Sustainability report

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

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 2050[1].

People

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

Stewardship

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

For further information see supporting ESG disclosures on our website.

Climate Transition Plan 2024

Financed emissions – intermediate target – Basis of Preparation

Scope 1, 2 and 3 Basis of Reporting

Modern Slavery Act Statement

Gender Pay Gap Report

Community Impact Report

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

Sustainability report continued
Introduction

We are committed to helping our customers, colleagues and communities to prosper as we advance our sustainability agenda – reducing our environmental footprint, strengthening our social impact and driving long-term value creation.

In a year defined by strategic focus and progress on transforming for our customers and intermediary partners, and becoming a skills-based organisation, with investment in each of our colleagues, we embraced sustainability and the future fitness of our organisation. Not as an ancillary agenda but as a strategic focus. As a specialist lending and retail savings bank, we recognise that our long-term resilience and relevance depend on our capacity to integrate environmental, social and governance (ESG) considerations into our business model.

In 2025, the Group progressed on three strategic ESG pillars: Just Transition, People and Stewardship - each underpinned by commitments and aligned with the UN Sustainable Development Goals. We hold ourselves accountable for our operational footprint and reducing the broader impact of our lending activities, including the decarbonisation of the UK housing stock we finance.

Our ambition is two-fold. First, to reduce direct emissions across Scope 1 and 2 by 2030 and to addressing Scope 3 financed emissions, recognising the nature of climate-risk and transition-risk exposure in a lending business. Second, to embed social value: ensuring our colleagues are empowered and invested in, our customers treated fairly and with integrity, and that our communities benefit from our activities.

In the following pages we present our progress and the areas where further acceleration is required. We continue to refine our materiality assessments to prioritise the matters that really matter – aligning with our Purpose: to help our customers, colleagues and communities prosper. At the same time, we maintain a close eye on emerging risks: whether they be rising energy costs, shifting regulatory landscapes, or evolving consumer expectations around responsible finance.

Looking ahead, we commit to delivering sustainable outcomes by continuing to support our customers, by equipping our colleagues with the skills for tomorrow, and by reinforcing governance frameworks that ensures accountability across the organisation. This journey is not linear, and we cannot succeed in isolation – partnership, industry collaboration and government policy-alignment remain central.

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

Just Transition

45.5%
EPC rating of C or better
2024: **42.8%**

57%
reduction in direct emissions (Scope 1 and 2)
2024: **41%** reduction

98%
of electricity from renewable sources (UK)
2024: **100%**

People

61%
of UK colleagues engaged in community activities
2024: **60%**

over £376k
total benefit to charities and community organisations
2024: **over £394k**

9th
consecutive year OSB India confirmed as a Great Place to Work

Stewardship

36%
of women in senior management
2024: **36%**

44th
of top 100 large companies in Best Companies Survey
2024: **45th**

7,385
volunteering hours undertaken
2024: **7,038**

Greenhouse gas emissions

39.78
Scope 1
2024: **101.83 tCO_2e**

4.49
Scope 2 (market-based)
2024: **zero tCO_2e**

283,021
Scope 3 Financed emissions
2024: **294,137 tCO_2e**

Sustainability report continued

ESG Strategic Pillars

Our ESG Commitments guide our approach to sustainable business and delivering value for our stakeholders.

The topics that matter most are embodied in our strategic pillars and commitments. We continue to use the United Nations Sustainable Development Goals (SDGs) as an important reference point for our activities and impact[1].

Our ESG Strategic Pillars...

Just Transition
Our ambition: A fair and equitable transition to a low-carbon economy

People
Our ambition: Delivering on the needs of people now and into the future

Stewardship
Our ambition: Acting responsibly to deliver sustainable value

...are influenced by the United Nations Sustainable Development Goals...

- 5 GENDER EQUALITY
- 7 AFFORDABLE AND CLEAN ENERGY
- 8 DECENT WORK AND ECONOMIC GROWTH
- 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE
- 10 REDUCED INEQUALITIES
- 11 SUSTAINABLE CITIES AND COMMUNITIES
- 12 RESPONSIBLE CONSUMPTION AND PRODUCTION
- 13 CLIMATE ACTION
- 17 PARTNERSHIPS FOR THE GOALS

...and supported by our Strategic Commitments

Customers
We place existing and future customers' needs at the centre of what we do. We work hard to ensure that our decisions and products support the prosperity of all customers including those who are or may be vulnerable. We provide thought leadership, education, awareness and products and services that respond to customers needs, including their transition to a low-carbon economy.

Colleagues
We continuously evolve our culture to ensure colleagues remain engaged, equipped and empowered to deliver our Purpose and Vision. Our learning and skills culture attracts, retains, and develops the best talent by investing in every colleague's skills and capability, enabling all to develop and maximise their ambition and potential. In doing so, we embrace the opportunity of a diverse and inclusive community of colleagues.

Communities
We will support our local communities and drive positive social and economic change through strategic collaboration programmes, partnerships and volunteering initiatives. To further this goal, we will create products and propositions within our lending and savings activities to benefit our customers and the wider community.

Net Zero
We will align our ambitions and climate transition plan to those of the Paris Accord on climate change with the ambition of achieving carbon Net Zero across our operational emissions by 2030 and our financed emissions by 2050.

Supply chain
We will work with partners who share our commitment to increasingly sustainable and responsible business practices, encouraging and supporting them where needed.

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

Strategic Pillar – Just Transition

Climate Transition Plan

The Group published its inaugural Climate Transition Plan (the 'Plan') in 2024 and in 2025 set about its implementation against a challenging external backdrop of continued uncertainty on government policy and support for housing decarbonisation and increased criticism and scepticism of Net Zero initiatives.

In October 2025 the United Nations Finance Initiative – Net Zero Banking Alliance, of which OSB Group had been a member since 2023, ceased its operations as a member-led initiative, following the exit of number of large financial institutions. We remain committed to embedding climate change considerations and management across our business, to ensure we remain resilient to the impacts and mitigate, where possible, our impact, through direct action and support for our customers.

During the year we recalculated our 2022 financed emissions[1] baseline due to data quality improvements since it was set. The result of this is that we are restating performance against the revised baseline for the years 2023 and 2024. Details can be found on page 75.

Our Climate Transition Plan prioritises areas where we believe over time, and with the right support, tangible value can be delivered to stakeholders. The five pillars of action outlined in the Plan (see across) represent a responsible and proportionate strategy, focusing on supporting customers and 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, technology and government.

We previously reported our intention to release an updated version of the Plan in 2027. Following government and regulator consultations in 2025 and the release of the International Financial Reporting Standards Foundation transition plans guidance, we will review the timeline in early 2026 to ensure our disclosures continue to reflect best practice and remain relevant and useful to report users.

Since the Plan's launch, we have made progress in advancing a number of the priority actions (see page 74) that contribute towards our emissions reduction targets for direct operations (see page 76) and financed emissions (see page 75). We continue to monitor progress through our Climate Transition Dashboard which includes a range of metrics and performance against our key targets. Performance against our emissions reduction targets and against risk appetite are reported regularly through governance committees, for more information see page 92.

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 2030[2]	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. Financed emissions are the greenhouse gas (GHG) emissions that the Group is indirectly responsible for through the money it lends,
2. Scope 2 calculated using Market-based methodology.

Sustainability report continued

Strategic Pillar – Just Transition continued

Climate Risks and opportunities

The Group's lending is to individuals and small and medium enterprises in the UK, where the specific climate risks and opportunities are assessed. The Group provides lending in the UK primarily against residential and commercial properties, with low exposure to non-property collateral backed funding lines or asset finance lending which is typically secured against hard assets, and therefore does not have significant credit exposure to carbon-related assets. The Group's operational sites in both the UK and India (OSBI) are exposed to physical and transition risk. Currently, the Group does not deem it necessary to describe risks and opportunities by geography.

The Group's assessment of climate risks and opportunities aligns with the wider ESG materiality processes, with a focus on the Group's business model, its value chain and existing risk practices. Both quantitative (where data is available) and qualitative assessments are performed to determine the degree of impact on the Group's business strategy and financial planning. Identified risks and opportunities, and their relationship to principal risks types, are outlined in the below table (including risks that may arise from opportunities as part of the Transition Plan). For a high-level view of the Group's principal risks, and their relationship to climate-related financial risks, please see page 100.

We continue to progress the management of risks and developing areas of opportunity with respect to products and services, supply/value chain mitigation activities and operations. The Group's current strategy and simple business model mean that risks and opportunities relating to investment in research and development, acquisitions and access to capital are deemed non-material and therefore were not areas of focus[1].

The Group's financial planning process considers the Group's Internal Capital Adequacy Assessment Process (ICAAP) which includes the climate sensitivity assessment factored over a short-term time horizon. The ICAAP (including Estimated Credit Loss calculations) utilises the Bank of England's Climate Biennial Exploratory Scenario (CBES) as a basis for stress testing. The Group's ESG strategy and climate targets are driven by the UK Climate Change Committee (CCC)'s Balanced Net Zero Pathway (BNZP).

Time periods considered for the identification and assessment of risks and opportunities are defined as short term 0-five years, medium term five-ten years and long term greater than ten years. The short-term time horizon aligns to the Group's planning and ICAAP stress testing assessment periods. The long-term time horizon has been utilised within scenario analysis to assess climate risks which may occur over a longer timeframe. The medium-term horizon therefore relates to risks and opportunities which are inside our long-term assessment horizon, but sit outside of our short-term assessment period.

Metrics and targets related to the ICAAP and the Group's Climate Risk Appetite all consider historic periods and trend analysis for comparison.

Climate Related Risks

Topic	Related Principal Risk (if applicable)	Time Horizon	Financial Impact*	Metric(s)	Target(s)
Managing climate-related financial risks related to: Changes in precipitation pattern and extreme variability in weather patterns, rising mean temperatures and rising sea levels that will impact the Group's primary lending (Physical Risk)[2]	Credit Risk	Long–term	Low[3]	page 98	N/A[4]
Managing climate-related financial risks related to: Policy and legal mandates that will impact the Group's existing lending, products and services (Transition Risk)	Credit Risk	Short–term	Low[3]	page 99	page 75
Increased concern or negative feedback from the Group's stakeholders based on direct emissions and supply chain emissions as well as failure to meet the Group's emissions reduction targets (Transition Risk)	Reputational Risk	Long–term	N/A[4]	page 75	N/A[4]
The Group's operations in the UK and OSBI impacted by an increased number or severity of extreme weather events leading to increased operational cost of recovery (Physical Risk)	Operational Risk	Long–term	N/A[4]	N/A[4]	N/A[4]

1. Notwithstanding the importance of risks and opportunity categories outlined within TCFD Implementation Guidance (Table A1.1 and Table 1.2), not all categories are relevant to OSBG's business model and therefore our approach is to provide information on those determined relevant to the Group. We acknowledge that the above topics overlap with TCFD recommendations, such as: Policy and Legal; Reputation; Resource Efficiency; Energy Source and Products and Services.
2. For details of post model adjustment (PMA) relating to climate change on the Group's financial statements, please see page 198.
3. High – The risk carries a significant financial risk to the Group. Low – The risk has little to no financial risk to the Group and can be addressed incrementally through existing financial processes (e.g. ICAAP process).
4. No financial risk associated/No metrics or targets for related topic.

* Financial impact presented is associated with the Group's financial Principle Risk Types outlined in page 100 and does not represent an independent assessment of each topic.

Sustainability report continued
Strategic Pillar – Just Transition continued

Climate Related Opportunities

<table>
<tr><th>Topic</th><th>Related Principal Risk (if applicable)</th><th>Time Horizon</th><th>Financial Impact*</th><th>Metric(s)</th><th>Target(s)</th><th>2025 Impact</th></tr>
<tr><td colspan="7">Direct operations</td></tr>
<tr><td>Removal of gas boilers from our offices and buildings</td><td rowspan="5">Operational Risk</td><td rowspan="5">Short-term</td><td rowspan="5">Low[4]</td><td>page 79</td><td>page 75</td><td>18 tCO_2e[1]</td></tr>
<tr><td>Rationalisation of corporate real estate</td><td>page 79</td><td>page 75</td><td>110 tCO_2e[1]</td></tr>
<tr><td>Replacement of fluorinated gases with lower Global Warming Potential (GWP) alternatives</td><td>page 79</td><td>page 75</td><td>N/A</td></tr>
<tr><td>Continue to purchase electricity from renewable sources</td><td>page 79</td><td>page 75</td><td>259.5 tCO_2e[2]</td></tr>
<tr><td>Increased energy efficiency through colleague engagement and property management</td><td>page 79</td><td>N/A[3]</td><td>42,729kWh[4]</td></tr>
<tr><td colspan="7">Transition-friendly products and services</td></tr>
<tr><td>Existing products – providing products and services that contribute greater energy efficiency and/or decarbonisation</td><td>Compliance Risk</td><td>Short-term</td><td rowspan="2">Low[5]</td><td>page 74</td><td>N/A[3]</td><td rowspan="2">page 74</td></tr>
<tr><td>New product development – providing products and services that contribute to greater energy efficiency and/or decarbonisation</td><td>Compliance Risk</td><td>Short-term</td><td colspan="2">N/A[3]</td></tr>
<tr><td colspan="7">Connecting our customers</td></tr>
<tr><td>Providing accurate, reliable and actionable information to support retrofit decision making and action</td><td>Operational Risk</td><td>Short-term</td><td rowspan="3">Low[5]</td><td colspan="3" rowspan="3">page 74</td></tr>
<tr><td>Improving data access and quality to support the product strategy and customer journey</td><td>Operational Risk</td><td>Short-term</td></tr>
<tr><td>Connecting customers to the retrofit supply chain</td><td>Operational Risk</td><td>Short-term</td></tr>
<tr><td colspan="7">Thought leadership, education and awareness</td></tr>
<tr><td>Landlord Leaders Community – focused on creating a fairer and more sustainable Private Rented Sector</td><td>Reputational Risk</td><td>Short-term</td><td rowspan="2">Low[5]</td><td colspan="3" rowspan="2">page 74</td></tr>
<tr><td>Thought leadership – commissioned research to inform the work of the Landlord Leaders Community</td><td>Reputational Risk</td><td>Short-term</td></tr>
</table>

1. Calculated using total emissions from 2024 and subtracting any emissions from 2025 to calculate the potential emission saving impact.
2. Calculated using total Scope 2 Purchased Electricity Location-based methodology emissions for 2025 minus the amount of emissions from non-renewable sources.
3. No targets were set for 2025.
4. Reduction calculations based on the Group's Energy Savings Opportunity Scheme Action Plan submission to the Environment Agency.
5. High – The action carries a significant cost or financial benefit to the Group. Low – The action delivers little to no cost reduction or revenue benefit and can be addressed incrementally through existing financial processes such as budget setting.

Sustainability report continued

Strategic Pillar – Just Transition continued

Progress towards our Pillars of Action and climate-related opportunities.

Thought leadership, education and awareness

In 2023, we launched the Landlord Leaders Community - a membership network uniting individuals and organisations committed to creating a fairer and more sustainable Private Rental Sector (PRS). This initiative serves as a platform for collaboration, enabling stakeholders to share insights, exchange ideas and drive positive change. The community continued to grow in 2025 reaching 53 members. In August the website saw 1,000 users access its content for the first time.

Each year, the Community captures fresh insights through its Landlord Leaders questionnaire. In 2025, 800 UK landlords were surveyed. The survey explores the challenges landlords face and the importance of relationships within the PRS value chain. Questions about the potential changes to the Minimum Energy Efficiency Standards (MEES) for the PRS were included. These insights shape the priorities for future content, ensuring the Community continues to deliver value.

In response, the Group and community members shared education articles and useful practical guides on topics such as: the cost of increasing your Energy Performance Certificate rating to C; Change to EPCs: what landlords need to know now and Everything you thought you knew about Energy Performance Certificates for commercial buildings… but did not!

The findings of this year's survey showed that landlords are investing in their portfolios ahead of EPC regulation (70% had done so), but that only 28% are doing so through new borrowing. This aligns with our strategy to support customers in other ways beyond access to additional finance.

Through this initiative, OSB Group reaffirms its commitment to supporting a sustainable PRS, contributing to a resilient and inclusive housing market for all. Our teams continue to participate in Broker events, contributing expertise to discussions at the front of brokers' minds.

The Group actively participates in UK Finance working groups including its Sustainability Committee, where MEES, EPC reform and Transition Planning were key topics in 2025.

Connecting our customers

In 2025, the Group funded a customer Energy Performance Certificate (EPC) pilot programme working with a third-party property data specialist. Several Buy-to-Let customers had the opportunity to find out more about the energy efficiency of their properties through assessments. We were seeking to understand what data and insight landlords found most useful, beyond what is available within the existing standard EPC, given its limitations, and where, as a specialist lender we can support and add value.

Using a third party tool, we analysed 10,000 Buy-to-Let properties, synthesising property-specific energy-efficiency data sets and optimised action plans, showing cost-effective routes to achieving an EPC rating of C. We offered participating landlords access to the reports and insights specific to their portfolios. Larger landlords fed back that they were aware of pending regulations and had plans in place to manage their portfolios. We are working with medium and smaller landlords to determine the use cases for the data and insight we have made available to them.

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 remains limited with just 32 applications in 2025. Through our InterBay brand, we offer a commercial product with reduced rates for properties with an EPC rating of C or higher, with completions totalling £287.2m in the year.

Within the Group's transformation programme, lending platforms have been designed to allow greater flexibility in energy-efficiency specific products.

We recognise 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. We expect that as landlords respond to increased requirements under the Minimum Energy Efficiency Standards, there will be increased interest in funding for retrofit works.

Greening our offices and branches

We continued to make strides towards reducing our direct operational emissions. A further gas boiler replacement at one of our main offices with a new heat pump reduced emissions by an expected 25.6 tCO_2e versus 2024. At the end of 2025 only one of our offices (within the Group's operational control) uses natural gas; the remainder and KRBS branches are now heated and powered by 100% renewable electricity.

The Group continues to prioritise the purchase of renewable electricity from Renewable Energy Guarantees of Origin (REGO)-backed tariffs, ensuring minimal Market-based emissions are reported under Scope 2 – Purchased Electricity. We are also pleased that we have reduced the total amount of electricity we are using despite moving to electric sources of heating (see page 80). This demonstrates improved efficiency and conscientious resource use managed by our Property Services team and supported by colleague behaviours.

Continue to embed climate thinking

Our management of Climate Risk continues to evolve through alignment between our climate strategy and governmental and regulatory commitments. The Group prioritises current and upcoming government and regulatory policies (e.g. Minimum Energy Efficiency Regulations for Private Rented Sectors) to fulfil a high degree of climate risk management preparedness and consequently educating customers on policies that may impact them.

Climate Risk integration across all viable Principal Risk types remains a focus and in 2025 the Climate Risk Appetite evolved to ensure alignment with our Net Zero trajectory and upcoming compliance with regulatory policies. Internally, the Group strengthened the learning and development on Climate Risk and developed mandatory e-learning training to be distributed to related business areas. The purpose of this is to ensure the three lines of defence have increased knowledge on climate risk identification, assessment and monitoring.

For further details relating to the Group's enhancements on risk management processes and complying with regulatory commitments (i.e. Prudential Regulation Authority), please see Task Force on Climate-related Financial Disclosures (TCFD) page 95. The Climate Transition Working Group met three times in 2025, 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 interim emissions reduction targets were set in 2023 in compliance with our commitment to the Net Zero Banking Alliance (NZBA) and its target setting guidance.

Despite the disbanding of the NZBA as a membership organisation, we intend to continue to use its target setting guidance as a measure of robustness and credibility in emissions target setting. We continue to consider the SBTi Financial Institution Net Zero Standard as an alternative target setting methodology.

Approximately 91% (2024: 96%) of our total emissions come from financed emissions, arising from our lending activities. Reducing these emissions is important but challenging, and therefore, a key focus of our climate strategy.

While our direct emissions are smaller, they remain critical to achieving our ambitious 2030 net zero target for Scope 1 and Scope 2 emissions.

Our targets
Financed emissions – Reduce the emissions intensity (kgCO_2e/m^2) of our mortgage lending by 25% by 2030 from a 2022 baseline.
Direct operations – Reduce Scope 1 and Scope 2[1] 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 Financed Emissions Intermediate Targets – 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 and, in subsequent years since, is reported to demonstrate transparency and performance over time.

Reducing the emissions from our mortgage lending – financed emissions
In 2025 we reviewed the ongoing suitability of the financed emissions target. We looked at the scenario that underpins the target, the methodology, and the data used to calculate the baseline and report performance. The review has resulted in the Group restating baseline financed emissions for 2022 which are 301,331.30 tCO_2e. The previous baseline contained erroneous data taken from the EPC public register that overstated property level emissions. This was identified and corrected for 2023's reporting onwards. By restating the baseline we provide a more accurate representation of emissions and progress.

97% of the Group's 2025 lending was secured against residential, Buy-to-Let, semi-commercial and commercial properties (2024: 97%). Our financed emissions (see page 80) are calculated using the Partnership for Carbon Accounting Financials (PCAF) methodology, and we track progress through emissions intensity per square metre (kgCO_2e/m^2).

In 2025, we saw a 6% reduction in financed emissions (tCO_2e) and a 1.50% increase in emissions intensity (kgCO_2e/m^2) compared to the restated 2022 baseline, (2024:-0.45%). The increase in emissions intensity is a result of the sale of the second charge mortgage book during the year that had a favourable emissions intensity.

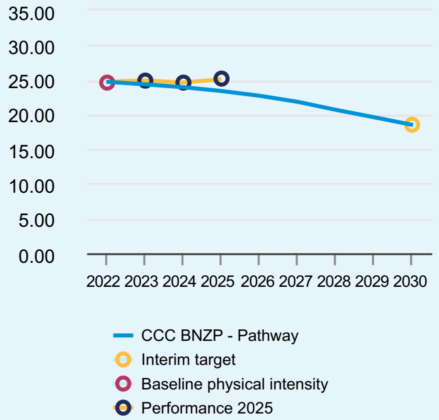
Estimates of financed emissions continue to rely on external data sources, primarily Energy Performance Certificates (EPCs), which assess and estimate the emissions of properties. In 2025, 85% of properties (2024: 83%) were matched to a valid EPC, while 15% (2024: 16%) were either modelled or estimated using postcode or national averages. The remaining properties, representing 1%, were assigned a D rating.

The Group are reliant on a number of external dependencies for 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.

During 2025, the Government consulted on increases to the Minimum Energy Efficiency Standards required for Privately Rented Homes. Setting the intention that by 2030 all properties will need a minimum EPC rating of C to be legally let, this supports the decarbonisation of the Group's lending, but increases cost pressure on landlords. We expect to see increased progress towards our financed emissions target when landlords begin the process of upgrading their properties in response. In 2025 96.2% of properties had a potential EPC of C or better.

There are inherent limitations in using EPCs for calculating financed emissions. These include delays in updating external data sources, age of certificates, which may be up to ten years old, and that the majority of EPCs do not prioritise carbon-neutral technologies over fossil fuel-based alternatives. The updated Standard Assessment Procedure used to calculate EPCs addresses a number of these issues, but it will take time for new EPCs to reflect this in our financed emissions reporting.

Mortgages – financed emissions
Physical intensity (kgCO_2e/m^2)



Financed emissions intensity
1.50% vs 2022
2025: 25.08 kgCO_2e/m^2
2024: 24.60 kgCO_2e/m^2
2022: 24.71 kgCO_2e/m^2 (Baseline)

PCAF data quality score
3.15
2024: 3.15
Scale is 1–5 with 1 being the highest quality

1. Scope 2 emissions are calculated using Market-based methodology.

Sustainability report continued

Strategic Pillar – Just Transition continued

Greening our offices and branches – direct operational emissions

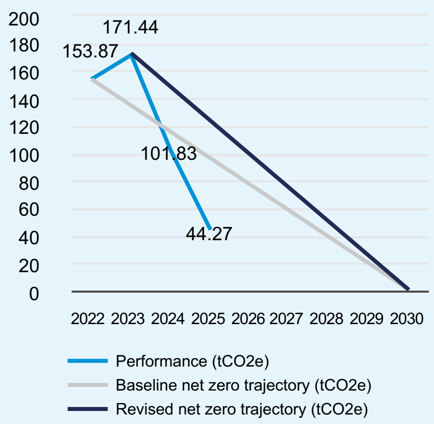
We continue to take strides in reducing our Scope 1 and 2 emissions. Operational emissions in 2025 have reduced by 57% compared to 2024 and reduced 71% from our 2022 baseline.

Actions taken in 2025 include the installation of a new air source heat pump at one of our Chatham offices, as well as the disposal of three offices no longer in use as a result of consolidation programmes. This means all but one of our offices and branches are heated and powered by electric heating solutions.

Our operational emissions are significantly smaller than other parts of our total inventory, but as we have control over them, we will continue to seek reductions in this area.

In 2025, we strived to improve efficiency across our UK portfolio resulting in a reduction of energy consumption of 28% (purchased electricity and natural gas) compared to 2024. These reductions were realised through activities such as reducing the boiler flow temperature at one of our office buildings. Additionally, the Group has worked to rationalise our UK property portfolio, reducing energy usage to minimal before disposing of one office building and ending the lease agreement of another two office buildings early.

Operational emissions Scope 1 and Scope 2 (Market-based) tCO_2e



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 government consultations and via our membership of the Sustainability Committee.

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

- UN Environment Finance Initiative – Net Zero Banking Alliance (Participant)
- Science-Based Targets Initiative (Committed)
- United Nations Global Compact (Signatory)
- UK Finance Sustainability Committee (Participant)

Raising awareness and developing climate competence among our colleagues is a vital part of embedding climate thinking throughout the business. In 2025, this was supported by our Environmental Employee Engagement Networks in the UK and India continuing to drive engagement through articles, events and knowledge sharing and volunteering.

The Group's new learning platform Cornerstone offers colleagues on demand access to a rich menu of awareness raising and capacity building learning on the environment and climate change. Our bespoke climate change training module is also available on the platform. The mandatory learning pathway for new colleagues includes a module on the environment and what colleagues can do.

Operational emissions

71% reduction vs 2022

2025: 44.27 tCO_2e
2022: 153.87 tCO_2e
2023: 171.44 tCO_2e

Sustainability report continued

Strategic Pillar – Just Transition continued

Environmental and energy management

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

Following the submission of the Group's first Energy Action Plan as part of the Energy Saving Opportunity Scheme's (ESOS) legislation, the Group has completed 80% of actions. These measures have the potential to save an estimated 42,729kWh.

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 February 2025, we completed the replacement of one of the last of our natural gas-fuelled boilers with a significantly more efficient air source heat pump. The energy savings from this initiative can be seen throughout 2025 and will continue into 2026. The expected annual saving is approximately 140,193 kWh.

Electricity and gas

In 2025, the Group reduced its natural gas consumption by 277,638kWh (20%) compared to 2024. This reduction is due to the following actions:

- Full year of energy savings have been realised from actions taken in 2024.
- Air source heat pump replaced a natural gas powered boiler at one of our offices.
- Closure of three office buildings and one KRBS branch which moved location.

We maintain our commitment to purchasing 100% renewable electricity. In 2025 Scope 2 emissions using the Market-based methodology increased slightly to 4.49tCO_2e. Emissions from purchased electricity reported using the Location-based methodology were 263.98 tCO_2e (2024: 386.91 tCO_2e).

We will continue to seek greater energy efficiency through enhanced energy management and by replacing outdated equipment with more energy-efficient alternatives. Future energy savings are expected to be smaller incremental gains.

Both absolute and intensity metrics (tCO_2e per m^2, per FTE and per £ million turnover) are used to track and report progress against our 2030 targets providing insight into how efficient the Group's emissions footprint is relative to revenue, number of colleagues and the footprint of properties financed. (see page 80).

Water

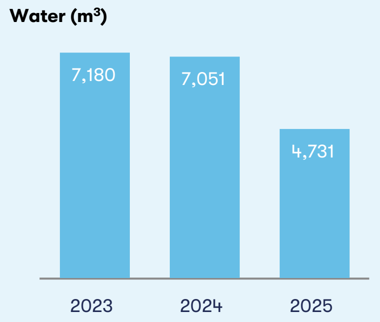
Water is used responsibly with 4,731m^3 used in 2025 (2024: 7,051m^3). This has reduced due to fewer properties within our operational portfolio. Water use is for hygiene and drinking purposes only. All water used is potable.

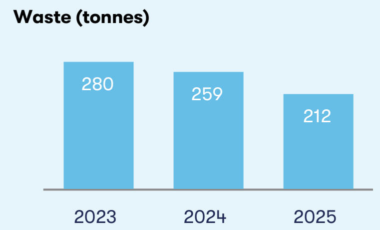
Waste

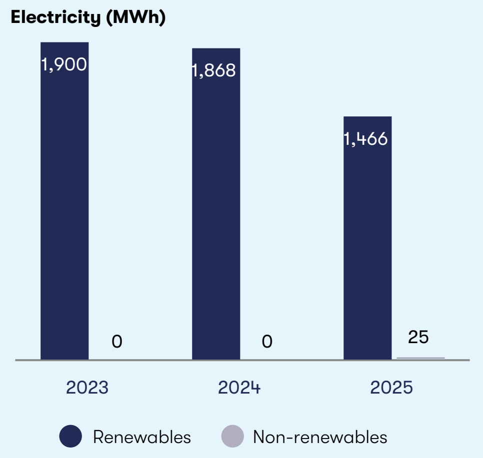
In the UK, the Group manages waste contracts at certain locations, ensuring that waste is diverted from landfill in accordance with the waste hierarchy and legislation. Non-recyclable materials are sent to an energy-from-waste facility.

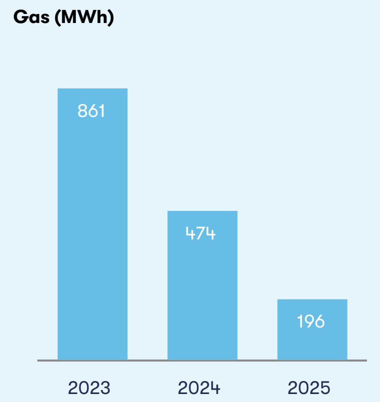
The UK's Simple Recycling legislation was introduced in 2025. To ensure compliance, the Group installed new recycling and food waste stations across our offices and branch locations. An education programme was launched to guide colleagues through these changes. In 2025, we generated 212 tonnes of total waste (2024: 259 tonnes).

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.









Consumption data is based on estimates taken from invoices

Sustainability report continued

Strategic Pillar – Just Transition continued

Carbon mitigation

To offset emissions directly associated with our business operations in 2025, the Group purchased and retired 3,700 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 does not contribute towards the Group's emissions reduction targets.

Nature

This year, the Group has undertaken work to assess our dependencies on nature and our potential exposure to nature-related impacts. We conducted an initial assessment using the Taskforce on Nature-Related Financial Disclosures (TNFD)'s Leap approach to develop our understanding of nature-related risks across our operations and value chain.

We used the ENCORE tool to map material impacts and dependencies of our direct operations and downstream value chain. This has helped to identify nature-related indicators (such as water supply, soil stability, ecosystem condition and pollution) and how they could impact our risk exposure. We assessed these indicators over direct operations as well as our wider value chain.

We recognise that the Group has only started on the journey to understanding our nature-related risks, and acknowledge further work is needed both internally as well as across the wider industry in understanding nature-related loss within financial services.

Greenhouse gas emissions

The Group follows the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard for all greenhouse gas (GHG) accounting across Scopes 1, 2 and 3. By obtaining a comprehensive view of our GHG emission inventory we can have greater control 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 (tCO_2e).

The Group's 2025 Greenhouse Gas emissions basis for reporting are publicly available on our corporate website: https://www.osb.co.uk/sustainability

Additional Scope 3 emissions

Given the complexity of Scope 3 emissions (categories 1-14) we are working with external consultants to improve our calculation methodologies.

We have introduced a new supply chain assessment software, Hellios, to gain deeper insights into our supply chain. The software provides insights into a number of our suppliers' Environmental and Sustainability positioning through the use of detailed questionnaires. Topics of the questionnaire include environmental policy, climate reporting and carbon reduction plans. This is consistent with our ongoing commitment to improving the transparency of our supply chain and in supporting our partners on their climate journey.

We initially prioritised the top four tiers of vendors for assessment via Hellios. We have completed questionnaires for 52% of 2024 vendor spend. 96% of completed questionnaires were rated Green aligning to expectations.

This year, the Group changed the third party engaged to calculate Scope 3 category 1 and 2 emissions. The new process continues to use the Group's spend-based data, as an input to a custom built tool for calculating GHG emissions. The tool uses emissions factors from reputable public sources, primarily the Department for Environment, Food & Rural Affairs (DEFRA)/BEIS. As a result of changing emission factors, categories 1 and 2 emissions have increased by 137% compared to last year. This is due to the difference in methodology used. The change in third-party consultant was to improve the depth of our understanding of supplier spend and the associated emissions data. This will better position us to identify opportunities and begin working toward emissions reductions in the future.

Deloitte LLP provided independent limited assurance over the following metrics and ESG information for the year ending 31 December 2025 ◆[1]:

Greenhouse gas (GHG) emissions

- Total direct (Scope 1) emissions – tCO_2e
- Total indirect (Scope 2) emissions – market-based – tCO_2e
- Total indirect (Scope 2) emissions – location-based – tCO_2e

GHG intensity

- Scope 1 and 2 metric tonnes of CO_2e per full-time employee (FTE)
- Scope 1 and 2 metric tonnes of CO_2e per £m turnover

TCFD

- The description of activities undertaken to meet the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Deloitte's assurance statement can be found on page 258.

Interface-NRM (an ISO 14064-1 accredited verification and certification body) verified to a limited level of assurance:

Greenhouse gas (GHG) emissions

- Scope 3 Categories 1, 2, 3, 5, 6, 7, 8 and 15

In accordance with ISO 14064-1:2018 requirements. 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 (GHG) emissions

Direct and indirect GHG emissions (Scopes 1, 2 and 3)	Further description	Specific fuels where applicable	2023	2024	2025
Amounts in metric tonnes CO_2 equivalent Scope 1					
Stationary combustion	Combustion of fuel on-site	On-site: natural gas, diesel for generators	157.10	86.86	35.90
Fugitive emissions	Fugitive emissions	Leaks and other irregular releases of gases or vapours from a pressurised containment: air-conditioning units	14.34	14.97	3.88
Total Scope 1 direct emissions			171.44	101.83	◆ 39.78
Scope 2					
Purchased electricity					
Total Scope 2 location-based		Electricity – location-based	**396.95**	**386.91**	◆ **263.98**
Total Scope 2 market-based		Electricity – market-based	**1.39**	**–**	◆ **4.49**
Total Scope 1 and 2 direct emissions	Combustion of fuel on-site, fugitive emissions, electricity –Market-based		172.83	101.83	44.27
Scope 3					
Purchased goods and services	Products and services purchased			8,582.04	17,952.86
Capital goods	Fixed assets, plant, property and equipment			2,651.86	8,722.95
Business travel	Unknown vehicle fuel, rail, bus, taxi, hotel stays	Unknown vehicle fuel	256.67	466.43	222.25
Employee commuting	Rail, bus, taxi, hotel stays, home working	Unknown vehicle fuel	2,021.06	2,139.71	974.97
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		155.95	141.69	107.93
Water	Water use		**1.27**	**1.08**	**0.91**
Waste	Waste from operations		**5.95**	**1.67**	**1.00**
Leased assets	Combustion of fuel on-site, fugitive emissions, electricity – Market-based		55.95	50.38	51.04
Total indirect Scope 3 emissions (Category 1, 2, 3, 5, 6, 7 and 8)		Unknown vehicle fuel, water, waste, home working, energy-related activities	**2,496.85**	**14,034.86**	**28,033.91**
Total operational emissions (Location-based)			**2,841.12**	**14,552.80**	**28,117.96**

Sustainability report continued

Greenhouse gas (GHG) emissions continued

Direct and indirect GHG emissions (Scopes 1, 2 and 3)	Further description	Specific fuels where applicable	2023	2024	2025
Total operational emissions (market-based)					
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.	Gas and electricity for heating, hot water and lighting only	**314,413.00**	**294,137.00**	**283,021.00**
Total GHG emissions (Location-based)	All measured emissions for the year		**317,479.24**	**308,659.80**	**311,358.67**

GHG intensity

GHG intensity ratio	Description	Specific fuels where applicable			
Full Time Equivalent (FTE) employees (UK)	Full-time equivalent (FTE) is a unit of measurement equal to one full-time employee		1,427	1,530	1,431
Annual turnover	£million		658.00	667.00	668.0
Scope 1 and Scope 2 Location-based	Metric tonnes of CO_2 equivalent per full time equivalent		0.40	0.32	◆ **0.21**
Scope 1 and Scope 2 Location-based	Metric tonnes of CO_2 equivalent per £million total income		0.86	0.73	◆ **0.45**
Scope 3 financed emissions – physical emissions intensity	Kgs of CO_2 equivalent per square metre*		24.9	24.6	**25.1**

Energy consumption

Energy usage kWh				
Electricity		1,916,950.94	1,868,449.85	1,491,494.90
Gas		860,512.00	473,877.66	196,239.63
Total kWh	Electricity; natural gas	**2,777,462.94**	**2,342,327.51**	**1,687,734.53**

N/M = not measured

1. 2024 was 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 tCO_2e for 2024 (283,021.00) by 1,000 to give $kgCO_2e$ (283,021.000 $kgCO_2e$). This is divided by the total floor area in m^2 of the properties taken from the Energy Performance Certificate (11,282,975.4m^2). Estimated absolute financed emissions were 430,274.4 tCO_2e 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

We place existing and future customers needs at the centre of what we do. We work hard to ensure that we support the prosperity of all customers.

Placing the customer at the heart of our business.

We work hard so that all of our customers feel supported and want to remain our customers. To support this we have a dedicated Customer and Consumer Duty Team whose purpose it is to help us understand our customers' changing needs.

This team plays a pivotal role in refining our Customer Strategy and ensuring that every interaction with our customers is thoughtfully designed and continuously improved.

Through their work, we:

- listen actively to feedback, and make sure that we take action to improve their experience of banking with us;
- communicate clearly and effectively, so our customers always understand what we offer and how we support them;
- map customer journeys, to identify opportunities for improvement and consistently deliver better experiences: and
- design inclusive products that are easy to use, especially for customers with vulnerabilities, ensuring no-one is left behind. See case study on page 83

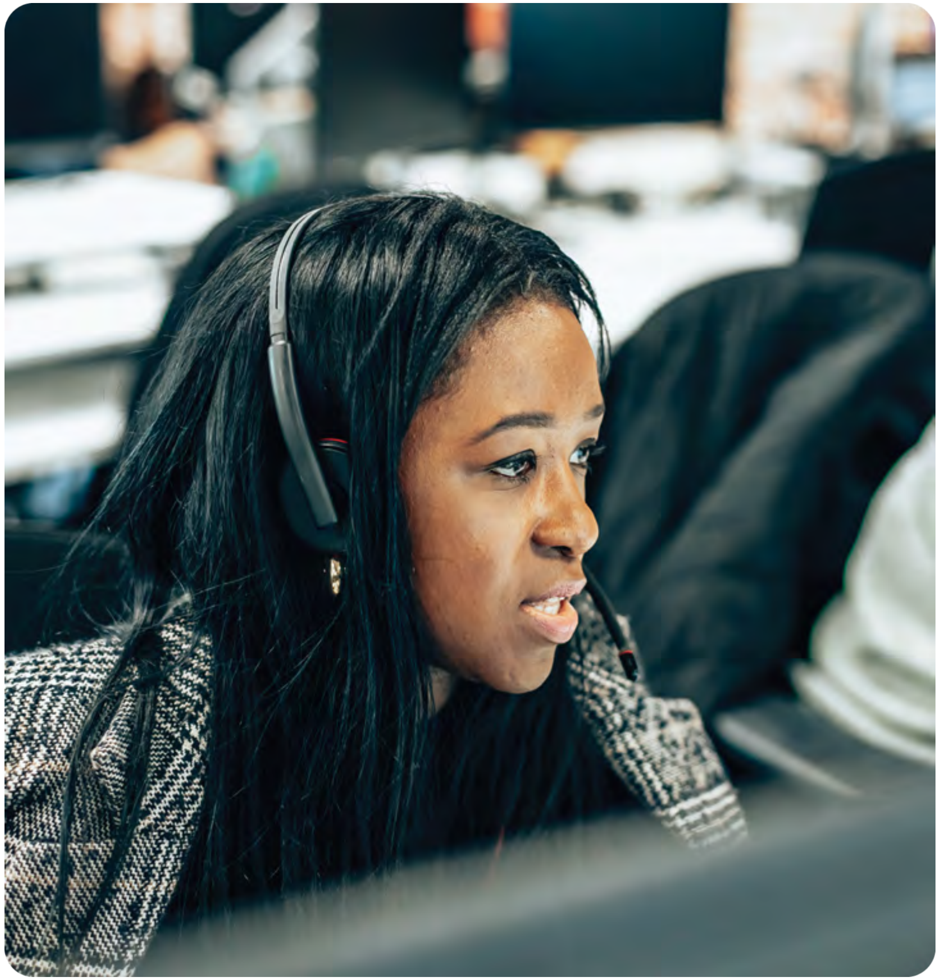
To us this is about building trust, deepening relationships and making it easier for our intermediary partners and customers to thrive.

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 that are good for our customers 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, affordable housing developments, Buy-to-Let investments and commercial properties.

Through our inclusive lending products, and expertise as specialists, we are able to help customers who may not be able to access high street lenders. Their circumstances may include:

- customers that have more complex income structures from being self-employed;
- customers that have an adverse credit history that may have been caused by past financial difficulties or defaults; and
- first-time buyers are helped with higher loan to value products and participation in government support schemes.



Sustainability report continued

Strategic Pillar – People continued

Customers continued

Knowing our customers' needs

Our colleagues actively participated in both physical and virtual events with brokers throughout 2025. The understanding we gain from these interactions allows us to continuously refine our customer propositions, with our efforts recognised in our broker Net Promoter Score (NPS) of +55 for OSB and +59 for CCFS (2024: OSB +57 and CCFS +52). Our dedicated Client Management Team provides customers with specialised services. In recognition of our commitment to service excellence, the Group won, among many other industry awards, the Mortgage Strategy Award for Best Specialist Lender, Best Buy-to-Let Lender and Best Short Term Lender.

To deepen our understanding of our customers and the factors that shape their needs, we have undertaken extensive research to provide rich insights into their experiences, expectations and challenges. This work brings together quantitative analysis, qualitative feedback, and behavioural insights, enabling us to build a more complete picture of the customers we serve. By investing in this level of understanding, we are better positioned to design products, services and support models that meet real needs and deliver more meaningful outcomes for customers.

Supporting vulnerable customers

We are committed to supporting customers that are in vulnerable circumstances by providing additional support for them. We have highly trained Financial Support Teams, who 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 2025, 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 recognise that vulnerable customer disclosure rates remain low, particularly among our mortgage customers, who engage with us through brokers. As part of the development of our new lending platform, we have collaborated closely with our broker community and our in-house vulnerable customer specialists to redesign the disclosure journey. This work has focused on making conversations about vulnerability feel more intuitive, natural, and seamlessly embedded within the customer experience. By creating an environment where customers feel better supported to share their circumstances, we can ensure we identify needs earlier and ultimately provide a more tailored and responsible service.

Transforming our customer experience

The Group is on a transformation journey to significantly improve and simplify our systems to support a consolidated business that contributes greater efficiency and enables growth.

In Lending, the goal is to transform the lending experience for brokers, borrowers and colleagues, underpinned by a new flexible platform fit for the future that was launched in November. Automation has reduced the time from application to offer for brokers and customers to as little as two hours.

In Savings, new journeys deliver a step-change in both the customer and colleague experience, while driving efficiency and speed to market. The new savings platform enables a fully digital customer onboarding and real-time payments for instant deposits and withdrawals. It delivers an enhanced experience for our savers and self-service options to access and manage accounts anytime, anywhere.

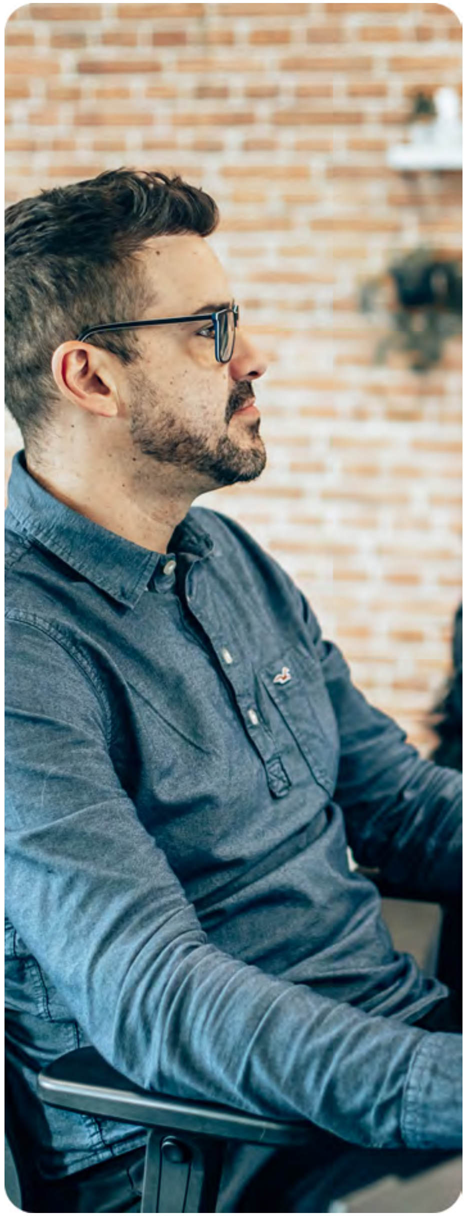
We continue to support customers through their channel of choice including through online and telephone services.

We have specifically reviewed the journeys that matter most to our customers, including the critical experience of reaching the end of a fixed-rate period for both mortgage and savings products. By mapping these journeys end-to-end, we identified opportunities to make the process clearer, more timely, and easier to navigate. As part of this work, we also reviewed and rigorously tested the communications customers receive at key points to ensure they are as clear, accessible and supportive as possible. These improvements are designed to help customers make more informed decisions with confidence and achieve better outcomes.

For our savers in our Kent Reliance brand, we are also able to serve them through the six branches located throughout Kent.

Our savings products maintained strong retention rates, with 89% of customers with maturing fixed rate bonds and ISAs at Kent Reliance and 85% at Charter Savings Bank choosing to re-deposit with the same brand (2024: 90% and 85% respectively).

The following policies are in place to ensure we treat customers fairly and support good customer outcomes.



Sustainability report continued

Strategic Pillar – People continued

Customers continued

The Group Arrears Management and Forbearance 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.

The Group Complaint Handling 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 colleagues. Processes are accessible to all customers, including those in vulnerable situations. Management information is provided to Committees and the Board, aiding informed decision-making.

The Group Lending 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.

The Group Customer Vulnerability 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.

How we supported a vulnerable customer when they needed us.

A residential mortgage customer experienced a significant change in circumstances following a series of life events in which they faced a change in employment status, a bereavement of a close family member and also domestic, economic and financial abuse.

The customer also had a diagnosis of Attention Deficit Hyper-activity Disorder, had difficulty with concentration and poor attention to detail.

The customer reached out to our Financial Support Team prior to going into arrears, realising that they were facing financial difficulty. Our Team of specialist colleagues made the necessary referrals to Stepchange (a debt advice charity) so that the customer was able to access hardship funds to assist with their food and energy costs. The customer was also able to access state support for mortgage interest payments.

Our team arranged a Payment Holiday and put in place an adaptation to our standard communications so we now text before calling them so that they are aware of the call. We adapted our email communication to allow the customer extra time to respond to requests. This customer was able to deal with one agent in our specialist team who helped guide the customer through this most difficult time over several calls that included the completion of a detailed income and expenditure statement to assess affordability.

The customer has been able to secure new employment and is keeping up the payment arrangements that we put in place. The customer is very appreciative of our specialist team's support which allowed them to keep their home.

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 2025, we continued to invest in learning and skills, development and engagement to ensure that the Group provides a compelling and attractive employee proposition both for our existing colleagues and for candidates considering joining the Group.

Retention and progression

We have a genuine desire to retain, support and develop our colleagues.

During 2025, 125 UK colleagues were promoted to a more senior grade along with 261 colleagues within OSB India.

We actively promote internal and career development opportunities for existing colleagues. In 2025, 33% of UK vacancies and 7% OSB India vacancies were filled by way of internal appointments.

At 9.4%, the 2025 UK regretted attrition rate was higher than the 2024 rate of 7.0% reflecting external trends. The OSB India regretted attrition rate was lower than 2024 at 10.2% (2024:12%).

UK non-regretted attrition reduced significantly to 7.2% from 12% in 2024. OSB India non-regretted attrition reduced from 16% reported in 2024 to 15.3%.

Recruitment

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

During 2025, our teams filled 630 vacancies, resulting in the Group welcoming 173 new colleagues in the UK and 353 in India.

There were 2,489[1] Group colleagues at the end of 2025 (2024: 2,498).

Remuneration and benefits

We believe in rewarding our colleagues 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 141 to 168.

As an accredited Living Wage employer, we ensured that all UK employees and regularly contracted third-party staff earned more than the published Real Living Wage rates and we continued to encourage our colleagues to hold shares in the Group, through our Sharesave Scheme, which is offered annually to all UK colleagues. 344 colleagues joined the sharesave scheme in 2025 with a total of over 746 colleagues participating in the current year and previous years' schemes.

Engagement and culture

Our 2025 Best Companies survey was undertaken in January, immediately after the 2024 Group-wide redundancy programme. Despite this, we retained an overall '2 star' rating, with Best Companies defining this as an outstanding level of employee engagement. 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 ninth consecutive year. We continued to see strong feedback through Glassdoor, with the UK score at the end of 2025 sitting at 3.7 (2024: 4.1) and the OSB India score slightly higher at 4.1 (2024: 4.2). These scores relate to reviews submitted by current and former colleagues, reflecting the positive culture that exists throughout our teams.

The Group's Workforce Advisory Forum (OurVoice) continued to meet regularly in 2025, including colleague 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 colleague representatives, the forum is attended by rotating Non-Executive Directors and Group Executive Committee members to ensure that they can hear directly from the colleagues and share feedback on important matters.

Sally Jones-Evans (Non-Executive Director) is the appointed Board People Champion to represent colleague perspectives at Board level.

Best Companies Employee Engagement Score

2 star

2024: 2 star

Employee promotions across UK and India

386

1. Total number of employees under contract on 31/12/2025

Sustainability report continued
Strategic Pillar – People continued

Colleagues continued

Recognition and awards

We're keen to encourage colleagues to achieve their career aspirations, whether that's growing in role, internal moves or gaining fresh insights and perspectives in other industries.

Some of our colleagues stay with us for the long-term, demonstrating our commitment to a culture of engagement and continuous growth and development.

In 2025, the Group recognised the significant tenure of around 110 UK colleagues who reached a five, ten, fifteen or twenty year milestone of employment through our Long Service Award programme. In OSB India, over 190 (18%) colleagues have five or more years' service.

Our Galaxy Award Scheme recognises and rewards excellent behaviours linked directly to each of our Values, with individual winners and runners-up for each category. In 2025 over 274 nominations were submitted by colleagues.

Learning and Skills

Transforming how we learn and grow in our careers is a critical part of our People Strategy.

In 2025, learning continued to play a pivotal role in supporting our transformation strategy – equipping colleagues with the skills, mindset and confidence to deliver for customers in a fast-evolving financial landscape. Progress was made in the way we deliver, manage and promote learning across the organisation. Initiatives delivered in 2025 include:

- Improved mandatory learning relevance through enhanced content and targeting. Mandatory learning focuses on key topics such as colleague conduct (including diversity, equity and inclusion, the environment, energy use and climate change), consumer duty and customer vulnerability, cyber security and data privacy, financial crime including anti-corruption and fraud, whistleblowing, risk and compliance, modern slavery, health and safety and anti-money laundering.
- Introduced learning to support a new approach to goal setting, performance and reward, with 1,495 colleagues taking part ensuring colleagues understand new outcome-led expectations.
- Launched a new Learning Management System, with Cornerstone providing enhanced content and more intuitive experience for colleagues.
- Delivered a summer campaign on critical skills, aligning learning with business priorities and future capability needs with a 27% uplift to over 657 colleagues engaged in agile, data or tech journeys.
- Introduced new Future Fit leadership learning framework with 498 leaders taking part in the launch. We are investing significantly in coaching skills as a key capability for transformation.
- Senior Executives participated in Agile Value Stream model learning ahead of a six month 'Leading with AI' and Insight programme for our SLT in partnership with Cambridge Spark and Cambridge Judge Business School.
- Expanded our learning content portfolio with new partnerships, increasing access to high-quality learning across technical, leadership, and behavioural areas – enabling all colleagues to explore learning that is more relevant to their roles and aspirations.
- Continued our partnership with WDI Consulting to deliver the Group's Women in Leadership initiative, supporting female managers and senior leaders with their individual progression pathways. In addition, 35 female future leaders continued a Women in Leadership Apprenticeship Scheme, launched in partnership with Raise the Bar.

As a committed member of the Financial Services Skills Commission (FSSC), we're focusing on how we understand, develop and mobilise skills so that we gain a clear, dynamic view of the capabilities we have today and the capabilities we will need tomorrow. This aligns precisely with the FSSC maturity model, which identifies skills visibility, proficiency and portability as critical enablers of sustainable workforce transformation.

From a colleague perspective, this gives clarity, confidence and mobility. Colleagues understand what 'good' looks like, can see how their skills transfer across roles and functions, and are better equipped to navigate non-linear careers. This supports attraction, retention and engagement in a highly competitive skills market.

From an organisational perspective, being skills-led enables more informed strategic decisions like workforce planning, targeted investment in critical and future skills, faster redeployment and reduced dependency on external hiring, and stronger resilience to regulatory and market change.

This is a progressive maturity journey where we are establishing strong foundations with our job family architecture going live at the start of 2026, making skills visible and usable for colleagues, and embedding skills into learning, career pathways and decision-making over time.

The early outcomes of our investment in future-fit learning and skills is 2025 include:

- Engagement with learning has grown steadily for the Group throughout the year, with strong uptake of new leadership, performance and critical skills programmes – recording over 93,700 hours (13,386 days). 48,026 hours were delivered in the UK and 45,692 hours in India.
- Feedback from Learning at Work Week highlighted greater confidence in navigating new systems and increased awareness of learning opportunities.

In 2026, we will continue to build on these foundations by rolling out dedicated weekly slots of 'time to learn' to all colleagues, embedding learning analytics, expanding our Future Skills offering through Job Families with Communities of Practice to foster a culture of learning, and integrating learning more deeply into the colleague experience and career paths – ensuring that development remains at the heart of how we grow and deliver value.

Sustainability report continued

Strategic Pillar – People continued

Colleagues continued

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 2025, we continued our journey to become a truly diverse and inclusive organisation that is committed to providing equal opportunities through the recruitment, training and development for all colleagues.

For Board and Executive gender and ethnicity disclosures see table across.

Gender

Our published 2025 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 2025 was 34.0% (2024: 35.5%). Whilst it is pleasing to see continued progress, we are committed to reducing these gaps further. The gaps relate to the fact that we have more men than women in senior roles and more female colleagues undertaking clerical roles.

We recognise the need to improve our gender balance and have remained focused on our published commitment as a signatory of HM Treasury's Women in Finance Charter (WIFC) for 40% of senior management positions within the UK undertaken by female colleagues by the end of 2026. As detailed within our 2025 WIFC Submission, the majority of senior vacancies that emerged in 2025 related to specialist technical positions sitting within our IT and Transformation functions. Candidate pools for these were predominantly male, presenting a challenge in identifying a significant volume of female candidates. Around a third of senior roles closed in 2025 were filled by female external candidates, resulting in an end of 2025 position of 35.7%, slightly below the 36.1% reported at the end of 2024.

Ethnicity

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 16.8% at the end of the year (2024: 15%). In line with the Parker Review applicable to all FTSE 350 companies, we remained focused on increasing ethnic diversity amongst the Executive Committee and those one level beneath who report into Executive Committee members. Our target is to achieve 14% by the end of 2027 from a 2024 position of 11%. Our 2025 figure of 15.4% demonstrates the progress that has been made.

Gender split[1]	Female (#)	(Female %)	Male (#)	Male (%)
Number of Directors of subsidiaries	0	–%	17	100%
Number of senior managers (not Directors)[2]	93	37%	158	63%
All other colleagues	1,111	50%	1,110	50%
Regional split				
UK				
New joiners – UK	72	42%	101	58%
OSB India				
New joiners – India	140	40%	213	60%

Ethnicity split	Non-white (#)	Non-white (%)	White (#)	White (%)
Board	1	11%	8	89%
Executive Committee and direct reports	8	16%	42	84%

1. Includes all UK and OSB India colleagues. Senior managers are colleagues within the Grade A to E population.
2. The gender and ethnicity data is based on colleagues under contract at 31 December 2025.

Sustainability report continued

Strategic Pillar – People continued

Colleagues continued

DE&I Initiatives

DE&I initiatives increased 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.

Over 1400 colleagues (61.5%) participated in our annual Group-wide internal Inclusivity Survey. Whilst our UK survey score reduced by around 1% compared to 2024, the OSB India scores increased by around 4% with the results providing insight as to where additional focus can be applied to further enhance inclusivity throughout the Group.

Diversity Data

We continue to focus on capturing diversity data from our UK and OSB India colleagues. At the end of 2025 colleagues had submitted almost 68% of requested data spanning 14 separate categories with OSB India colleagues having submitted around 73% of requested data.

Board Diversity

The Group achieved all required targets in respect of Board diversity[1] (see page 86) for further details).

OSB India

OSB India, which is a wholly owned subsidiary of the Group, is based in Bangalore and Hyderabad, and at the end of 2025 had 1,031 (2024:949) employees. OSB India supports the Group across various functions including Support Services, Operations, IT, E-Labs and Finance.

In compliance with the Modern Slavery Act, OSB India does not support excessive overtime and all colleagues 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.

Key People Policies

The Group has a sexual harassment policy to support a secure and respectful working environment. The policy applies 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.

The Group is committed 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.

Our Health and Safety policy outlines our approach to identifying and meeting legal obligations, identifying and managing risks and creating a safe environment for colleagues, customers and other stakeholders. The Group retains access to competent advisors.

The health and safety management system ensures risks are assessed across the Group on an annual basis and processes are in place to monitor compliance with internal policies, procedures and controls. Training is provided to colleagues who perform in the roles of fire marshals, first-aiders and mental health first-aiders.

Training is provided for all colleagues. 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.

In 2025, there were zero lost-time incidents (2024: 1) The total injury rate was 4.77 (2024: 8.54).

1. 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 2025).

Sustainability report – Our culture

We will achieve our goals by working Stronger together, Taking ownership, Aiming high and Respecting others…

Together we prosper

At OSB Group we are working hard to create a positive, collaborative and supportive environment.

Our Purpose

To help our customers, colleagues and communities prosper.

By that we mean more than just helping them to be more financially well off. We want them to flourish, thrive and succeed in their personal and professional goals.

Our Vision

To be recognised as the UK's number one choice of specialist bank, through our commitment to exceptional service, strong relationships and competitive propositions.

By working Stronger together, Taking ownership, Aiming high and Respecting others, we will more powerfully achieve our own goals, as well as those of our stakeholders.

But we are not just focused on lending and savings (though that is what we do and what we are great at); we are a business that cares about leaving things better than we found them. We are passionate about Stewardship, which encourages us to give back to our communities, supporting those who are vulnerable or less fortunate, embracing diversity and finding new ways to protect our environment.

It does not matter where we are working from: a branch, on the road, in the office or from home. It does not even matter that we are not all in the same country. We are clear about what we want to achieve, we know how we want to achieve it and we are absolutely determined to build upon the foundations we have created so our customers, shareholders, communities and colleagues can prosper.

Our Values

Our Values are the principles that support our Purpose.

Stronger together
We collaborate to create a culture in which we all share goals and values. We aim to build trust, respect and openness across the Group.

Take ownership
We take ownership of what needs to be done as well as our personal and professional development, helping to achieve the collective goals of the business.

Aim high
We set the bar high for ourselves and our customers.They are the ones who know when we are going above and beyond and remember the promises we keep.

Respect others
We treat others fairly and communicate in a way that respects an inclusive and diverse culture, listening to all voices and ensuring opinions are offered and heard.

Stewardship
We act with conscience and take social, environmental and ethical factors into consideration when making decisions.

Sustainability report continued
Strategic Pillar – People continued

Communities
At our core, we believe that everyone deserves the chance to thrive, regardless of their circumstances.

We believe that as a business, we have a clear duty to help build a fairer society by sharing our skills and resources.

Our team's passion for making a difference has been truly inspiring. Throughout 2025, they actively supported numerous community organisations, creating a lasting positive impact and helping to build stronger, more equitable communities wherever they live and work.

We've supported our local and national communities in a variety of ways: through our colleagues' volunteering efforts, by raising funds for charity, and by providing small grants to causes our colleagues care deeply about.

Depaul UK benefitted by:
£34,126

Demelza benefitted by:
£68,701

Total benefit to all charities/ organisations:
over £376k
2024: over £394k

Our approach to social impact is straightforward: we make informed decisions that improve the lives of our customers, our people, and the communities we serve. By building strong partnerships, we're able to combine financial support, business expertise, and our collective voice to create meaningful change.

Our purpose to help our customers, colleagues, and communities prosper is the driving force behind our commitment to wellbeing, the environment, education and the arts. This commitment is built on our core belief in connection and collaboration, which improves the lives of those who use our products, work with us, and support our vision of becoming the UK's leading specialist bank.

Making an impact
Our goal is to do more than just improve financial wellbeing; we want to empower people to flourish and achieve their full potential. We recognise that contributing to our communities isn't a secondary concern; it's a fundamental part of our business.

To achieve this, we focus on both people and the planet. By understanding the unique needs of different communities, we work closely with local and national charities and organisations. This allows us to allocate our resources effectively, extending our reach and ensuring our partnerships are mutually beneficial and truly make a difference.

Summiting Snowdon: a Commitment to Stewardship

In a powerful demonstration of our core Stewardship Value, 21 colleagues from our Wolverhampton offices stepped outside their comfort zone to support and uplift the communities we serve. Their challenge, a guided hike up Snowdon (Yr Wyddfa), Wales' most iconic peak, not only pushed them physically but created a lasting impact for a vital community partner.

In September, the team took on the demanding climb, supported by expert mountain leaders from our partner, Pen Y Bryn Outdoor Learning. The route covered over eight miles, taking approximately seven hours to complete. Despite the rigour of the ascent, morale was high, with a few brave colleagues even taking a quick, refreshing, and undoubtedly chilly dip in a lake on the descent.

With the Group providing a full match on all donations, we successfully raised an outstanding £2,120.

These funds are now actively supporting Pen Y Bryn's community-focused programmes, which provide crucial access to the physical and mental health benefits of time spent in nature.

The fundraising will support key initiatives, including the Mum's Gone Climbing project. This initiative offers weekly climbing sessions, fostering a culture of inclusion and diversity by providing mothers of all experience levels with a couple of hours each week to meet others, discuss topics like motherhood and mental wellbeing and climb together. Furthermore, the funds will enable the expansion of the Women's Adventure Club and support a new programme of winter activities with Cyfle, which assists care leavers under 25.

"Guided up Snowdon, we had smiles, great chats and kind weather. Fantastic memories were made networking with our colleagues whilst aiding those less fortunate to enjoy similar activities."

Richard Wilson,
Group Chief Credit Officer

Sustainability report continued
Strategic Pillar – People continued

Communities continued

We continuously measure and learn from the outcomes of our work, ensuring our actions have a lasting, positive effect. By pooling our collective strengths across the Group, we can achieve our shared goals more effectively.

Total volunteer hours:
7,385
5% increase on 2024

Donation to good causes:
£84,194
30% increase on 2024

Colleague fundraising & matching:
£124,593

Overall community contribution
In 2025, through a combination of our Good Causes Fund, fundraising and match-funding, and donations in kind (such as office equipment), we were able to support a wide range of charities and community organisations with a combined total of over £376k (2024: over £394k).

Our community partners
Working with our charity and community partners is central to our social impact strategy. By collaborating with these vital organisations, we can address local needs far beyond our usual business activities.

Depaul UK: We support Depaul UK's essential work with young people who are experiencing, or are at risk of, homelessness. Our help goes beyond financial aid; we also share our skills, offering coaching for Board members, energy efficiency advice, and HR support to help young people find employment and a home of their own.

Demelza Children's Hospice: We have proudly partnered with Demelza since 2017 to offer the Demelza Children's Savings Account. This initiative helps young people develop valuable financial habits by encouraging them to save, even small amounts. We also match a portion of the total annual average balances in these accounts to support the hospice's critical services for children and their families. This is in addition to the valuable volunteering and fundraising we provide.

Sponsorship and support
Our partnerships provide charities and organisations with more than just financial donations; we also share our skills and expertise. We encourage our partners to support one another, helping them to increase their reach and the impact of their message. We do this by working together and amplifying our collective efforts through our separate channels.

Donations in kind
We provide financial support, business skills, training and a volunteering programme. Whenever possible, we also donate office equipment that is no longer needed to local organisations that can put it to good use.

Volunteering
We're committed to being better neighbours. We believe we can achieve this not just by donating money, but also by donating our time, skills and expertise. To show this commitment, all our UK colleague are entitled to 14 hours of paid volunteering time each year and are actively encouraged to use their full allocation to give something back to our communities.

Community organisations supported:
140

Good Causes Fund
Our Good Causes Fund provides financial support for projects and causes that are important to our colleagues. All UK colleagues 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 real difference.

Community organisations supported:
169

Match-funding
Every year, our people take part in a variety of fundraising events to raise money for organisations that help the sick and disadvantaged. We strongly encourage individuals and teams to find fun and inclusive ways to raise money. We know that every penny makes a difference, which is why we are proud to offer match-funding for all our UK colleagues.

Community organisations supported:
60

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.

ESG Management

The Board-approved Environmental, social, governance (ESG) Strategy, annual materiality assessment and ESG Operating Framework are the key tools deployed by the Group for identifying, measuring, managing and reporting ESG risks while enabling the identification and pursuit of opportunities where the Group can create positive impact for our stakeholders.

We continue to evolve our understanding of the impacts ESG-related topics have on the Group and the impact our business has on society and the environment. In 2025, we considered financial materiality and impact materiality within our assessment of risk and opportunity, the outputs of which are shared annually with the Board and Executive Committee for consideration in strategic planning[1]. The current ESG Strategy described in this report remains relevant and reflective of those topics important to the Group's ongoing success and the needs and expectations of our stakeholders.

Our 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, supported by the Employee Engagement Networks (EENs) and the Climate Transition Working Group (that meets periodically). Governance and oversight is provided by the ESG Forum (that meets monthly, chaired by the Group Head of Sustainability and reports to the Group Executive Risk Committee for risk matters and Group Executive Committee for strategic matters. In late 2025, the Group's Climate Risk Management Framework was updated requiring climate-related management information to be presented to the Group Executive Risk Committee going forward. The Group's Internal Audit function continues to strengthen the Group's ability to create, protect, and sustain value by providing the Board and management with independent, risk-based and objective assurance. For further information (see page 136).

The diagram on the following page shows the governance mechanisms that are in place to manage and oversee ESG matters across the Group, how often these committees and forums meet and the matters considered.

Kal Atwal (Non-Executive Director) maintains responsibility for championing ESG matters on behalf of the Board, with Sally Jones-Evans (Non-Executive Director) designated as People Champion representing the views of colleagues within Board discussion and decision making.

All Committee and Board papers continue to include a mandatory consideration of impact on our ESG strategic commitments (including climate), allowing Directors to consider risks and opportunities within decision making. Climate change and ESG matters are considerations within the Group's strategy for which the Board assumes responsibility. Additional papers of specific ESG matters are submitted to the Group Executive Committee or Group Executive Risk Committee, where approvals or escalations are required.

In addition to its direct oversight, the Board delegates responsibility for the Group's climate-related risk appetite, risk monitoring, provisioning and capital and liquidity management to the ESG Forum, Group Executive Risk Committee and Group Risk Committee. The climate risk principles are detailed in the Group's Climate Risk Management Framework and outlines the setting of climate risk appetite limits as a key tool to ensure that the risk profile continues to be managed to an acceptable level. The inclusion of climate risk assessment is part of the annual Internal Capital Adequacy Assessment Process (ICAAP) and ensures the Group continues to hold sufficient capital to address climate specific risks. Risk monitoring (including topics related to risk appetite) and management information are presented to the ESG Forum on a quarterly basis. The Group Risk Committee is the Board committee that oversees and provides advice to the Board on climate risk appetite setting, exposures and metrics on a quarterly basis including any related risk escalations such as regulatory compliance (for further details on risk management, (see TCFD page 101).

1. The 2025 materiality assessment will be presented to the Executive Committee and Board in 2026 due to the more extensive process conducted.

Sustainability report continued
Strategic Pillar – Stewardship continued

ESG Governance
continued

To ensure accountability and monitor progress, the Group links ESG performance to executive and senior management compensation through the Performance Share Plan, for further details see page 155. Progress against targets linked to remuneration is reported to the ESG Forum, Group Executive Committee and the Board on a monthly basis.

In 2025, the Group continued its commitment to sustainable business, making its second submission as a signatory of United Nations Global Compact. We continue to embed the ten principles of the UN Global Compact within our business operations though the ESG Operating Framework's principles and commitments.

To promote and encourage a culture of sustainability, the Group's Employee Engagement Networks (EENs) promote awareness, encourage participation, and foster collaboration on sustainability initiatives across the organisation. Our Diversity, Our Planet, and Our Community networks are colleague-led and work in areas of interest or concern for members. OurVoice is the Group's colleague consultation forum and is there to support meaningful, regular dialogue between colleagues, senior leaders and the Board. In 2025 the EENs were given additional time to dedicate to these activities, recognising the importance of colleague-led sustainability.

	Annually	Monthly	Quarterly	Periodically
ESG-related Topics	A^E	M^E	Q^E	P^E
Climate-related Topics	A^C	M^C	Q^C	P^C

Sustainability report continued

Strategic Pillar – Stewardship continued

Ethical practices

Our approach to stewardship and responsible business practices is described below.

Working with our suppliers

Modern Slavery Statement and Vendor Code of Ethics

The Group published a new statement reiterating our endorsement of the UN Declaration of Human Rights and support for 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 colleagues to be represented by trade unions or works councils.

The UK Vendor Code of Conduct and Ethics (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. The VCCE sets out our requirements and expectations of suppliers including compliance with all anti-slavery and human trafficking laws, statutes and regulations. Expectations include proportionate management of climate and environmental risk.

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 2025.

In 2025, the Group invested in a third party risk management tool called Hellios to support supply chain due diligence. Hellios provides an ESG score based on supplier responses to an extensive questionnaire, the results of which will be analysed by an ESG specialist. In the future, findings will support relationship owners to manage their ongoing supplier engagement and the development of supply chain programmes. Hellios includes questions across ESG topics including modern slavery risk identification and management. Survey responses have been used to inform management of modern slavery risk and management processes within the supply chain. At the end of 2025, 52% of supplier spend (2024) was covered by the questionnaire.

Group Vendor Management and Outsourcing policy

The 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.

The policy continues to emphasise ESG matters, and consideration of such matters through the key lifecycle stages including ESG questions within selection criteria during onboarding 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.

Operating responsibly

Group Whistleblowing policy

The policy aims to promote a workplace where all colleagues 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 treats any concern raised under the Policy seriously and does not tolerate any victimisation or detrimental treatment of whistleblowers and takes disciplinary action against any colleague who victimises another colleague because they have made a Reportable Concern.

The policy covers all Group colleagues, former colleagues, Non-Executive Directors, temporary workers, work placements, secondees, volunteers, agency workers, contractors, agents, appointed representatives and suppliers working for the Group.

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 colleagues 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.

Group Data Retention policy

The policy and underlying procedures set out measures to protect the personal data of our customers, colleagues 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.

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.

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 the implementation of 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 colleagues. 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 colleagues, contractors, and third party service providers to uphold ethical practices in accordance with local laws in all jurisdictions where we operate.

All colleagues 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.

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. The Group is proud to make a significant UK tax contribution each year. During the 2025 period our contribution was £142.9m (2024: £188.9m). 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 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.

	2025		2024	
Taxes paid	**£m**	**£m**	**£m**	**£m**
Corporation tax	67.4		109.6	
Bank surcharge	4.5		8.9	
Irrecoverable VAT	23.6		23.3	
Employer's NIC	12.9		11.8	
Other	2.1		1.8	
Total taxes paid		**110.5**		155.4

	2025		2024	
Taxes collected	**£m**	**£m**	**£m**	**£m**
Income tax	25.0		25.6	
Employee's NIC	4.0		4.3	
VAT	3.4		3.6	
Total taxes paid		**32.4**		33.5
Total tax contributions		**142.9**		188.9