



Our Commitment to Sustainability

Find out what we're doing to become more sustainable, now and in the future.



marsden
BUILDING SOCIETY

TRUSTED BY YOU **SINCE 1860**

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Welcome to our First Impact Report

This report highlights our commitment to sustainability and the progress we've made so far.

Our vision to 'work together to build a better future and leave a lasting impression' means that whilst we aim to excel in our day-to-day business activities, we also want to make a positive contribution to society and the environment, ensuring better and more sustainable outcomes for current and future generations.



Rob Pheasey
Chief Executive

Our Sustainability Strategy

We've identified four priority areas to focus our efforts on, based on the initial assessment we carried out, reviewing our activities and the United Nation's Sustainable Development Goals.

More information about each area can be found in this report, with updates on the progress made so far and our short and medium-term plans for the future.



Environmental Impacts

We want to improve the direct impact we have on the environment and support members in the shift to a more sustainable economy.



Member and Community Support

We want to deliver valuable social and well-being support to members and communities.



A Great Place to Work

We want to promote a supportive and inclusive workplace to enhance colleague well-being and job satisfaction.



Operating Sustainably

We aim to pro-actively manage risks emerging from environmental and economic transition.



About Us

We were founded in 1860 by people with a purpose; to help each other become homeowners.

Members would pay monthly subscriptions to a central pool of funds and this would be used to build houses for members.

We continue to help our members achieve home ownership today, primarily by raising funds from savers to lend to borrowers to purchase their own home.

We also set out to make a difference to our members and our communities. Our purpose extends beyond the provision of our products and services, to having a positive impact on our members, colleagues and the communities we operate in.

Marsden at a Glance...

- ✓ We were established in 1860 and have 164 years of history.
- ✓ We have 8 branches, 115 colleagues and over 40,000 members.
- ✓ We have a 91.3 customer satisfaction score (Smart Money People 2023).
- ✓ 96% of colleagues engaged in our Best Companies survey (March 2023).
- ✓ 89% of colleagues are proud to work for the Society.
- ✓ 55% of management roles are held by women.
- ✓ We've invested £900,000 into our Charitable Foundation.

We offer a range of products to support customers looking to save, own their own home or invest in a property.



- Cash ISAs
- Easy Access
- Notice
- Fixed Rate
- Children's
- Business Deposit



- Residential
- Retirement
- Expat
- Guernsey
- Buy to Let
- Furnished Holiday Let

Growing With Purpose

We're developing a purpose-led approach to business, the environment and wider society.

As a responsible business, we want to support sustainable growth and employment and whilst doing so, reduce our carbon footprint and use of natural resources.



Growing for Scale

We'll be growing for scale and efficiency, increasing our impact and the long-term sustainability of our operations, whilst making a positive contribution to the region's sustainability.



Building Our Brand Through Community

We're focussed on building our brand through our communities, recognising that our success relies on our reputation and the difference we make in the communities we serve across the region.



Our Relationship With Members

A key part of our strategy is delivering outstanding levels of customer service and building authentic, long-lasting relationships with our members.



Being Here for You

We're here for our members, colleagues and communities. We're excited about the opportunities before us and how we can make an even bigger difference.



Financial Strength

Our financial strength and careful management means we'll continue to run the Society responsibly through the challenges that may lie ahead.



Trusted by You

We know that when people consider which savings or mortgage provider to use, trust is essential. Through our financial strength, we'll continue to keep our members' money safe.



What Sustainability Means for the Marsden

In a nutshell, it means working together to build a better future for people and the planet, which helps us stay true to our vision.

Being sustainable is about being made to last. We've been a trusted home for our members' money for over 160 years, and we want to make sure we're still here to support our members and communities in the future. To do that, we need to...



Look after our environment, so we still have a safe, lasting, habitable planet to call home in the future.



Look after our society, supporting one another so we're all here as a community, to share that future together.



Make sure we put the right governance in place to provide the structure and rules to keep us committed and on track to achieve that future for us, and for generations to come.

The sustainability goals we've set are a natural progression of our founding purpose; a collective approach to helping others. This means playing our part in responding to the climate emergency and realising the impact we have.



From an environmental perspective, it means improving our direct impact on the environment. It also means recognising the support we can give to members to help them improve their impact.



The social impact of the Marsden ranges from the products and services we offer, which support financial resilience, to providing good work for our colleagues and contributing positively to the communities we work in.



Governance reflects how we organise the business and operate to remain solvent, whilst making ethical decisions that support our environmental and social goals.

Many people think that sustainability is just about being green. Through our sustainability journey, we've come to appreciate that the people and planet ecosystem is both complex and interdependent, and that sustainability works on many levels.

We believe the right thing to do is be accountable for the impact we have on people and the planet, working hard to make those impacts positive ones. We all have a part to play.

Being sustainable is about being more than just green



Driving Sustainable Outcomes

Our sustainability strategy considers where we have impacts, both positive and negative, on people, society and the planet. We want to eliminate, reduce or mitigate any negative impacts we create and sustain, build and amplify positive impacts we influence.

Approach

In 2023, we benchmarked our carbon footprint and created a plan to get to Net Zero Carbon Emissions by 2050. We also worked with external consultants to look at our impacts beyond carbon, creating a strategy and plan to address the most significant ones. We'll continue to review and adjust these priorities in line with your feedback and transitions in the physical, economic and political environments as they occur.

Framework Alignment

As well as the fundamental alignment to Environmental, Social and Governance (ESG) guidance, our strategy has been mapped against the United Nations Sustainable Development Goals (SDGs). We've done this because it provides a comprehensive framework to determine our impacts, and also because it aligns us with UK Government's pledge to achieve these goals by 2030.

We also considered the Task Force on Climate-Related Financial Disclosures (TCFD); a set of recommendations that are changing the way organisations manage climate risks and opportunities. We're not yet required to make these disclosures, but are using them internally to provide consistent, useful and forward-looking information on the material financial impacts of climate change.

Stakeholders and Collaboration

We recognise that ESG and sustainability is a team effort. This first report reflects the efforts of Marsden colleagues. Going forward, we want to broaden the input to include members and other like-minded organisations.



Embedding Sustainability in Our Governance Framework

We understand the importance of embedding sustainability in our governance framework to make sure it's a key part of the strategies and policies we set.

Because this is so important to us, we're re-writing the terms of reference for our governance committees so sustainability becomes an intrinsic part of what we do. From Board committees to colleague forums, we want sustainability to have a place at the table throughout our organisation.

Why Sustainability Matters

We want to create something better for current and future generations, but why does sustainability matter?



To Our Customers

Sustainability matters to our customers because when they select a mortgage or savings product, they want to be part of an organisation that reflects their values. When customers choose to save or take out a mortgage with us, they're not just finding a trusted partner for their finances, they're helping us to grow so we can support others with their goals and give something back to those around us.



To Our Communities

We believe in building a better future for our communities, from the places we live to the people we share those spaces with. We set up our Charitable Foundation as a long-term commitment to them. By creating an endowment fund, we have a sustainable investment that can provide financial support for years to come to those who make amazing things happen in and for our communities.



To Our Colleagues

Our colleagues want to work in a supportive and inclusive environment, for an organisation they know looks after the environment and gives something back to the community. We want to take care of our colleagues' well-being, working together and supporting each other to remain a great place to work.



To Our Environment

We want to minimise the impact we have on the environment and play our role in taking care of the planet. Taking accountability and doing this in a sustainable way is important to us. We want the changes we make to have a positive impact on the environment and shape our way of doing business.

Board	Responsible for approving and overseeing all our strategies, including sustainability.
Board Risk Committee	Responsible for identifying and setting strategies related to risk, including climate risk.
Board People & Remuneration Committee	Responsible for approving and overseeing colleague aspects of the sustainability strategy.
Executive Committee	Responsible for the day-to-day management of the business and delivering all our strategies.
People and Health & Safety and Facilities Committees	Responsible for the delivery of our colleague and environment goals.
Operational & Regulatory Risk Committee	Responsible for monitoring operational and conduct risks, for example, those relating to people, IT and outcomes for members.
Credit Risk Committee	Responsible for monitoring physical and transitional risks associated with our securities, whilst seeking opportunities to support members looking to improve the sustainability of their homes.
Charitable Foundation Panel	Decides which community projects receive funding as part of our ESG strategy.
Moving Marsden Forward	A colleague forum focusing on all things ESG.



Managing Environmental Impacts

We're committed to supporting progress towards a greener society. This includes aligning with the UK's ambition to achieve Net Zero by 2050, at the latest.

Our Highlights

- We calculated our carbon footprint and developed our carbon reduction plans.
- We transitioned our motor fleet to electric or hybrid vehicles.
- We installed EV charging points at our Principal Office, supporting no cost charging for colleagues.
- We invested in new windows at our Principal Office, saving the equivalent of 2 tonnes of carbon dioxide emissions.
- We have a green gas contract for all premises with gas heating.
- We have 100% renewable electricity tariffs for all our operational buildings.



Impact on Members

We recognise the impact climate change could have on our members, their homes and communities.

Our ability to help members in their own sustainability journey is limited. However, in 2024 we aim to work with public sector bodies and third parties to identify how we can best support members in reducing emissions and improving other environmental impacts from their homes.

The challenges faced by members are similar to those faced by the Marsden:

- The upfront cost of low-carbon measures and associated payback period.
- Lack of available government grant funding.
- Design guidance – the most appropriate and effective impact improvement solutions for specific buildings.
- Supply chain – available and trusted skilled workers and proven products.
- Disruption – complexity of installation and behavioural changes required.

Whilst Net Zero is important to us, finding a balance is key. We appreciate that members may find themselves in less energy-efficient properties due to the nature of the UK housing stock. We accept this might impact our ambition to achieve Net Zero if financed emissions were included in our footprint, but we consider it equally important to support our members with continuing to own their own homes, which forms another one of the UN's sustainability goals.

Progress to Date

We now have a third party verified carbon footprint and reduction plan. Our ambition is to get to Net Zero by 2050 and nearly halve emissions under our operational control by 2030 in relation to 2023.

Emissions	2023 (tCO2e)	2030 Target (tCO2e)	2050 Target (tCO2e)
Scope 1	36.8	22.9	0.0
Scope 2	38.8	16.5	2.5
Scope 3*	92.2	54.9	11.7
Total	167.8	94.4	14.2**

* Categories 3,5,6 and 7

** Unavoidable emissions will be offset through a verified method

2023 Emissions Breakdown	
Scope 1	22%
Scope 2	23%
Transmission and distribution	2%
Waste generated in operations	2%
Business travel	4%
Colleague commuting	28%
Colleague home working	19%

Our footprint doesn't yet include "financed" emissions, or downstream investments (Scope 3, Category 15). We're collecting and evaluating the Energy Performance Certificate (EPC) ratings of mortgaged properties, and considering meaningful ways to shift to emissions calculations that add value for stakeholders.

Colleague commuting is a significant part of our Scope 3 footprint. Reductions are being made by flexible working, where appropriate, and in 2023 we launched a salary sacrifice scheme to encourage colleagues to switch to low emissions vehicles.

As we're focused on reducing energy use, our footprint is based on grid average emissions (location based). We've switched to 100% renewable electricity tariffs for our operational buildings, and for the two with gas heating, a Green Gas supplier. This makes our market-based (the contracted source of emissions from our supplier) measurement of Scope 1 and 2 emissions significantly lower in reality than our reported figures.

Our Carbon Reduction Initiatives



Benchmark Energy Use

Our commitment to sustainability includes measuring and benchmarking energy use per square metre across our property portfolio. This data will inform plans for improving building fabric, related to energy intensity.



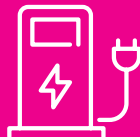
Building Fabric Improvements

We're continually working to enhance our building fabric and upgraded 29 windows to double glazing at our Principal Office in December 2023. This should reduce space heating emissions in this office by circa 6% - equivalent to 1.6 tonnes of CO2 each year.



Promote Sustainable Commuting

We actively promote the reduction of commuting when office presence adds no significant value. This initiative aims to balance business needs with colleague preference, measuring both carbon impact and colleague well-being. Our EV scheme is a key element of this.



Our EV Approach

We introduced an EV salary sacrifice scheme in November 2023 to promote adoption of electric vehicles to colleagues. We've already installed 14 EV charging points in our parking areas, with 8 added in 2022. Discussions are ongoing to explore future commitments and opportunities for additional installations.



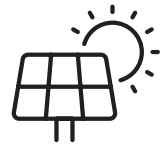
Sustainable Procurement

We're dedicated to sustainable procurement practices using Helios. Our procurement decisions will align with policies promoting sustainability. As an example, we've introduced wheat straw rather than plastic based money boxes, illustrating our commitment to sustainable choices.



Short-Term Goals

- Continue to offer our EV salary sacrifice scheme to colleagues who wish to transition to electric vehicles.
- Install solar panels at our Principal Office.
- Collect and evaluate the EPC ratings of mortgaged properties and consider meaningful ways to shift to emissions calculations that add value for stakeholders.
- Promote sustainable commuting.
- Promote sustainable procurement.
- Continue to evaluate EV charging points at other office locations.
- Continue to measure routes to work and methods of transport.
- Progress carbon footprint reduction to standards to be SECR and PPN06/21 carbon reduction plan compliant.
- Measure and benchmark energy use per square metre across our property portfolio.



Medium-Term Goals

- We have a plan to reduce our carbon emissions (and equivalents) by 50% by 2030, which will involve a 37% reduction in Scope 1 emissions, 57% in Scope 2 and 40% in Scope 3.
- Work with public sector bodies and third parties to identify how we can best support members in reducing emissions and improving environmental impacts from their home.
- Achieve a carbon neutral status for our own operations (Scope 1 and 2 market-based emissions) and selected Scope 3 emissions.
- Evaluate demand for a range of green mortgages.
- Evaluate Energy Saving Trust's online energy efficiency tool for members.
- Look at ways to educate colleagues and members on the importance of sustainability.





Customers and Communities

We're committed to making a positive impact on our customers and the communities we serve. Our approach is centred on creating a supportive, inclusive and sustainable environment that enhances financial well-being, accessibility and customer satisfaction. Our branches play a key part in this.

Our Highlights

- In 2023, we made 11 donations through our Charitable Foundation, totalling just over £30,000. This money was used to support projects in Lancashire focussing on 1 of 3 key themes.
- We introduced a Volunteering Policy, giving colleagues 2 working days (pro rata) per year paid to support community-based activities.
- Our Net Promoter Score was 91.3, which means our customers have a positive experience with us and are likely to recommend us to friends and family.
- £26,000 was donated to local charities in connection with our Affinity savings accounts. This takes the total donated since 2010 to nearly £520,000.
- During 2023, we donated a further £160,000 of Society profit to our Charitable Foundation, which has taken the overall endowment fund, including our participation in the Alternative Reclaim Fund to £900,000.
- 23% of our supplier spend in 2023 was in our home county of Lancashire, with 55% being in the North-West and Yorkshire.



Support for Our Customers

We prioritise customer needs in our branches, ensuring inclusivity. Features such as hearing loops and reading aids are available and we continuously work to enhance accessibility, including providing large print, Braille and audio materials. Our website features Recite Me, a tool to support accessibility online.

Household Financial Resilience Support

We're dedicated to building strong, long-term relationships with our customers. We're actively working on initiatives to provide household financial resilience support, aimed at improving our customers' financial stability.

Supporting Customers During Challenging Times

We understand the impact the cost-of-living crisis may have on our customers, offering support and raising awareness. Customer feedback has been positive, reflecting our commitment to assisting customers during challenging times. We also provide guidance and support, including signposting and bereavement support when needed, to support the well-being of our members.

Community First Approach

Our goal has always been to build something better for the community; that's why we founded the Marsden Building Society Charitable Foundation in 2022. The Foundation will help us to deliver financial support to our communities.

Our goal has always been to build something better for the community and that extends beyond helping members to save and own their own home. For us, it means giving something back to our communities.

Each year, the Foundation will provide funding for projects in Lancashire, supporting the key themes detailed below. In 2023, we supported 11 projects and in 2024 we'll be supporting a further 11. Visit www.themarsden.co.uk/our-charitable-foundation to find out more.



Financial Well-Being

Supporting projects that promote financial well-being and financial education.



A Society for All

Encouraging societal inclusion by supporting projects that focus on community and well-being.



A Great Place to Be

Supporting projects that focus on the restoration or regeneration of the local environment.

Short-Term Goals

- We've sustained 8 branches in the local community and remain committed to ensuring that members have convenient access to our services.
- In 2024, we'll make a further £30,000 available from our Charitable Foundation for grants to support projects across the region.
- We're actively working on initiatives to provide household financial resilience support, aimed at improving our customers' financial stability.
- We understand the impact the cost-of-living crisis may have on our customers, and will continue offering support and raising awareness.
- We're actively trying to use local suppliers to support local economies and potentially reduce our environmental impact at the same time. Our commitment to sourcing locally is demonstrated through our supplier spend.
- Our colleagues actively engage in voluntary activities, such as serving as governors at local schools. This contributes to educational governance and strengthens our ties with the community.
- We're considering matched funding to support colleagues raising funds for causes close to their heart.



Medium-Term Goals

- Our aim is for the Charitable Foundation endowment fund to exceed £1 million, supporting annual donations from investment returns.
- We're evaluating a representative customer panel to input on our sustainability efforts.
- We'll look at unconscious bias in our own operations and across the customer journey, raising awareness of how that may impact decisions and interactions.
- We'll consider implementing a company-wide social value framework.
- We'll maintain high member satisfaction scores.



A Great Place to Work

Our colleagues say the Marsden is a great place to work, and we want that to continue. That's why we're committed to creating a supportive and inclusive workplace that enhances colleague well-being and job satisfaction.

Our Highlights

- We've taken part in the Best Companies survey since 2021, achieving consistently high ratings, including a 2-star rating in March 2023.
- We're proud of the gender balance in our workforce with 55% of management roles held by women.
- Moving Marsden Forward focuses on ESG initiatives and colleagues from across the business have a voice in the actions we take.
- We signed the Women in Finance Charter.
- We're a Real Living Wage employer.
- We introduced a comprehensive Pay Framework Policy which helps us maintain equitable pay practices.
- We offer short and long courses to support colleague development.
- We created a well-being room for colleagues at our Principal Office.
- We have an Employee Assistance Programme available to colleagues and their families.



Supporting Our Communities

In 2023, based on feedback and requests from colleagues, and as part of our continued community strategy, we introduced a Volunteering Policy. The policy gives colleagues the opportunity to get involved in community activities, with each colleague receiving 2 of their working days paid to support community-based activities.

Employee Assistance Programme and Mental Health Support

Our commitment to colleague well-being includes providing an Employee Assistance Programme, trained Mental Health First Aiders within the business and a dedicated well-being space at our Principal Office.

Colleague Satisfaction

In recent Best Companies surveys, we scored:

Fair Deal	Personal Growth	My Manager
89% of colleagues agreed they are happy with the pay and benefits they receive.	69% of colleagues agreed their job was good for their personal growth.	94% of colleagues agreed their manager shared their important knowledge and information with them.

Diversity and Inclusion

We're in the early stages of collecting diversity and inclusion statistics, but we're committed to improving this aspect, aiming to have comprehensive data on ED&I and social mobility in the future. One statistic we are able to share is the gender balance across the organisation, with women making up 55% of management roles.

Gender	Count	%	Management inc. Board
Female	84	73%	55%
Male	31	27%	45%

Women in Finance Charter

We have a dedicated page on our website showcasing our commitment to the Women in Finance Charter, and our long-term ambition is to increase the gender balance in leadership roles, actively supporting women entering into financial services.

Fair and Equal Remuneration

We're a Real Living Wage employer and ensure fair and equal remuneration by having a comprehensive Pay Framework Policy in place. This provides guidance on maintaining equitable pay practices within the organisation.

Support for Professional Development

We actively support colleagues in their professional development by offering access and funding to both short and long courses. All colleagues have the opportunity and are encouraged to pursue professional qualifications, with allocated study time, funding for materials and payment of membership fees.

Short courses taken to date include CeMAP and CeRER mortgage qualifications, project management qualifications and treasury and accounting courses. Long courses are available through an annual application process and allow colleagues to complete those qualifications requiring study support over 12 months or longer.

Cost of Living Support

We recognised the increased cost of living and the pressure this was creating on household finances, so we supported our colleagues with additional payments in 2022 and 2023 to help with that financial pressure.



Short-Term Goals

- Provide transparent reporting on ED&I and social mobility statistics.
- Maintain high levels of colleague engagement with the Best Companies survey.
- Increase the number of apprentice roles available.
- Promote role secondments to develop career opportunities.
- Measure training hours by training type and colleague category, differentiating mandatory training from role specific and management training.
- Measure, report and observe changes over time in gender diversity of leadership and colleagues.
- Report gender pay.
- Update our professional development review process to have greater focus on well-being and career development for all colleagues.



Medium-Term Goals

- To implement the Disability Confident scheme and continue to develop our measurements in this area.
- Consider the introduction of a 1% initiative or similar for colleagues to engage in community work or educational support.
- Consider partnerships with relevant organisations to continue ensuring our workplace remains as diverse and inclusive as possible.
- Pro-actively support initiatives to encourage women to join and develop their careers within financial services.



Operating Sustainably

The social and environmental impacts of sustainability, and climate change in particular, are complex and interconnected. Governance helps us to assess impacts and pro-actively manage risks, helping us to operate more sustainably.

While some physical risks can be modelled, economic and social risks are particularly difficult to assess. They arise from actions by governments, legislation, activist groups and consumer behaviour. Hard to predict and long-term in nature, they're described as transition risks - as society and the economy change in response to climate change, social and economic challenges.

Our Highlights

- We completed an assessment of the financial risk and opportunities from sustainability and climate change.
- We introduced a Climate Report in our annual financial reporting.
- We focussed on initiatives which reduce the Society's carbon footprint further, the most significant of which will be the installation of solar panels at our Principal Office.
- We reported against our climate risks and opportunities in line with the requirements of TCFD.



Governance

Sustainability considerations, and in particular, social impacts, have been part of our governance process, but climate change hasn't previously been considered. 2023 saw the Board engage with climate strategy as part of a wider sustainability strategy.

Physical Risks

Both acute and chronic physical risks such as storms, droughts, floods and sea level rises are relevant to the Society in relation to the marketability and insurance of properties suffering damage at increasing frequencies. The Society's own property footprint is relatively small and low risk.

Transition Risks

The most likely impact on the Society will be potential changes to EPC legislation. With legislation already in place for commercial and buy to let properties, it's likely this could be expanded to sale or mortgage conditions. This could mean properties are required to have an EPC rating of a certain level upon sale or remortgage.

Risk Assessment and Review

We have third-party assessments of our physical and transition risks annually. Our physical risks are relatively low due to the geographical distribution of properties. The transition risks are higher, relative to other societies, due to a higher number of EPC F and G rated properties, although this is still low at 3.6%.



Short-Term Goals

- Formally embed our sustainability framework into strategy, governance, risk assessment and key metrics. All the key elements are in place, we'll be reinforcing our approach.
- Focus on the implementation of initiatives which have the most significant impact or represent opportunities to be implemented easily alongside wider change management.
- Refine our risk management framework to widen our ESG metrics for assessment.
- Extend oversight over our supply chain to profile their sustainability credentials using our Helios framework.
- Ensure our purpose and values for the Society give enough focus to sustainability.
- Foster a culture of continuous improvement; looking for less waste, less materials, less energy and less time in our processes and operations.



Medium-Term Goals

- Consider how we capture members' sustainability expectations so we can act on their feedback.
- Develop policies, processes and associated metrics to ensure we support members and communities to be sustainable.
- Ensure our members are not disadvantaged by any policies or risk management approaches that evolve.
- We'll consider implementing a company-wide social value framework.



Get in touch



In branch

For details of our branch locations and opening hours, visit our website



Online

Visit us at www.themarsden.co.uk



By phone

Call us on 01282 440500*



By post

Write to us at Principal Office, 6-20 Russell Street, Nelson, Lancashire BB9 7NJ

If you'd like a copy of this document in large print, braille or audio, email info@themarsden.co.uk or call 01282 440500 and we'll be happy to assist.

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