applicable controllable scope 3 emissions. (See Appendix 1 on page 6 for 2025 carbon inventory).

Impact**Supporting communities into work** (Supporting UN Goals 4,8,11 & 13)

- Our partnerships with schools, colleges and community organisations help us promote financial and digital literacy, helping people in our communities build confidence and skills needed to enter the workplace.
- Our community fund, gives grants to local charities across the North East, Cumbria and North Yorkshire. We have awarded more £1.8m since 2016 to over 500 charities.

Principle 3: Clients & Customer

The Society is member owned and it operates as a mutual business alongside its subsidiary businesses, Manchester Building Society, Newcastle Strategic Solutions and Newcastle Financial Advisors. We are working with our member's and communities to support them on their journey to have a better financial future which is sustainable.

Supporting our members and communities (Supporting UN Goals 8 & 11)

We recognise the need for improved energy efficient homes across our regional communities. In 2026, work has commenced to offer members products to support their transition to own a more efficient home. We are also working with the UK Government and UK Finance on a project to unlock challenges faced by lenders to accelerate the options and incentives available to homeowners to improve their energy efficiency.

Affordable Housing (Supporting UN Sustainable Goals 8 & 11)

A key strategic deliverable for the Society is to help more people own their own home. Our First Step (up to 98% loan-to-value) mortgage is designed to help first time buyers get on the property ladder sooner with a smaller up-front cost.

In addition, to supporting first time buyers start their property journey we also have a focus on later life members, our later life products are tailored for those looking to borrow in and approaching retirement and provides borrowing up to 95% LTV.

Located on the communities' page of our website we also offer a Sustainable Living Hub which provides accessible information for making sustainable home choices(See page 7 for link to the Sustainable Living Hub).

Principle 4: Stakeholders

The groups key stakeholders are our members, our people, suppliers, banking peers and regulators. We engage regularly with our stakeholders on the topic of sustainability. This includes, a gap analysis conducted in 2025 with our people to establish their knowledge and appetite in relation to transitioning to operate a more sustainable and low carbon business. Other examples of how we engage and drive transition across our stakeholder network include:

Technology (Supporting UN Goal 13)

We are aligning our technology development to adopt a greener approach when developing software in line with the Green Software Foundations guidance. In 2026, two technology colleagues have completed and successfully achieved green software certification meaning they are leading adaptation to greener practices.

Community

Charity Partnership: NU Foundation (Supporting UN Goals 3, 4, 5, 8 & 11) Newcastle Building Society and Newcastle United Foundation (NU Foundation) have worked closely together over the last 5 years. We are dedicated to tackling the North East's biggest social and economic challenges, together. Since our first sponsorship of NU Foundation, we have worked side by side to help address deprivation, wellbeing, youth unemployment, and barriers to opportunity for families and individuals across the region. Inspired by this passion, we've committed £1.1m to help NU Foundation deliver its life changing work in the community across the city of Newcastle Upon Tyne.

Industry Bodies (Supporting UN Goals 8, 11 & 13)

In 2026, we are supporting UK Finance with the Green Homes Finance Strategic Partnership, working alongside the Green Finance Institute and UK Government Department Energy Security and Net Zero with an end goal of providing recommendation to the UK Government on how to accelerate consumer demand for green home finance whilst supporting lenders with appropriate incentives.

Principle 5: Governance & Culture

As we continue to enhance our environmental, social and governance (ESG) approach, we are committed to continually implementing the right measures to assess our performance and maximise our impact. The governance model for oversight and management of climate related risk and sustainability is managed through the Society's Risk Governance Structure and is governed as set out below.

Governance (Supporting UN Goals 4 & 13)

The Society's Board is responsible for effective oversight of the governance aspects of the climate strategy and associated climate-related risks, which are embedded into existing governance structures to ensure that accountability, transparency and ethical conduct is present across the business.

The Society's Board is supported by its committees, which include Board sub committees, the Executive committee and various Management committees.

During the first part of 2026, we have started a review of our Group governance around sustainability and have established a new Sustainability and Social Value Committee which will provide oversight of our Environment & Sustainability and Diversity, Equality and Inclusion activity as well as our community and charity activity.

Culture (Supporting UN Goals 4, 8, & 13)

The Group Boards, Executive committees and Management committees drive, encourage and challenge colleagues to deliver responsible products and services. We currently offer mandatory DE&I training to all colleagues, we are in the process of expanding our education modules to include environment and sustainability, which we aim to offer later in 2026

Principle 6: Transparency & Accountability

During 2026 the Group conducted a review to evaluate the emissions baseline figures as part of our carbon emission reporting responsibilities, following organic growth of the business with the addition of 2 flagship branches in Newcastle and Manchester. This has involved a review of available data to improve quality and address data gaps.

Scope 1 emissions (Supporting UN Goal 11 & 13)

For financial year 2025, enhanced data-gathering processes and more robust record keeping have enabled the full capture of refrigerant usage associated with emissions.

Scope 2 emissions (Supporting UN Goal 11 & 13)

In 2025, the business expanded Scope 2 reporting to dual-report on location-based and market-based emissions factors.

The Group uses 100% renewable electricity across its property estate. Sourced from hydro and wind power and backed by Renewable Energy Guarantees of Origin certificates (REGO).

Assurance

The Group's carbon inventory is prepared by the ESG division of Inspired Energy PLC and assured internally by Audit Committee with appropriate risk-based monitoring by internal and external Audit.

This provides assurance across various levels to satisfy that our carbon reporting and disclosures are transparent and accurate. By working with our external assurance partners, we aim to enhance the robustness of our reporting practices and ensure that we are continue to be aligned to best practices in sustainability governance.

Appendix 1:

Society GHG Emissions: 2025 & 2024



Total UK Scope 1 and 2 location and market-based emissions, including refrigerants

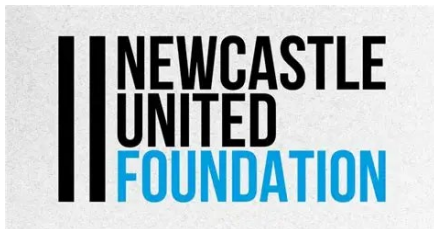
Scope 1 & 2	Metric detail	2025 emissions	2024 emissions
Total scope 1 & 2 (location based)	tCO ₂ e	611.57	655.75
Total scope 1 & 2 (market based)	tCO ₂ e	209.05	181.84
Notes: <ol style="list-style-type: none">1. Further information on our Group scope 1 & 2 emissions and reporting methodology can be found in our 2025 Annual report and accounts, sustainability report pages 32–452. The reported Scope 1 and 2 emissions have been rounded to two decimal places. Any calculations have been conducted using complete unrounded figures3. FY2024 transportation emissions have been restated following updates to the actual transportation activity recorded for FY20244. Emissions from Grid-Supplied Electricity (Scope 2) are captured and reported in tCO₂ only, due to the market-based methodology5. For scope 1 and 2, where actual data was not available, consumption was estimated using average consumption or proxy data			



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