



Building a Fairer Future

the West Brom
2022/23

At the heart of our community

We are a leading provider of financial services and the seventh largest building society in the UK.

Since our foundation in 1849 we've been committed to supporting our members. Our fundamental principles have been, and remain, to help people save for the future, and offer people the opportunity to buy their own homes.

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Our Purpose

We're a mutual, which means that unlike most banks, we're owned by our customers, not by shareholders.

This means that any profits we make are reinvested back into the Society so that we can support our members and the communities we serve. Our members are our customers, and we've been supporting them to own their own homes and save for their futures for more than 170 years.



With the rising cost of living, we know that many people are feeling the pinch, finding it increasingly difficult to save for an initial deposit or afford their monthly mortgage repayments. This, alongside a housing shortage in the UK, has made it challenging to buy a home without some form of support – and that's where we can help.

We're committed to providing people with the funding they need to own a home and want to encourage others to do the same. That's why we're setting our sights on showing how the sector can better support prospective homeowners and savers alike.

We always believe there is more that can be done, and we are constantly pushing the boundaries with the aim to help more people own their own homes.

For our current members, we've focused our efforts on ensuring they can see the real benefits of being part of a modern mutual by supporting them on their journey to home ownership or saving for the future. For those yet to join us, we want to shine a spotlight on how, together, we can use our mutuality to build a fairer future for all.

In this report, I'm proud to highlight the many actions we've taken during the 2022–23 year to deliver on our Purpose and act in the best interest of our members, colleagues, communities, and the environment. While this is our first published report of this kind, the topics covered have been important to us for many years. We'll continue to take strides forward in these areas to deliver great outcomes for new and existing members, and advocate for homeowners and savers in the wider sector, encouraging others in the industry to follow suit.

Jonathan Westhoff
Chief Executive Officer

Our purpose

Now and always, we are committed to supporting the financial wellbeing of our members by providing a safe and good return on the savings they entrust with us, and promoting home ownership.



2022/23 key highlights



Market first approach
to Standard
Variable Rate

The first building society
to partner with Plain
Numbers to promote
financial literacy



Borrowers saved
1,400¹
a year for each
£100,000 borrowed

Provided a one-off support
payment of
£1,200
for over 70% of colleagues

Educated over
2,300
local children on
personal finance



Operating on
100%
renewable energy

Continued to support
Ukrainian refugees with
11
homes provided



Recognised
as a Disability
Confident Leader

On track to becoming
zero carbon
for direct
operations
by 2025



Our impact on members

As a mutual, we're here for our members. All our decisions are made with their best interests in mind.

Our Member Commitments are the foundation on which all our business practices are built, as we strive to make a positive difference to our members and wider society.



Our Member Commitments



Listen to your ideas to make our products and services right for our members



Product rates fairly reflecting the benefit of being a mutual, run for the benefit of members



Deliver what we promise and if we get it wrong, take responsibility and explain to you why, and how we can put it right



Play an active role in our local communities, working with local community groups, schools and charities



Promote our products and services in a clear and balanced way, showing the risks as well as the benefits



Give you time to consider whether the product that you have chosen is right for you



Commit to acting responsibly and in a sustainable way to support our future members and wider society

Challenges to home ownership



The average UK house price was £285,000 in March 2023, **£11,000 higher** than 12 months ago.²



For a prospective first-time buyer (earning the average income, and looking to buy a typical home), **mortgage payments will account for 39% of take-home pay**, compared to the long-run average of 29%.⁴



48% of prospective first-time buyers said that having access to a large enough mortgage, or access to a mortgage at all, was **a barrier to them achieving home ownership**.³



Over four million existing homeowners will be **exposed to rate rises** over 2023.⁵

Supporting home ownership

At the core of our business is supporting people to own their own home. We're committed to helping first-time buyers to get their foot on the ladder (and remain there) – whether that's through a standard low-deposit mortgage, or by using the Shared Ownership scheme.

It's clear that there are barriers to home ownership, and that despite some recent improvements, the landscape for first-time buyers remains difficult to navigate. However, we're taking steps to change it.

In 2022/23, we were proud to help more than 3,400 people with their journey to home ownership, equating to more than 67% of all our mortgages during this period.

Working with others for a fairer future

To help Shared Ownership customers, we're working with the Building Societies Association, UK Finance, National Housing Federation and Newbury Building Society to develop a code of conduct.

Through this code of conduct we are aiming to improve collaboration and commitment across the whole market to support customers pursuing Shared Ownership.

² UK House Price Index – Office for National Statistics (ons.gov.uk)

³ BSA Property Tracker

⁴ Nationwide Building Society

⁵ BSA Property Tracker

Our impact on members

Living our Member Commitments and values



Challenging convention to make the market fairer

In the constant pursuit of making the market fairer, in 2022 we became the first lender to align our approach for mortgage customers on our standard variable rate (SVR) to that of new mortgage customers.

This new approach means that all members reverting to our SVR at the end of their initial product period will have their rate determined by their Loan to Value (LTV) – just as they would when they first applied for a mortgage – with a lower rate for those with more equity in their home.

Currently everyone on SVR pays the same amount, regardless of the equity in their property or their LTV. However, our SVRs take these factors into account. Put simply, the more a customer has paid on their mortgage and the more of their property they own outright, the lower their SVR will be. We believe this is the right and fair thing to do.

Supporting members through cost-of-living pressures

Everyone deserves a safe and secure place to call home. With the challenging external environment and rising cost of living, we're committed to helping our members to remain in their homes.

£1,400 saved

We reduced the impact of rising rates for members on our SVR. Borrowers saved 1,400 a year for each £100,000 borrowed, compared with an average market SVR of 7.12%.⁶

0.75% SVR decrease

After launching our new approach to SVR in October 2022, 90% of eligible members saw their SVR decrease by 0.75%.



Explainer

Standard Variable Rate (SVR) – SVR is the rate that all fixed-rate mortgages revert to after their initial period (normally two, three, or five years).

Loan to Value (LTV) – LTV is the value of your home compared to the size of your outstanding mortgage balance, expressed as a percentage.

Equity – Equity is the proportion of your home that is the difference between any outstanding mortgage balances and the estimated value of your home.

Providing additional support

As well as regularly reviewing our product offerings for new and existing members, we're there for those who may need extra support. We have:

- **Removed arrears charges**
Based on our research, customers in arrears are typically more likely to be financially vulnerable. We don't believe in compounding this vulnerability with additional charges.
- **Shared our insurance commission**
and redirected all profit share back to members, worth an approximately 8% reduction in our members' premiums. Our relationships with our third-party insurance companies are solely as an introducer. As such, we feel that it is only fair to share our commission and redirect any profits we make in this capacity to our members.

By making these changes, we can support our members' financial wellbeing and help them to clear their debts.

⁶ Interest savings in first year by borrower with less than 75% Loan to Value. Compared with average market SVR of 7.12% (rate sourced from Moneyfacts, March 2023).



Our impact on members



Working with Plain Numbers to build financial literacy

Misunderstanding and lack of confidence when dealing with finances can lead to unnecessary worry and stress for many people, especially during times of financial difficulty. Research has shown that adult numeracy levels are consistently lower than literacy levels in the UK, and it's estimated that almost half of working adults have the numeracy skills of a primary school child.⁷

It's important to us that our members understand their finances and the options available to them. In June 2022, we became the first building society in the country to partner with Plain Numbers. Plain Numbers shares best practice with regulated organisations on how to present and explain numbers as clearly as possible.

Over the three-year partnership, we'll be training more colleagues to become Plain Numbers Practitioners and work to ensure our communications are easy to understand so that our members are clearly informed about their financial options.

"We've always been committed to making improvements for our members, so I'm proud to have become the first Plain Numbers practitioner in the sector."

Sarah Hemmings
Senior Marketing
Communications Manager

Engaging with members to make improvements

We value the relationships we have with our members, and their feedback directly influences the products and services we deliver.

We're grateful to have an online panel of more than 2,000 members who are invited to support us with research on a variety of topics each year, as well as an active Member Council made up of 15 members. The Council meets on a quarterly basis to share views with our Board and Executive teams. This is vitally important to us as a mutual, as our members are at the heart of our Society and make a genuine difference to the way in which we operate.



Listening to our members to improve accessibility

Many of our savings members told us they wanted to be able to view their balances quickly and easily online.

In response to this, in December 2022 we launched our savings portal, which allows our members to view their account balances, product names, interest rates, and recent transactions all in one place. They can also request interest statements and make withdrawals via our live chat feature. To date, we've received great feedback, with a satisfaction score of 8.4 out of 10.

We've also been looking at ways to improve our website accessibility. Recently, we implemented a new tool called UserWay, which allows our website to be adapted to user needs, from simply changing the size of fonts to screen-reading capability. This means that everyone can have easy access to the information they need to feel in control of their finances.

Our impact on communities

We strive to support the communities in which we operate. We fundraise every year for our charity partner, Barnardo's, and help local grassroots causes and community groups through grants and volunteering opportunities.

Bridging the gap with Barnardo's

Leaving home is a challenge for everyone, but young people leaving care often do so without the support of a family. Accommodation plays a crucial part in the successful transition out of care, with many outcomes dependent on care leavers being able to access appropriate and sustainable housing.

In 2021, we refreshed our approach to charity fundraising by selecting a single charity linked to our Purpose of helping people achieve homeownership. We partnered with Barnardo's to support their mission to provide accommodation for vulnerable young people leaving the care system. This decision has helped us to deliver a bigger impact to the communities we serve, and to support the charity not only with donations, but also with our expertise.

We've pledged to raise up to £600,000 to fund the development of four Gap Homes once Barnardo's have secured the appropriate land. These Gap Homes will provide affordable housing, allowing young people the time and space to transition to independent living. Working with local authorities, we're identifying an unused plot of land where we can build the energy-efficient, easy-to-maintain homes from the ground up. These will be occupied by care leavers in the area and can be used for short periods, or for up to two years depending on the individual's circumstances.

In addition, we will provide additional support such as financial education, internships and work placements for the individuals that will be using these new homes, as well as other Barnardo's service users across the region, to help deliver the tools and experience they need to succeed in later life.

We're excited for our colleagues to have the opportunity to participate in both fundraising and skills-based volunteering, including financial mentoring and employability skills, and this partnership will enable us to positively impact the lives of the young people coming through the programme.

"I'm proud that we've embraced this as a charity because safe, suitable housing is a fundamental need.

For this reason, we're working with local authorities and industry partners across the UK to build a further 50 homes that are designed to meet the needs of young people and are a place to feel at home. We are delighted that the West Brom is joining us on this journey, pledging their support to ensure housing will be available for young people in their heartlands."

Elizabeth McShane
Head of Business at Barnardo's Gap Homes



Our impact on communities

Our community highlights 2022–23

11 homes

provided for Ukrainian refugees

Over £10,000

worth of community grants distributed through the Mercian Community Trust

637 hours

of volunteering completed by our colleagues

Over £10,000

raised for our charity partner, Barnardo's, in 2022–23

Over 2,000

young people have received our financial education sessions across 67 different settings

Supporting our local communities

For more than 10 years, we've been able to support community groups and charitable causes with generous donations and grants through the Mercian Community Trust, a partnership between the Society and the Diocese of Lichfield.

Every grant, no matter the amount, will make a difference to each charity, and we're proud to be able to make that positive difference.

Supporting Arrive Alive

We recently supported an application for a £500 grant for Arrive Alive through the Mercian Community Trust. Arrive Alive is the UK's only registered charity that is solely dedicated to funding lifesaving voluntary operated vehicles and equipment used by Community First Responders, approved by West Midlands Ambulance Service.

“The support from the West Brom will help us to afford more lifesaving resources within the community. Every donation makes a massive difference, as all of our resources are publicly funded. An Arrive Alive vehicle is dispatched following a 999 call to the ambulance service and can arrive within those vital seconds prior to a road or air ambulance. The more resources that become operational, the more lives can be saved.”

Debbie Roscoe
Arrive Alive Founder

Financial education for generations to come

Research from the Money and Pensions Service shows 17% of 16- to 17-year-olds report feeling anxious when thinking about their money. This figure rises to 50% of 18- to 24-year-olds. Additionally, 67% of young adults do not feel confident planning for their financial future.⁸ As such, it's vital that we continue to provide financial education initiatives.

For the past nine years, our colleagues have delivered interactive 'Money-Go-Round' workshops, covering topics such as the value of money and the importance of saving. Since April 2022, our branch colleagues have delivered these workshops to over 2,300 local children in more than 67 different settings and have also run a number of other initiatives. These include supporting secondary schools to provide work experience. We've created a video showcasing the job roles the West Brom provides, along with the skills, qualifications and qualities we look for when recruiting.

Partnering with Penn Hall

Last year, we partnered with Penn Hall School in Wolverhampton – a school for children and young people aged 3 to 19 years old with a range of special educational needs and disabilities – to provide work experience placements.

In July, we were delighted to welcome Ali and Mirko to our Head Office in West Bromwich. Ali, who aspires to become a postman, spent a week with our Corporate Facilities team. Meanwhile, Mirko joined our IT team to develop his passion for technology. Their talents didn't go unrecognised, and we hope that Mirko will take up an apprenticeship role in our IT team when he finishes his time in school.

“I love technology and I want to have a career in this sector, so I was really excited to start work experience in the IT department. It has been great learning about all the different tasks that IT do on a daily basis, and it's given me an idea of what real work is like. Being a wheelchair user, all the facilities are really good throughout the whole building and I'm able to manoeuvre without any obstacles. I would have loved to do the experience for a longer period of time, as I have really enjoyed it here!”

Mirko
Student at Penn Hall School

Our impact on communities

Homes for Ukraine

Like many people across the UK, we were shocked by the devastation in Ukraine. In response, we wanted to harness our expertise in homeownership to support Ukrainian refugees by joining the government's 'Homes for Ukraine' scheme.

We made 11 properties available from above our branches, or vacant properties from our West Brom Homes rental portfolio, to house refugees for a minimum of six months. We've housed a mixture of refugees, some who have come to us directly from Ukraine and some who we have rehoused from their initial sponsors, all without receiving any financial assistance from government schemes.

“When explaining what the Society is prepared to do, every family and their sponsors have looked at me in disbelief and asked me the same questions – why are you doing this and what's in it for you? My answer has been that we simply care and that it would have been easy for the Society to make a financial donation at the outset, but we want to truly live up to our culture and values, even if that isn't the easiest thing to do.”

Dave Taylor
Head of West Brom Homes and
Third-Party Partnerships

We've worked closely with the refugees to ensure that their transition into independent living in a foreign country is as easy as possible. Not only have they been provided with fully furnished properties, but they've been offered practical employment support and help on how to communicate with local authorities.

We've also committed to providing a range of employment opportunities here at the West Brom for Ukrainian refugees. There are a variety of roles available for those seeking employment, with full training provided. In addition, we will provide career guidance, interview techniques, and CV preparation skills for anyone that needs support preparing for a new role with the West Brom or the wider job market.

Forging Ahead to recreate the past

Black Country Living Museum is building their largest and most ambitious development since 1978 called *Forging Ahead*, featuring our former Cape Hill branch in Smethwick, Birmingham.

The new development demonstrates what life in the Black Country was like in the 1940s, 50s and 60s, and will be interactive to engage and inspire visitors of all ages.

Our branch at the Museum is set in 1949, our centenary year. This coincides with the story of the post-war boom in house building and will highlight the key role that local building societies played in facilitating home ownership – just as we do today.

As well as being a great reminder of what life was like during this period, we'll be using the branch as an interactive learning space to engage with school children, teaching them about the value of money and the importance of good money management.

The new development opened its doors to visitors in July 2023.

“With building societies having originated in the West Midlands, and with the West Brom by far the largest of those societies formed in the Black Country, this is a significant aspect of daily life to include in our town. Telling stories from this period will enable us to show the importance of mutual help and savings to ordinary residents, particularly when it came to securing and maintaining a home.”

Simon Briercliffe
Researcher at the Black Country Living Museum

Stepping back in time: A replica of our Cape Hill branch, as it was in 1949



Our impact on people

Equity, Inclusion and Diversity

Diversity in our workforce brings richness of thought and helps us to deliver for our members.

We're continually looking for ways to ensure all our colleagues feel included and empowered to bring their best, regardless of their background. To do this, we have a clear plan to make improvements year on year.

Ethnicity and gender pay gap reporting

Our ethnicity and gender pay gap reports are more than just numbers, they're a measure of our success in driving and delivering real change for our colleagues.

In 2021, and as part of our ongoing commitment to develop a diverse and inclusive workforce, we were among the first in the sector to voluntarily report on and publish our ethnicity pay gap. We believe that being open and transparent on both gender and ethnicity pay is a positive step as it provides a clear point from which to move workplace equity and diversity forward.

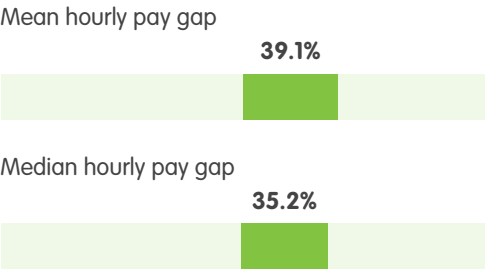
To learn more about our ethnicity and gender pay gap reporting, see our [latest pay gap reports](#).

Pay statistics explained

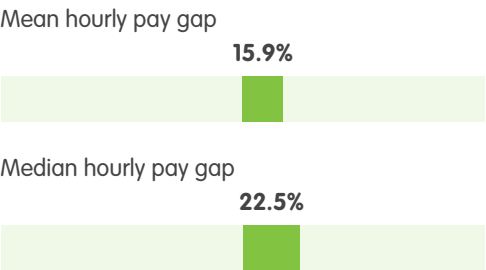
Pay gap statistics show differences between the average pay of colleagues depending on certain characteristics, such as gender or ethnicity. They don't take into account seniority or specific roles. As such, a pay gap shouldn't be confused with unequal pay.


Our 2022 results

Gender pay gap




Ethnicity pay gap





Pay gap
The difference between peoples hourly pay, **regardless of the work they do**.



Equal pay
Paying those who do **similar work** or work of **equal value** the same.



Promoting inclusion through Connect

Launched in 2018, our colleague-led inclusion group Connect continues to raise awareness and strengthen an environment where embracing diversity is encouraged and celebrated.

Connect aims to educate and engage our colleagues on inclusivity, whether that's through sharing personal stories, arranging workshops or celebrating national awareness days and cultural events. These events are a hub for diversity to thrive at the West Brom.

The group is sponsored by our Chief Executive, Jonathan Westhoff, and our Chief People Officer, Sophie Pazzaglia, which allows two-way communication between colleagues and our Executive Committee. This provides colleagues with the reassurance that they're supported, valued and listened to at all levels.

The West Brom as a Disability Leader

We have a commitment to understanding and raising awareness of all types of disabilities, including those that can seem invisible. Our excellence and dedication to this is underpinned by our Disability Leader status.

In January 2023, Connect arranged for colleagues from Penn Hall School in Wolverhampton to deliver two autism awareness workshops at our Head Office. They gave an overview of autism and provided practical steps our colleagues can take to support someone with autism, whether that's at work or in their personal lives. These workshops are enriching and valuable to our people and ensure that we can continue to foster an inclusive workplace.

Branch Manager, Leah Plant attended one of the workshops and said: "The session provided an amazing insight into an autistic person's world. It was informative, sensitive and real. Sessions like this are so important; they are what make a difference to today's world."

By raising awareness of what it is like to live with a disability, we aim to foster a culture of compassion, inclusion and understanding for all our employees.

Our impact on people

Championing diversity

While we are proud of the progress shown so far, we're not complacent, and we know there's more work to be done. We're committed to finding long-term solutions to make lasting improvements. Some of our measures and targets for the year ahead include:

- Continuing to be signatories to the Women in Finance and Race at Work Charters
- Taking a more strategic approach to diversity and inclusion with Connect, our colleague-led inclusion network

- Introducing diversity and inclusion training for all employees, and offering coaching sessions for women returning from maternity leave
- Encouraging and taking positive actions to increase full-time and part-time male applicants in our lower quartiles
- Monitoring ethnicity statistics across the employee lifecycle
- Committing to reach our target of 40% female representation in our senior management population by 2024

Employee Council

In 2018, we launched our Employee Council, a forum where representatives from across the business help us to shape and influence our future direction.

The Council's insight into what really matters to colleagues is hugely beneficial to us. As such, the Council has input from a broad range of individuals from throughout our business areas with varying views, experiences and backgrounds.

“I've been part of the Employee Council since it formed in 2018. Being part of the Council allows me to share my insight and experiences, which in turn influences the Society's strategy and decision-making. It's given me and other members a great opportunity to be heard by the Board on matters that directly affect both colleagues and members to help shape what the future looks like.”

Fiona McTeigue
Retail Manager

Some of our accreditations and memberships

While we're proud of our accreditations and achievements in this space, we continue to work collaboratively with others to grow and improve our equity, inclusion and diversity offering.



Disability Confident Leader status

We were delighted to be the first building society in the sector to be named a Disability Confident Leader in early 2022. The audit highlighted our strong and genuine commitment in this area, the great accessibility resources on our website, our flexible approach to supporting those with disabilities and our open and transparent culture.



Women in Finance Charter

We were one of the first signatories to the Women in Finance Charter, an initiative led by HM Treasury to support the progression of women into senior roles within the financial services sector.



Business in the Community

In March 2023, we joined over 600 responsible businesses in becoming a member of Business in the Community (BITC). BITC brings businesses together to tackle some of the biggest issues facing communities across the UK to create a fairer and healthier society.



Race at Work Charter

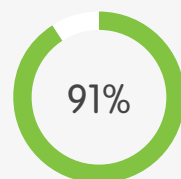
As a signatory to BITC's Race at Work Charter, we're taking practical steps to ensure we're tackling barriers that ethnic minority people face in recruitment and progression to be more representative of British society today.

Our impact on people

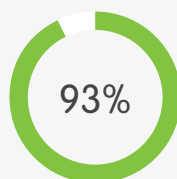
Annual people survey

We care about our colleagues' views, and we're passionate about delivering the best possible experience. To do this, we need to understand how our people feel, what's working well and where we can improve, so that we can make a positive difference. That's why we encourage our colleagues to participate in our annual people survey.

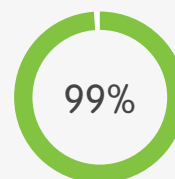
2022 survey results



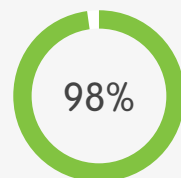
of our colleagues took part in the annual survey



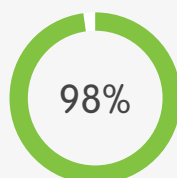
rated the Society positively



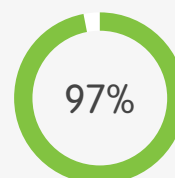
said they had good relationships with others in and outside of their team



feel committed to our goals



agree that we embrace and value a diverse and inclusive workforce



feel that we're always looking for ways to serve our customers better

“I feel valued within my team and my role; it makes a huge difference and it's lovely to have the recognition for what you do.”

“Looking at ways to make our customers' experiences better is one of the company's best attributes. We really care about our customers.”

“I enjoy working at the West Brom and feel proud of its ethos and values. I would love to continue to work here and further develop my career.”

Colleagues said, we did

Previous surveys told us that our colleagues wanted more formal support to develop within the Society. As a result, we partnered with MTD Training to deliver a bespoke New Manager Programme, which launched in February 2023.

We also have plans to facilitate more development opportunities within teams, and we'll be launching a more structured approach to career development conversations, which will help us to be more proactive in supporting our colleagues' development.

Our impact on people

Health and wellbeing

Employee Assistance Programme

The health and wellbeing of everyone at the West Brom is paramount to our success. As such, we offer several approaches to support our colleagues.

In June 2022, we partnered with the UK and Ireland's most trusted independent health and wellbeing provider, Health Assured, to launch our Employee Assistance Programme (EAP).



As part of the programme, all colleagues have access to 24/7 confidential support from trained professionals on a range of topics, including financial wellbeing, stress and anxiety, bereavement and much more. This support is also extended to our colleagues' families and includes a wealth of proactive and preventative resources available online and via the app.

Mental Health First Aiders

We're proud to have 14 trained Mental Health First Aiders in the business. Their role is to offer initial support to a colleague experiencing a mental health issue. As such, they are trained to provide confidential conversations and can signpost both colleagues and line managers to relevant support.

“Having this resource in the Society is so important and shows just how seriously the West Brom takes colleague wellbeing. Not everyone feels comfortable speaking to a professional, or even a family member, so having a team of us available at work is an accessible way for people to get some initial support and guidance.”

Bina Desai
HR Business Partner and Mental Health First Aider

Financial wellbeing

Real Living Hours

In 2022, we became the first building society in the UK, and the first employer in the West Midlands, to receive the Living Hours accreditation. This sets a new standard for employers and provides colleagues with the security and stability of the working hours that are essential to meet their everyday needs.

As an accredited employer, we've committed to:

- A minimum of 16 working hours each week (unless a colleague requests less for personal reasons)
- A contract that reflects accurate hours worked
- Providing at least 4 weeks' notice for shifts, with guaranteed payment if shifts are cancelled within this period

This commitment applies not only to directly employed colleagues, but also to third-party contractors, and works alongside our commitment to paying all colleagues the real Living Wage.

Cost of living payment

As a result of the rising cost of living, we're acutely aware of the financial pressures people are facing. We wanted to assist our colleagues as much as we could by providing the financial support to help them weather this storm.

We're Living Wage Champions!

We won the 'Beyond the Living Wage' award at the 2023 Living Wage Foundation Champion awards. The award recognises and celebrates employers and individuals that are leading the Living Wage movement by promoting the real Living Wage in their industries.

We're incredibly proud of our achievement and will continue to prioritise financially supporting and fairly compensating our colleagues.

We pay all colleagues in line with or above the real Living Wage and also provide a Financial Hardship Support Fund, which was set up as a helping hand to colleagues who suddenly find themselves in financial difficulty. While we were pleased to be able to offer this, we wanted to do more.

As such, last year, we announced that we'd be offering colleagues on a full-time equivalent salary of £35,000 or below a one-off payment of £1,200 to help ease financial burdens in the months ahead. Around 70% of our colleagues were eligible, and the payment was made in four monthly instalments of £300 from October 2022 to January 2023.

Our impact on the environment

Climate change has become the defining crisis of our age, with severe implications for both human and natural systems. As a responsible business, we have a duty of care to our members, colleagues, and also the environment. Therefore, we're developing initiatives and implementing changes to limit our impact on the environment.

The UK was the first major economy to pass legislation to reach net zero by 2050. To play our part in this decarbonisation effort, we are currently working towards becoming a zero-carbon building society for direct operations by 2025. We have made great progress towards our climate and environmental objectives, and since April 2022 have:

- Installed eight electric vehicle (EV) charging points at our Head Office
- Sourced 100% renewable energy through wind and hydro assets
- Reduced our operational carbon intensity by 14.7%
- Completed transitioning all of our company fleet to electric vehicles.

We have several environmentally friendly initiatives in place aimed at reducing our carbon emissions. These range from energy-saving office management to green staff benefits, and we're also proud to offer affordable green financing options as part of our financial services.

We've made great progress already but are striving to further our environmental commitment. To achieve this, we are now looking to take nature into consideration alongside our existing climate-focussed initiatives to ensure we leave a positive impact on our environment.

What about nature?

While the financial sector is working to address the climate emergency, biodiversity loss is progressing at an alarming and unprecedented rate. The UK is positioned in the bottom 10% of countries globally for biodiversity protection, with one of the lowest levels of biodiversity on Earth.⁹

As we continue to work towards achieving net zero across our operations and supply chain, we recognise the need to also consider our impact on nature. As such, we're currently developing a nature action plan in line with recommendations from the Taskforce on Nature-related Financial Disclosures to ensure we fully understand the impact our operations have on nature.

We're also exploring opportunities to increase biodiversity at our Head Office, driving positive action for nature. By aligning our nature-positive ambitions with our journey to net zero, we're committed to achieving our environmental and sustainability targets.



Our impact on the environment

Our journey to net zero

Energy

In 2021, we switched to green energy sources, helping us to reduce our carbon emissions drastically. Our offices and branches now run on 100% renewable energy, pushing us towards our target of reaching zero carbon for our direct operations by 2025.

Our electricity is 100% renewable, generated by wind and hydro assets. In addition, our gas is also 100% renewable and is fully backed by Renewable Gas Guarantees of Origin (RGGOs) and Biomethane Certificates (BMCs).



Over the last year, our focus on energy has continued with the trial of a replacement heating and cooling system in our branches, which is anticipated to reduce energy consumption by 19,000kwh per annum.

The system will also improve the air quality of our branches, benefitting both colleagues and customers.

Refurbishing and retrofitting properties is key in reducing wasted energy. As such, we have begun retrofitting our offices and branches with energy-saving devices, as well as improving our insulation and window glazing to improve our energy performance ratings. We will continue to monitor our buildings to reduce their environmental impact and improve their overall sustainability.

Our future plans continue to progress towards net zero as we look towards increasingly ambitious initiatives. We are currently undertaking a review to identify the feasibility of using solar power at our Head Office. It is anticipated that solar power could become the main source of energy for office heating and cooling.

Transport

As part of our transport initiative, and to encourage the use of electric vehicles, additional EV charging points have been installed at our Head Office for use by our colleagues. This initiative has proved very successful, and our plan is to continue installing additional chargers as demand grows. By charging vehicles through renewable energy, we can reduce the overall carbon impact of our organisation's commute. Although wider transport is currently a challenge, our owned vehicle fleet is all electric. We encourage colleagues to use these vehicles for business travel to reduce our environmental impact.

Since the installation of EV chargers, we have been able to save an average of 765kg of CO₂ each month.



Our impact on the environment

Our suppliers

Our suppliers play an important part in achieving our environmental ambitions. We encourage suppliers to work with us to achieve shared environmental goals. A successful example of this collaborative attitude towards environmentalism is our cleaning service supplier, who has moved to using only eco-friendly cleaning solutions with our encouragement.

Additionally, we've engaged with our stationary supplier to prioritise environmentally friendly products, which they deliver free of packaging to reduce any unnecessary waste.

Using materials responsibly

We set ourselves an ambitious goal of none of our waste going to landfill. To achieve this, we've worked hard to identify our different waste streams, putting in place reduction initiatives and working to remove non-recyclable items such as single-use plastic from our operations. We are working to ensure that all products we use are sustainable and recyclable. For example, all of our redundant computer equipment is collected and recycled by a specialist company.

In addition, we've committed to the use of only Forest Stewardship Council (FSC)-certified paper in our marketing materials. Building on this, we now aim to remove all unnecessary paper use to reduce our impact.

We all have a part to play

We all have a part to play in addressing climate change. Around 22%¹⁰ of the UK's carbon emissions come from our homes, so making our properties more energy efficient will not only reduce our impact on the environment, but also lower energy bills.

There are lots of options to improve the energy efficiency of your home, including upgrading heating systems, maintaining a constant temperature, switching to energy-efficient appliances and lighting, and much more. We're committed to helping our existing borrowing members improve the sustainability and efficiency of their homes, and as such provide low-interest, green financing options to our members.

Available in-branch, online, or over the phone, our members can borrow between £5,000 and £50,000 to make environmentally friendly improvements to their home, while benefitting from a two-year discounted variable rate. The funds can be used for improvements such as installing solar panels, heat pumps, EV charging points or upgrading windows or insulation.

We're making great strides forward on our journey to net zero, and we'll continue to introduce other green initiatives to meet our members' needs, ensuring our operations are environmentally friendly, both now and in the future.

So what's next?

Collectively, we know that our social and environmental initiatives make a real impact on the people and places who need it most. **Being Purpose-led has always been important to us, but our ambition is to go further for our members, colleagues, and communities, whilst also having a positive impact on the environment. We want to continue to help our members by delivering great value while also setting an example to other financial providers.**

As we look to the year ahead, we are committed to ensuring our members can hold us more accountable to our social and environmental initiatives. We will be setting key milestones and ambitions to ensure we continue to deliver on our Purpose-led values year after year. We look forward to sharing annual progress against these milestones as we continue to act in the best interests of our members, colleagues, communities, and the environment to deliver great outcomes for new and existing members.



For our full data disclosures, please see our [Annual Report and Accounts](#).

Braille, audio and large print versions of this document are available upon request. Please contact us on 0345 241 3784.

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