

2024

# Sustainability Report

New  
Day







# Welcome to NewDay's 2024 Sustainability Report

NewDay exists to help people move forward with credit. We are a purpose-led business and believe in credit as a force for good. Acting responsibly and sustainably means we can look after our customers, protect the environment, and help support our communities.

Our sustainability strategy is deeply aligned with our purpose to help people move forward with credit. Responsible and accessible credit unlocks opportunities, empowering individuals and businesses alike. As a responsible lender, we are committed to understanding our customers' needs, providing tools to help them manage their finances, delivering tailored care and service, safeguarding their data, acting ethically, and maintaining transparency in our reporting. Ensuring access to responsible credit while prioritising customer protection and positive outcomes is at the core of what we do.

Our commitment to social responsibility extends beyond our customers. We strive to create an exceptional experience for our colleagues by fostering a fair, inclusive, and diverse workplace where growth and development are encouraged.

We also recognise our responsibility to the wider community and society. Beyond our products, we seek partnerships with organisations that share our vision of helping people move forward in their lives. We are proud of our long-standing collaboration with our charity partner, Family Action, where contributions over our nine-year partnership surpassed £2m this year.

Environmental sustainability remains a key focus and in 2024, we engaged with AXA Climate to refine our decarbonisation plan, including setting interim targets and enhancing the quality of emissions data, as well as to continue our assessment of climate transition risks and opportunities. We have already transitioned to 100% renewable energy sources, purchased carbon offsets covering residual Scope 1 and Scope 2 emissions and are actively working to reduce Scope 3 emissions across our supply chain, with a commitment to achieving Net Zero Greenhouse Gas emissions, including Scope 3, by 2040.

Our business is built on a strong governance framework, underpinned by robust controls and compliance procedures. We foster a culture of ethical and responsible business practices, ensuring that growth is managed in a controlled and compliant manner while safeguarding the interests of all stakeholders.

This report outlines our sustainability approach, the progress we have made, and our ambitions for the future.

“

We understand the strategic importance of embedding sustainability principles into every decision we make. Ethical, responsible, and sustainable practices are at the core of our operations. We firmly believe in the power of credit as a force for good and are proud to share our continued progress on our sustainability journey.

**Sir Michael Rake**

Chairman and Non-Executive Director



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## Our purpose, manifesto and values

# We believe in credit as a force for good

NewDay is a leading consumer credit provider in the UK. We are powered by a digital and highly flexible technology platform and we partner with some of the UK's most exciting brands.

We aim to be the UK's leading digitally enabled consumer finance provider, responsibly saying "yes" to more people. Providing people with access to responsible, regulated credit is what we do, ensuring the right outcomes and protection for customers. We develop innovative ways to help customers stay in control of their finances and access appropriate credit seamlessly.

By understanding the varying needs of our customers, building long-lasting relationships and rewarding customers for responsibly managing their credit, we continue to be one of the most inclusive lenders in the UK. This enables us to fulfil our purpose to help people move forward with credit.

- Guided by our purpose
- Powered by our people
- Motivated by our ability to create impact

# 89%

Purpose Index in our 2024 colleague engagement survey evidencing our clarity of purpose

## Our purpose

At NewDay, our business is focused on a single, clear and defining purpose:

# To help people move *forward with credit*

## Who we help move forward



### Consumers

We create more convenient ways to access and manage credit. With simple tools we help our customers improve credit scores and earn rewards. All of this is underpinned by seamless customer journeys.



### Partners

Our products enable our partners to offer a range of financing options to their customers, improving engagement and helping move their businesses forward.

## Our manifesto

*Everyone wants to move forward.  
To progress their lives.*

We believe in credit as a force for good. Because responsible and accessible credit expands possibilities. It powers up life and business.

We know that credit itself should move forward too. People want the right credit for them – credit that supports, rewards and adapts to life's changes. We make this happen through expert insight, data and technology.

People want to shop with the brands they love. We help businesses offer experiences through seamless credit and loyalty.

## Our values



### Do the right thing

We're guided by our responsibility towards our customers and to each other.



### Pull together

We take collective accountability. We support one another. We are stronger together.



### Aspire to extraordinary

We aim high. We have the courage to challenge ourselves and each other.



### Create tomorrow




We build for the future. We push to create, adapt and change.



## Business overview



We are a UK consumer credit and international platform service provider. Our credit products are offered directly to consumers and through merchant partners, powered by our digital and highly-flexible technology platform.

*Our operations are structured across three separate channels:*

- 1  **Direct to Consumer**
  - Our revolving credit offering, D2C (Direct to Consumer)
  - Own-branded cards targeted at near-prime customers and supporting them on their journey towards prime
- 2  **Merchant Offering**
  - Innovative e-commerce and digital in-store offering, B2B2C (business-to-business-to-consumer)
  - Co-branded cards targeted at near-prime and prime customers
  - Point-of-sale and embedded finance solutions
  - Digital loyalty programmes
- 3  **Platform**
  - White-labelled technology platform solution

*Our product offering*

## Direct to Consumer

Credit building → Financial control → Prime bridge → Digital cardless credit → 

£2.6BN



Gross receivables

1.6M

Customer accounts



## Merchant Offering

Co-branded cards → Embedded finance →   
Card for customers from previous partnerships →   
£1.8BN<sup>2</sup>

Gross receivables

2.0M<sup>2</sup>


Customer accounts



## Platform

- End-to-end financial technology product covering the full product life cycle from acquisition to servicing and collections
- Solutions adaptable to multiple lending products such as credit cards, embedded finance and unsecured personal loans
- Targeted at banks and lenders within the UK and internationally
- Successful partnership launches in 2024



 For more details about our leading platform, see our 2024 Annual Report and Financial Statements available at [newday.co.uk/investors/results-centre](https://newday.co.uk/investors/results-centre)

<sup>1</sup> In 2025, we acquired beneficial interest in £834m gross receivables and 2.2m associated customer accounts from Argos' existing store card portfolio.

<sup>2</sup> Excluding amounts arising from the Argos portfolio acquired in 2025.

NewDay at a glance

New customer  
accounts

0.5M

(2023: 0.4m)



**Definition:** The number of new customer accounts originated in the year.

Customer  
spend

£15.5BN

(2023: £15.0bn)



**Definition:** The amount of customer spend through our products in the year, including balance transfers, money transfers and cash advances.

Closing gross  
receivables

£4.4BN

(2023: £4.3bn)



**Definition:** Gross customer balances outstanding at the year end.

Transactional Net  
Promoter Score

+79

(2023: +72)



**Definition:** Average customer feedback score when rating their experience on an interaction with us.

Underlying risk-adjusted  
margin

11.2%

(2023: 10.6%)

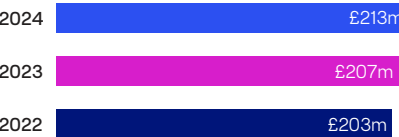


**Definition:** Underlying risk-adjusted income (£481m)/average gross receivables (£4,278m).

Underlying profit  
before tax

£213M

(2023: £207m)



**Definition:** Underlying risk-adjusted income (£481m) less underlying costs (£269m).

Employee  
engagement

87%

(2023: 76%)



**Definition:** Results of our most recent Pulse engagement survey.

Free cash flow available for  
growth and debt service

£118M

(2023: £115m)



**Definition:** The movement in cash and cash equivalents (£138m) after adding back net financing cash flows, the movement in gross loans and advances to customers, dividends paid, the return paid on loan from immediate parent company and corporate debt interest paid (£256m).



## Credit as a force for good

Our focus on sustainability is embedded across our business. Our progress in 2024 includes:

## We help people move forward with credit

537k

new customers welcomed that we responsibly said "yes"<sup>1</sup> to (2023: 395k)

1.7M

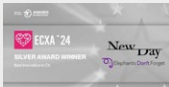
customers improved their credit score (2023: 2.4m)

356k

customers extended payment support in 2024 (2023: 441k)

1.1M

customers registered for *Aqua Coach* and *Credit Score*, our financial education tools (2023: 0.8m)



Silver winner for Best Innovation in Customer Experience at the UK Customer Experience Awards 2024



Silver winner for Best Customer Centric Culture at the European Contact Centre & Customer Service Awards 2024

<sup>1</sup> Read more about responsible lending on page 12.

## We strive to create an exceptional experience for our colleagues and support advancement in our communities

87%

employee engagement survey (2023: 76%) against a target of >75%

87%

Inclusion and Diversity Index in our employee engagement survey (2023: 79%) against a target of >75%

86%

Wellbeing Index in our employee engagement survey (2023: 79%) against a target of >75%

LinkedIn Learning

LinkedIn Learning offered to all colleagues to support career development



Across our nine-year partnership we have donated over £2m to our charity partner, Family Action

STEMETTES

Continued our partnership with Stemettes to inspire and support young women and non-binary people into Science, Technology, Engineering and Maths careers

## We are an environmentally conscious and highly digital business

0.5

tonnes of CO<sub>2</sub>e per average FTE employee across Scope 1, 2 and 3 within our own operations (2023: 0.5<sup>2</sup> tonnes)

2040

Updated decarbonisation plan refining interim targets and reconfirming 2040 Net Zero ambition



100%

renewable energy tariffs across our operations (2023: 100%)

Carbon credits purchased<sup>3</sup>, offsetting residual emissions across Scope 1 and 2 (market-based) since 2022

95%

of customers registered for e-servicing (2023: 95%)

0%

of waste to landfill (2023: 0%)

<sup>2</sup> Estimates included within 2023 emissions data have been updated to actuals where further information was received after the publication date.

<sup>3</sup> Carbon credits relating to 2024 emissions are pending retirement.

## Underpinned by strong and established corporate governance

## WE SUPPORT



Signatory to UN Global Compact



EcoVadis Gold Sustainability Rating



ISO 27001 Information Security Management certification



Targets set for each sustainability metric and regularly monitored by the Board



Mandatory ethics training for all colleagues annually



## Our sustainability progress

2024  
highlights

Rolled out our *Aqua Coach Steps* feature to all *Aqua* customers, to support customers to improve their credit score and enhance financial education, and continued to expand our *Aqua Gold* upgrades programme



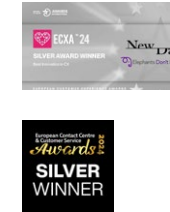
Alongside our partnership with Plain Numbers to improve customer understanding of communications, we launched a programme of communications called '*Credit Fundamentals*' intended to improve financial understanding amongst our customers



Collaborated with Experian and other firms on the Support Hub - a platform that enables consumers to share their support needs with multiple organisations in a single, consensual, transparent and standardised manner



Silver award winners for Best Innovation in Customer Experience and Best Customer Centric Culture



Engaged with AXA Climate to refine our decarbonisation approach, including updating our carbon tracking measurement techniques and reassessing climate transition risks and opportunities



NewDay's first Annual Consumer Duty Report was presented to the Board, confirming NewDay is meeting its Consumer Duty obligations and delivering good and fair outcomes for its customers



LinkedIn Learning offered to all colleagues to support career development



Corporate donations and colleague fundraising surpassed £2m across our nine-year partnership with Family Action



Continued our partnership with Stemettes, including mentoring programme, to inspire and support young women and non-binary people into Science, Technology, Engineering and Maths careers



Secured EcoVadis Gold Sustainability Rating, placing us in the top 5% (2023: top 3%) of all financial services companies rated

Future  
ambitions

Continuously seek to embed Consumer Duty further into our processes and challenge our outcomes to ensure customers remain at the heart of everything we do

Continue to enhance *Aqua Coach Steps*, offering personalised monthly actions to help customers improve their credit scores and build financial resilience

Expand diversity metrics monitored and increase percentage of females in senior management roles to 40% by the end of 2026

Deliver on initiatives to meet our interim decarbonisation targets of reducing 55% of emissions by 2033 and make progress towards Net Zero by 2040 ambition

Introduce supplier performance tracking against sustainability metrics to ensure suppliers' activities are aligned with our sustainability ambitions



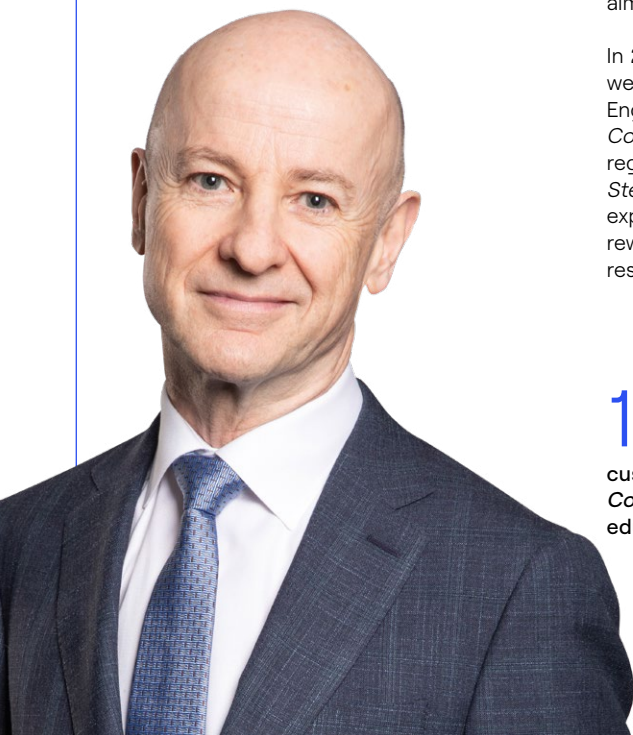


## ESG Director's statement

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Sustainability is a responsibility we take seriously. We remain committed to advancing this agenda. We are pleased that this commitment was once again recognised by EcoVadis, who awarded us a Gold Sustainability Rating and placed us among the top 5% of financial services companies globally.

**Rupert Keeley**  
ESG Non-Executive Director



### Helping customers move forward with credit

Our commitment to helping people move forward with credit and maintaining a customer-centric approach remains integral to delivering positive outcomes. Our role in promoting financial inclusion, responsible credit behaviours, and high-quality, tailored customer service is more vital than ever.

The introduction of the FCA Consumer Duty in 2023 closely aligns with our purpose, driving us to continuously enhance our customer proposition. In 2024, our first Consumer Duty Annual Report was presented to the Board and submitted to the FCA. It confirmed we are meeting our Consumer Duty obligations and remain focused on delivering good and fair outcomes for customers. Partnering with Plain Numbers, we are working to improve the clarity of customer communications and guide customers toward better financial outcomes and we launched our 'Credit Fundamentals' communication series aimed to improve financial literacy of customers.

In 2024, we continued to expand financial inclusion, welcoming 0.5m new customer accounts. Engagement with our financial education tools, *Aqua Coach* and *Credit Score*, continues to grow, with 1.1m registered users. We rolled out our *Credit Coach Steps* feature to all *Aqua* customers and continued to expand the *Aqua Gold* upgrades programme, rewarding customers for managing their credit responsibly. Through these initiatives, we supported

1.1m

customers signed up for *Aqua Coach* or *Credit Score*, our financial education tools

1.7m customers in improving their credit scores (2023: 2.4m). We were proud to be recognised externally at the 2025 Card & Payment Awards winning Best Credit Card or Credit Facility for *Aqua*, demonstrating the quality of our products and the positive impact they deliver.

Recognising the importance of early intervention, we extended financial assistance, providing payment support to 356k customers in 2024 (2023: 441k). Our collaboration with Experian and other firms on the Support Hub allows customers to communicate their support needs to multiple businesses in a single interaction, reducing the emotional burden and ensuring appropriate assistance. In 2024, we extended the Support Hub service into the retail sector through our partnerships with Argos, Debenhams and John Lewis & Partners, giving more people the chance to share their support preferences with more businesses.

Investment in technology enhances customer journeys and empowers colleagues to deliver outstanding service. AI-driven tools support knowledge retention and boost Quality Assurance scores, while our transactional Net Promoter Score (NPS) and Net Easy Score (NES) remain strong at +79 (2023: +72) and +77 (2023: +75), respectively. Our skilled contact centre teams, supported by cutting-edge AI technology, can identify vulnerable customers and provide tailored support. Testament to our customer-centric approach, our contact centre has been accredited as Industry Leading across all areas by the Contact Centre Management Association.

Beyond credit, we are encouraging customers to adopt sustainable behaviours with 566k customers now using a cardless product (2023: 491k). Additionally, 21% of the credit cards issued in 2024 were recyclable (2023: 22%). Our commitment to digital innovation continues to reduce our environmental impact, with 95% of active customers registered for e-servicing (2023: 95%).



#### Best Credit Card or Credit Facility for Aqua

2025 Card & Payment Awards



#### Industry leading contact centre accreditation

Contact Centre Management  
Association



#### 28th Best Place to Work among UK companies with more than 1,000 employees

Glassdoor and Customer Service Awards

### Powered by our people

Our colleagues are at the heart of our sustainability journey, living our values of 'Do the Right Thing', 'Pull Together', 'Aspire to Extraordinary', and 'Create Tomorrow'. Their innovation and commitment to delivering exceptional customer service continue to drive positive outcomes.

In early 2024, the business underwent a significant restructuring, and we are proud of the adaptability, resilience, and strong performance shown by our people in response to this change. We commend our colleagues for navigating this restructuring with professionalism, ensuring a respectful and thoughtful transition into new roles across the organisation.





## ESG Director's statement continued

Our continued high engagement scores demonstrate the culture we have built, with engagement of 87% in our year end colleague survey (2023: 76%), with scores for our purpose and feeling valued also being particularly high. Anonymous feedback from current and former colleagues also led to us being ranked 28th in Glassdoor's 2025 Best Places to Work among UK companies with more than 1,000 colleagues.

Inclusion and diversity remain key priorities for our Board. Our latest engagement survey reflected an Inclusion and Diversity Index of 87% (2023: 79%), underscoring our commitment to fostering a culture where colleagues feel valued and empowered to be themselves.

Collaboration, innovation, and continuous improvement are central to our culture. We strive to create an environment where colleagues feel engaged, inspired, and supported to reach their full potential. Building on the success of our 'Investing in You' programme in 2023, we launched LinkedIn Learning in 2024, which has yielded excellent engagement, with 73% activation, against a 36% industry standard. This provides all colleagues with opportunities for continuous learning and development and delivers content at scale with data-driven personalisation.

Attracting, retaining, and developing talent is a core strength. We are proud to promote from within wherever possible, with 16% of colleagues moving into new internal opportunities during the year – 43% of whom were women. Our focus on career growth and internal mobility ensures we continue to nurture talent and create meaningful career pathways.

### Environmental progress

In 2024, our CO<sub>2</sub> emissions per average FTE employee across Scope 1, 2 and 3 within our own operations remained stable at 0.5 tonnes. We continue to monitor this closely.

Having transitioned to 100% renewable energy sources and purchased carbon credits to offset our residual Scope 1 and 2 emissions since 2022, we focus our attention on sustainable procurement and reducing Scope 3 emissions – critical aspects of our journey towards Net Zero by 2040.

In 2024, we engaged AXA Climate to refine our decarbonisation approach, adopting the latest measurement techniques. We transitioned to Exiobase for general emissions factors and incorporated supplier-specific data for our most material suppliers, leading to a restatement of historic Scope 3 emissions. This enhanced accuracy enables us to better track and reduce supply chain emissions. We also continue to enhance our decarbonisation roadmap and have set a near-term target to reduce emissions by 55% by 2033.

We also engaged with AXA Climate to help identify portfolio exposure to climate transition risks and opportunities. We continue to strengthen our environmental and sustainable procurement policies, to align with our evolving strategy and ambitions, ensuring that we progress towards our Net Zero goal.

### Community partnerships

We are proud to have partnered with Family Action for over nine years, creating a meaningful impact together and contributing more than £2m to support their vital work. Our colleagues are deeply engaged in this partnership, participating in fundraising and volunteering efforts to help provide practical, emotional, and financial support to those facing poverty, disadvantage, and social isolation.

We also continued our collaboration with Stemettes, an award-winning social enterprise dedicated to inspiring and supporting young women and non-binary people in Science, Technology, Engineering, and Maths (STEM) careers. Recognising that the talent pool for technology and data roles remains predominantly male, this partnership aligns with our Inclusion and Diversity ambitions, helping to build a stronger, more diverse pipeline of STEM professionals.



**EcoVadis Sustainability Rating**  
**Gold**



**CIPS Corporate Ethics Kite Mark**  
**demonstrating commitment to ensuring an ethical and sustainable supply chain**

### Governance

A robust governance framework underpins our sustainability efforts, ensuring high standards of corporate governance and effective oversight by our Board. This framework enables us to achieve controlled and compliant growth while considering the interests of all stakeholders. We continuously review our governance structures to ensure they remain aligned with the scale and ambitions of the Group.

In 2024, EcoVadis once again independently assessed our sustainability performance, awarding us a Gold Sustainability Rating and placing us among the top 5% of financial services companies (excluding insurance and pension funding) globally (2023: top 3%). We were particularly pleased that EcoVadis recognised our continued progress in sustainable procurement, rating us 'advanced' – a key milestone in our Net Zero journey.

Our developing approach to sustainable procurement has also led to NewDay being awarded the CIPS Corporate Ethics Kite Mark demonstrating our commitment to ensuring an ethical and sustainable supply chain.

### Where next?

Embedding long-term sustainability into our strategy is essential for our continued success. The Board remains committed to assessing our sustainability roadmap – tracking progress on existing initiatives while identifying areas for further focus. While I am proud of the strides we have made and the external recognition thereof, we recognise there is still more to do.

Our ambition is for *Aqua Coach* to become the UK's leading credit-building tool. We continue to enhance *Aqua Coach Steps*, offering personalised monthly actions to help customers improve their credit scores and build financial resilience, as well as support in developing financial literacy through our communications.

As our strategy evolves, we will continue to enhance our environmental and sustainable procurement policies, ensuring meaningful progress toward our Net Zero goal.

Advancing gender diversity remains a key focus. Our medium-term target is to increase female representation in senior management roles to 40% by the end of 2026, up from 33% in 2024. To foster a fully inclusive workplace, we are also working to capture data across a broader range of diversity characteristics, establishing a baseline to inform future targets. Our goal is to ensure our workforce reflects the communities we serve.

Finally, I would like to thank the Board and all colleagues for their dedication to our sustainability strategy. Together, we can be proud of the progress we have made and we remain committed to delivering on our roadmap for 2025 and beyond.

**Rupert Keeley**  
ESG Non-Executive Director

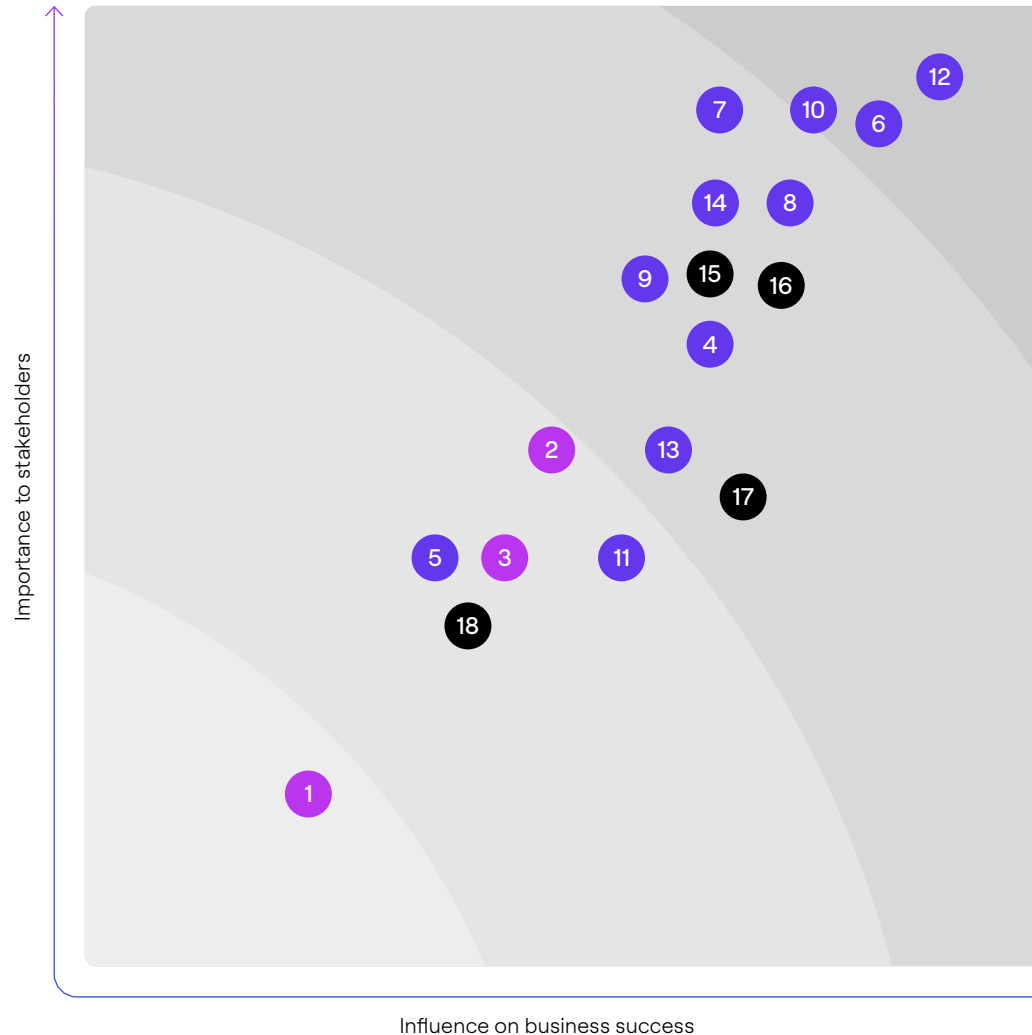
## Our sustainability approach

Materiality  
assessment

In 2021, we engaged external consultants to support us in conducting our materiality assessment which was aligned with the principles of GRI (Global Reporting Initiative), to identify key environmental, social and governance factors to be considered in our ongoing sustainability strategy development.

Our materiality assessment defines our sustainability priorities, shapes strategy, and guides targets, resource allocation, and reporting. In 2021, we identified key topics through industry research, ESG standards (GRI, UN SDGs), and input from our internal sustainability working group. Insights from stakeholders, including suppliers and colleagues, helped refine our focus areas.

In 2024, we reviewed our topics, leveraging our work with AXA Climate and industry benchmarking, resigning and adding topics where necessary and mapping them into a materiality matrix to ensure alignment with evolving priorities. We also engaged with AXA Climate to help identify NewDay's exposure to climate transition risks and opportunities and have incorporated their findings into our materiality assessment.



## Environmental

- 1 Biodiversity and nature
- 2 Environment and climate change
- 3 Sustainable finance and innovation

## Social

- 4 Colleague wellbeing and development
- 5 Community engagement and investment
- 6 Customer welfare, experience and service
- 7 Data security and privacy
- 8 Digitalisation and technology
- 9 Diversity and inclusion
- 10 Financial inclusion and education
- 11 Human rights
- 12 Responsible lending and marketing
- 13 Responsible supply chain management
- 14 Vulnerable customers

## Governance

- 15 Ethics and compliance
- 16 Governance and management
- 17 Regulatory environment
- 18 Taxation

Our sustainability approach continued

## Sustainability strategy

Our sustainability strategy is aligned with our purpose to help people move forward with credit. We focus on:

- **Being a responsible lender** – providing customers, some of whom are underserved by mainstream lenders, with credit products tailored to their needs. We aim to offer appropriate credit limits, deliver fair outcomes and offer assistance in times of difficulty.
- **Acting ethically, responsibly and sustainably in our stakeholder relationships** – we consider the interests of various stakeholders in our decision-making:
  - we create a fair, inclusive and diverse workplace;
  - we support our local communities;
  - we assess and reduce our environmental impact; and
  - we treat suppliers and partners fairly.
- In addition, we align our strategy with the Ten Principles of the United Nations Global Compact (UNGC) and its Sustainable Development Goals (SDGs).

[Read more about the UNGC on page 50](#)

### Sustainability strategy



**Financial inclusion**  
Removing barriers to credit and rewarding good credit management



**Climate action**  
Net Zero by 2040



**Learning**  
Financial education for customers and colleague development

### Our purpose

To help people move  
*forward with credit*



**Do the right thing**  
We're guided by our responsibility towards our customers and to each other.



**Pull together**  
We take collective accountability. We support one another. We are stronger together.



**Aspire to extraordinary**  
We aim high. We have the courage to challenge ourselves and each other.



**Create tomorrow**  
We build for the future. We push to create, adapt and change.

### Areas of focus



**Being a responsible lender**

[Read more on page 12](#)



**Minimise our environmental impact**

[Read more on page 29](#)



**Inclusive and diverse workplace**

[Read more on page 25](#)





# Customers

## Our focus

Helping our customers move forward with credit and delivering high-quality customer service

Our purpose to 'help people move forward with credit' and our customer-centric ethos sits at the core of the business. We are committed to providing a level of care and service that is appropriate to each individual customer, and work proactively with them, providing the necessary tools to stay in control of their finances.

## Alignment to SDGs



Read more about SDGs on page 50

# +79

transactional NPS  
against a target of +64  
(2023: +72)

# 356<sub>K</sub>

customers extended payment support  
(2023: 441k)

# 1.7<sub>M</sub>

customers improved their credit score  
(2023: 2.4m)

# +77

NES against a target of +68  
(2023: +75)

# 1.1<sub>M</sub>

customers registered for our financial education tools against a target of 1.0m (2023: 0.8m)

# 1.5

complaints per 1,000 active accounts against a target of <1.5  
(2023: 1.2)

Customers continued

# Responsible lending

## *Being a responsible lender*

Our manifesto is at the heart of everything we do. We believe in credit as a force for good. Responsible and accessible credit expands possibilities. It powers up life and business. This focus ensures we continue to strive to provide excellent customer service and develop products and services that evolve in line with our customers' rapidly changing needs. This helps us build long-term relationships.

## *Responsibly saying "yes"*

We continue to be one of the most inclusive lenders in the UK, seeking to understand the varying needs of customers and building long-lasting relationships. We lend responsibly through the deployment of our 'low and grow' strategy, offering our near-prime customers a low initial credit limit until they demonstrate that they can actively manage and afford further credit in a responsible and sustainable manner.

Our credit underwriting strategies are designed to offer borrowing across a broad risk spectrum of applicants, from those customers who want instant spend to enable digital purchases online, to those who may have either limited credit bureau information or may have experienced a form of financial difficulty in the past. This approach is powered by sophisticated machine-learning technology embedded within our

proprietary scorecards built using over 20 years of data across the credit spectrum. We use a combination of this history and very rich, up-to-date information from external sources in our credit decisioning.

In line with our manifesto to help people move forward with credit, we monitor key customer metrics to understand customers' feedback on their products, how they use them and the impacts of this on their credit reports. These metrics are reviewed monthly for trends and feed into our customer solutions, product roadmaps and technology investment business cases. These customer commitments are key to our ongoing development of industry leading products and support solutions.

Our policies and strategies are monitored regularly; together with our customer insight, our in-house technology capabilities and agile operating model enable our data scientists and engineers to rapidly build better solutions and drive increased digitisation in customer journeys and the business more widely. Our platform is built on infrastructure provided by leading technology organisations, including Microsoft and Amazon Web Services.

## Inclusive lending

We offer revolving credit to customers who may not have easy access to mainstream lenders:

- **New to credit** – customers with a 'thin' credit history because they are a first-time credit user
- **Second chance** – customers who have had a negative credit event in the past and are seeking to rebuild their credit history
- **People managing credit** – customers who use credit to balance their monthly or annual budget
- **Sole traders** – customers working for themselves



rr

The Pulse app is so simple to use, you feel in complete control of your finances and how much you are spending.

Osho

Pulse customer

rr

Responsible lending is at the core of our business. We believe in credit as a force for good – providing access to credit in a way that is sustainable, transparent, and tailored to our customers' needs.

Through our 'low and grow' strategy and data-driven decisioning, we ensure that borrowing remains affordable while supporting financial progression. Our commitment is to always lend responsibly, helping people move forward with credit while maintaining the highest standards of care and oversight.

Rob Holt

Chief Executive Officer, Credit



**'Best Credit Card or Credit Facility' for Aqua at The Card & Payments Awards 2025**

"The entry stood out for its unique approach, servicing the near-prime segment with a credit facility that not only offers flexibility but also focuses on consumer education. By going beyond credit scores, it provides an intelligent and impactful way to rehabilitate and build credit.

Judges' comments

Alignment  
to SDG





## Customers continued

## Consumer Duty – Our responsible approach

The FCA Consumer Duty, which came into force in July 2023, aligns well with our purpose of helping customers move forward with credit. We continually challenge ourselves to deliver good customer outcomes, including for customers with characteristics of vulnerability and who may be

experiencing financial difficulty. In 2024, our first Consumer Duty Annual Report was presented to the Board and submitted to the FCA. It confirmed we are meeting our Consumer Duty obligations and remain focused on delivering good and fair outcomes for our customers.

*Products and services*

We offer a suite of products designed to meet the diverse needs of the prime and near-prime market segments, identified through regular customer research and development. We frequently update and adapt products to suit customers' changing needs.

We assess affordability using a variety of methods and offer credit limits tailored to a customer's circumstances. For our near-prime customers, we operate a 'low and grow' strategy for credit limits. This is designed to help customers improve their credit files and build financial resilience; the strategy helps customers transition to lower-cost credit and enables them to access a wider range of credit products. We have recently launched Open Banking as an enhancement to our affordability solution, the first key milestone on our affordability road map.

94%

of our near-prime customers said their card met their needs extremely well/very well/well

*Price and value*

We regularly review interest rates to ensure they keep pace with customers' changing financial status. We ensure pricing transparency in our customer journeys, showing real APRs and initial credit limits at quote and application.

Interest rates move both up and down and are supplemented with occasional promotional rates for a select group of customers. We also offer *Aqua Gold* which rewards customers with cashback and other exciting benefits for good credit management.

Our annual fair value assessment and regular customer engagement help us to identify and drive improvements in pricing and value.

132k

customers had their APRs reduced and over £900k of cashback given to *Aqua* customers in 2024

*Consumer understanding*

Helping people move forward with credit starts with clear, transparent, and easy-to-understand communications. We have partnered with Plain Numbers to help further improve the way we communicate financial information to our customers using its insights from behavioural science and in-depth knowledge of adult numeracy issues.

Communications are aligned to customer needs, fair and clear, to guide customers towards positive credit outcomes. Customers can make decisions that are effective, timely and informed and are clear on action (if any) required from the communication.

In 2024, we introduced our communication series '*Credit Fundamentals*' which is intended to improve financial understanding amongst our customers.

89%

of near prime customers stated that they found our communications easy to understand in H2 2024

*Consumer support*

We have a series of early intervention tools to identify signs of potential financial difficulty. We contact customers through a range of channels and discuss our short-term payment solutions to provide the appropriate level of help and support to our customers. We also operate Recommended Extra Payment or boosted payments to encourage customers to pay down their balance in a reasonable time period.

No colleagues are directly engaged in selling products to customers and no colleagues are incentivised on how much they collect, ensuring their focus is on providing a level of care and service tailored to customers' individual circumstances.

103k

vulnerable customers supported with tailored services in 2024

*Culture*

We have established a number of customer focused forums following the implementation of Consumer Duty. We have our Vulnerable and Affordability working groups, and most recently have launched a monthly Customer working group.

The Customer working group is informed by a Customer Dashboard that contains key metrics around customer outcomes that are monitored for trends and drive improvement actions where required.

As part of establishing this dashboard, we have redefined good customer outcomes and ensured our metrics help us understand where they are not being achieved.

100%

of colleagues completed Consumer Duty e-learning

*Distributor & co-manufacturers*

We have a proactive and robust engagement model with partners. Our partnership contract governance continues to support the engagement and oversight of the embeddedness of Consumer Duty with our partners, ensuring this remains a topic we engage on regularly.

All partner contracts include the parties' Consumer Duty responsibilities and classification of the co-manufacture or distributor category that applies. Partners who interact directly with customers are included in our customer outcome testing and our second line of defence teams actively assess their approach and testing of both Consumer Duty and operational resilience as part of cyclical assurance processes.

100%

of our partner contracts include clearly defined Consumer Duty responsibilities

*Governance*

→ Our Consumer Understanding Forum reviews all new or materially altered communications that are sent to customers to ensure they deliver on good consumer outcomes

→ Annual Consumer Duty Report presented to Board

→ Consumer Duty dashboard reviewed by management on a monthly basis with outcomes across different areas of the Consumer Duty presented at each Board meeting

→ Consumer Duty is considered as part of all decision-making forums and reflected in principal risk reviews

→ All policies include Consumer Duty requirements





Customers continued

# Helping our customers move forward with credit

## *Supporting customers as their credit needs change*

We recognise the importance within NewDay of ensuring vulnerable customers receive the right service. All colleagues must undertake annual vulnerable customer awareness training to enable us to proactively identify potentially vulnerable customers. We have a specialised and dedicated team who are specifically trained to support vulnerable customers to ensure we are able to support their needs and deliver the best outcome and level of care on their credit journey.

We understand that customers' credit needs change over time and that sometimes this means they need additional support. Our arrears management processes are designed to help and support our customers to get back on track. We utilise a series of early intervention tools where we identify signs of potential financial difficulties which range from softer measures (for example health check emails and text alerts) through to campaign-based activities (for example credit limit decreases).

We contact customers experiencing financial difficulties through a range of channels including outbound dialling, chat, SMS, email and dedicated collections journeys in our mobile app and e-servicing sites. These channels provide access to a range of collections solutions, including payment holidays, short-term no fee arrangements and repayment plans, to provide the appropriate level of support to customers whose personal circumstances change and support them if they fall into arrears. Where customers are showing signs of financial difficulty, our agents will signpost external companies who offer free debt advice and this is included in all collections communications and on our digital channels. We offer personalised collections journeys for customers in need of financial assistance and, in 2024, 356k customers were extended payment support.

We also operate interventions aimed at helping customers whose accounts are defined as being in or near to persistent debt in line with FCA industry guidance. We implement measures to ensure that customers pay down their balance in a reasonable period in line with the findings of the Credit Card Market Study by recommending a 'boosted payment amount' directing customers away from the minimum payment for manual payers and a Recommended Extra Payment for Direct Debit payers who are paying less than two times interest and fees over a prolonged period.

## *Supporting customers to move forward with credit*

Financial education and inclusion is pivotal in helping people move forward with credit.

We continue to invest in our free-of-charge financial education tools, *Aqua Coach* and *Credit Score* on our other near-prime brands, designed to help customers improve their credit score and gain access to better financial products. We also offer this to declined applicants, supporting a wider population of people to improve their credit score. As at December 2024, 1.1m customers had registered for *Aqua Coach*, or *Credit Score*, with 31% of customers actively checking their credit score using the feature every month.

In September 2024, we expanded our innovative feature, *Aqua Coach Steps*, to all *Aqua* customers. Knowing how to build a better credit score can be a challenge. Each month *Aqua Coach Steps* helps signpost the actions customers can take for the best chance of boosting their credit score. Customers can measure progress as they move through five different levels in *Aqua Coach*, improving their ability to access lower interest rates or higher credit limits. In 2024, we

also established *Credit Fundamentals*, a series of communications designed to improve financial understanding amongst our customers. In 2024, 1.7m customers improved their credit score (2023: 2.4m).

We also partnered with Plain Numbers to further improve the way we communicate financial information to our customers using its insights from behavioural science and in-depth knowledge of adult numeracy issues. We engage and learn from our customers to ensure that we adapt to meet their changing needs.

99% of customers are also registered for alerts on their accounts, for example spend alerts, payment due date and nearing credit limit alerts to support them in managing their account responsibly. We also offer card freeze optionality giving customers more control of their unused credit. In addition, we have controls in place prohibiting the use of gambling services and cryptocurrency on our accounts.



When *Marbles* said yes, I felt elated. *Marbles* changed my whole outlook to my finances which made such a difference to my self-esteem.

**Donna**  
*Marbles customer*



Alignment  
to SDGs



Read more about the UNGC on page 50



## Case study

# Aqua Coach is all about building better credit.

Since launching *Aqua Coach* in 2020, the feature has continued to evolve: from giving customers access to their TransUnion credit report information, arming them with a helpful budgeting and repayment tool, and now, providing a personalised monthly step.

With the launch of *Aqua Coach's* Steps feature in September 2024, customers are provided with a monthly personalised 'step', recommending one action they can take to help improve their credit management profile. These recommended actions – calculated using data science models – can increase customer eligibility for product benefits, and support better credit scores.

This innovation continues to drive strong customer satisfaction scores for *Aqua Coach*, and supports the goal of helping customers build better credit.

*Aqua* also continues to offer access to TransUnion credit information services for free to people who apply for an *Aqua* card but are declined. This service is designed to help them move forward on their journey towards accessing credit and is focused on tips, simulations, monitoring and education on credit scores. Our objective is to make *Aqua Coach* the UK's best credit building tool.

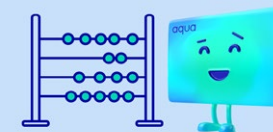
The support we offer customers through *Aqua* was recognised at the Card & Payment Awards 2025, winning the Best Credit Card or Credit Facility.



aqua



Your credit-building step:  
**Pay smarter**



**Best Credit Card or Credit Facility for Aqua**  
2025 Card & Payment Awards

## Key stats:

- **763k** Aqua Coach customers have signed up for TransUnion credit score information
- **209k** Aqua Coach customers have viewed a Step since the feature launched in September 2024
- **96%** product satisfaction rate where customers use Steps compared to 92% where they don't<sup>1</sup>
- **20-40%** uplift in action when a customer sees the Step compared to if they don't<sup>1</sup>

<sup>1</sup> Product Annual review research 2024.

Customers continued

# Supporting vulnerable customers and enhancing support across service providers

## Vulnerable working group (VWG)

The objective of our VWG is to review and ensure that existing measures to support vulnerable customers are effective and any gaps or improvement opportunities are identified and prioritised.

The VWG is made up of representatives from several teams across the business who have worked together to review and discuss existing processes in place for supporting all of our customers and additional support for those who may find themselves in need of a bit of extra help.

In 2024, this group focused on vulnerable customer initiatives across key themes and business processes including policy, customer journey improvements, data, innovation, marketing, culture and communications.

The group also led our Vulnerability and Inclusion Awareness Month. Throughout June, we were joined by partner organisations, industry experts, and charities who brought to life what it means to experience a wide range of vulnerable circumstances and how we can better support each other and our customers. Colleagues also shared their experiences of vulnerability and the steps they take in their roles to support vulnerable customers.

## Raising the bar

Helping vulnerable customers move forward with credit continues to be a strategic focus at NewDay.

Through the collaboration in our VWG, we've implemented a wide range of initiatives. Delivering improvements to training, policy and communications as well as enhanced data to help us to better understand the needs of our vulnerable customers and adapt to them.

- The inclusion of a vulnerability segment within our product annual review helped us to better understand the prevalence of vulnerability within our customer base. We learnt that 53% of respondents experienced one or more characteristics of vulnerability in the last 12 months. Whilst not all customers with characteristics of vulnerability will be vulnerable, they may be at greater risk of harm. This insight helps us to better understand the needs of vulnerable customers and drive improvements where we identify that outcomes may differ to other customer groups.
- Adopting a similar approach in our product feature testing allows us to understand where journeys may not work as well for some customers and take action to improve. In one example, using this approach in testing for our new Debenhams acquisition journey, we identified that vulnerable customers were less likely to understand the credit file impact of their application, and as a result we added a pop-up screen to make this clearer in the journey.
- As we mature under Consumer Duty, we're continually enhancing our outcomes data to provide richer insight into the outcomes for customer groups, including vulnerable customers. Having the ability to compare outcomes across groups helps us to better identify and address potential harm and drive improvements.

## Where next?

Initiatives on our vulnerable customer agenda for 2025 include expanding the use of technology to enhance accessibility, record support needs, and support our colleagues in delivering good outcomes for vulnerable customers.

“

Our purpose is to help all of our customers move forward with credit, including those with characteristics of vulnerability. It is important that customers know that they can contact us at any point in their credit journey to make us aware of their individual support needs, not just if they are heading towards financial difficulty.

It's been great to see the ongoing developments in our approach to vulnerability over the course of 2024. A highlight of the year was our Vulnerability and Inclusion Awareness event in June. This really brought to life what it means to experience characteristics of vulnerability and the challenges that our people and customers may face. The sessions shared lived experience and really helped colleagues understand differing needs enabling them to provide excellent service and drive continuous improvement.

**Francesca Rea**

Director of Customer Operations

103K

vulnerable customers supported with tailored services in 2024

## Vulnerability and Inclusion Awareness Month partners

**SupportHub**  
powered by experian

Microsoft



**StepChange**  
Debt Charity

**SB UK**  
SIGNING BANKS . UK

**R N I B**  
See differently



**STOP LOAN SHARKS**  
Intervention . Support . Education

**[cowry consulting]**



## Customers continued

# Delivering for our customers

## *Focused on providing high-quality service*

Our objective as a responsible lender is always to do the right thing by our customers. We are proud our Contact Centre is accredited by the Contact Centre Management Association as industry leading in all areas.

We monitor customer outcomes through a range of qualitative and quantitative data points, including quality assurance, monitoring and testing of customer outcomes, complaints root cause analysis, as well as colleague and customer feedback.

Customer satisfaction is measured through transactional surveys completed at every customer touchpoint. We assess Net Easy, Net Promoter, and Associate Satisfaction scores and gather insight from our monthly customer survey verbatim.

We feed in a breadth of customer outcomes and satisfaction data into our Customer Issue Resolution Programme, which we use in the design of products and features to address any customer pain points and continue to enhance our customer experience.

## *Our operating strategic principles*

- Offer channels of choice enabling customers to interact and self-serve wherever possible, including expanding our chat options
- Use voice as a channel to support vulnerable customers, handle complex queries, and provide digital assistance
- Support our colleagues to deliver excellent service with best-in-class technology including our knowledge management system and AI-powered *Clever Nelly* tool
- Continue to improve our digital offering to create a frictionless journey
- Continue to create seamless governance across our processes and improve our coordinators' knowledge
- Learn when things go wrong, completing root cause analysis of complaints to ensure we continuously learn from our customer experiences and reduce their need to complain
- Utilise insights from a wide range of sources to drive continuous improvement through our customer issue resolution programme – Quality Assurance, Outcomes Testing, Net Promoter Score, Net Easy Score, Associate Satisfaction and colleague Bug Board

## *rr*

The customer service I received was outstanding. Firstly, my call was answered immediately. Secondly, he was patient, pleasant, and professional whilst dealing with my query. He took his time to help me solve my issue and made sure I was happy before finishing the call. I generally try to avoid phoning call centres, but this time, the help I received was absolutely first class. Thank you.

## *Pulse customer*



## **5 star Accredited Contact Centre**

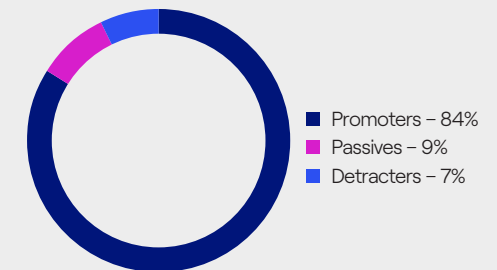
Industry leading accreditation from the Contact Centre Management Association across all areas including Strategy, Customer, Colleagues, Operations and Culture

# We have high customer satisfaction

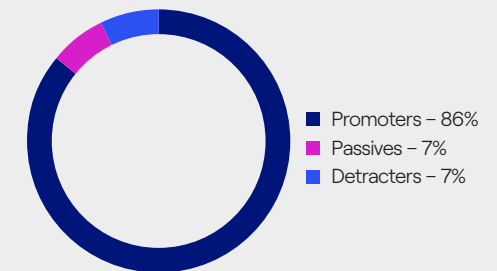
## **Key**

Customer feedback scores from 0-10  
0-6: Detractors 7-8: Passives 9-10: Promoters

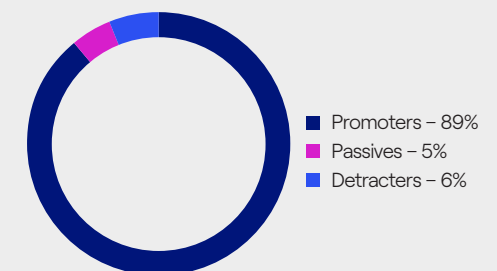
## **Net Easy Score: +77**



## **Transactional Net Promoter Score: +79**



## **Associate Satisfaction: 9.4**



## Case study

# Institute of Customer Service Benchmarking



Twice a year, we benchmark our performance for against the UK Customer Satisfaction Index (CSI). The index, run by the Institute of Customer Service, is the largest bi-annual customer satisfaction survey covering 26 customer experience metrics with over 45,000 responses across 13 industries.

In H2 2024, *Aqua* outperformed both the bank and building society sector and all sector averages for the fourth successive year, achieving a Customer Satisfaction Index of 89.3, up 5 points on *Aqua's* H2 2023 results.

*Aqua* also performed the best on the Effort Score. This evidence shows that customers value the service they receive from us as we continually evolve our digital offering and ensure we use insight to fix things that matter to our customers to ensure a seamless customer experience.



## Aqua Card (customer services) Business Benchmarking

2024 89.3

## UK Banks & Building societies average

2024 79.3

## UK all-sector average

2024 75.8



**Silver winner for Best Innovation  
in Customer Experience at the UK  
Customer Experience Awards 2024**

Customers continued

## Delivering for our customers

### *Addressing complaints and driving continuous improvement*

We aim to treat customers fairly and ensure the products we offer meet their credit needs. We comply with the FCA's complaint handling rules, ensuring clear, simple information about how to make a complaint is accessible on our websites, applications and written communications. We have a dedicated customer complaints team and well-established complaint handling processes to resolve issues in a responsible, timely manner.

In 2024, we launched our new in-house built complaint management system, NewCare, which supports colleagues to enrich their conversations with customers. NewCare not only delivers a much-improved colleague interface and efficiency but also provides a higher level of Payment Cards Industry Security Standards compliance and the capability to continue to enhance and evolve the customers' experience.

Our customer issue resolution programme drives continuous assessment of the root cause of complaints and a programme of actions are implemented to address key drivers.

### *Complaints*

Customer complaints increased to 1.5 per 1,000 active accounts from 1.2 in 2023. However, this is clearly driven by affordability-related claims, a trend seen across the industry. Excluding affordability, the volume of complaints reduced in 2024 to 0.66 per 1,000 active accounts from 0.83 at the end of 2023.

We continued to see high levels of claims management company (CMC) activity in the area of affordability complaints, for which we deployed additional resources to support processing of these complaints to manage response times, which have significantly improved to seven working days.

We aim to resolve all complaints to a satisfactory level; however, customers can refer their complaint to the Financial Ombudsman Service (FOS) should they not be satisfied with our resolution, and we notify them of this option.

In 2024, 13,550 complaints were referred to the FOS, of which 95% of cases related to affordability. The FOS upheld 30% of complaints in the customers' favour for non-affordability related complaints and 9% in the customer's favour for affordability related. We welcome the support of the FOS in introducing a new complaints portal and a CMC charge per claim which took effect from 1 April 2025.



## Customer Issue Resolution Programme

Our Customer Issue Resolution Programme is dedicated to driving improvement. We engage and learn from our customers to ensure that we adapt, evolve and continue to deliver a service that meets their needs.



### **Voice of the customer**

We gain **valuable customer insight** across all of our channels to identify pain points in our journeys through analysing NPS/NES results.



### **CSI benchmarking**

**We benchmark ourselves against our sector in the UK CSI bi-annually.** This enables us to track trends and performance on customer satisfaction, relationship NPS and effort. We use the feedback to drive improvements across the business.



### **Speech/text analytics**

We continuously **analyse customer conversations at scale**, monitoring trends in call chats. This enables richer deep dives to understand the root cause of common pain points.



### **Voice of our people**

**Our colleagues provide valuable feedback and insight** through our issue reporting process, 'Bug Board'. Roadshows and bi-annual colleague surveys help drive continuous improvement both for them and our customers.



### **Complaints**

**We turn complaints from valuable feedback into actions.** We analyse the root causes and act upon these to reduce friction and pain points for customers. Insight is shared across the business to drive action.





# Colleagues

## Our focus

Knowledge powers our business, which is why colleagues play such a key role in our success. We are committed to their long-term wellbeing and development.

NewDay's social responsibility goes beyond the customer agenda. Our vision is to create an exceptional experience for our colleagues.

## Alignment to SDGs



Read more about SDGs on page 50

# 87%

employee engagement in our end of year engagement survey  
(2023: 76%) against a target of >75%

# 89%

Purpose Index in our employee engagement survey  
(2023: 85%) against a target of >75%



28th Best Place to Work amongst UK large companies at the Glassdoor Employee Choice Awards 2025

# 87%

Inclusion and Diversity Index in our employee engagement survey  
(2023: 79%) against a target of >75%

# 86%

Wellbeing Index in our employee engagement survey  
(2023: 79%) against a target of >75%

**LinkedIn** Learning

LinkedIn Learning offered to all colleagues to support career development



Colleagues continued

## Highly engaged colleagues

### *Our people and culture*

We have a strong culture guided by our purpose. We are powered by our people and driven by our values: Do the right thing, Pull together, Aspire to extraordinary, and Create tomorrow. We are committed to delivering exceptional experiences for our customers, partners and colleagues.

### *Engaging and inspiring our colleagues*

The dedication and hard work of our colleagues are essential to creating innovative credit solutions and customer experiences, driving the long-term success of our business. Engaging and supporting our colleagues to perform at their best, results in greater productivity and reduced turnover.

Our turnover rate was lower year-on-year at 16% for servicing (2023: 27%) and marginally increased to 10% for non-servicing roles (2023: 9%). Our ability to retain and develop key talent helps us to keep moving our business forward.

In early 2024, the business underwent a significant restructuring, and we are proud of the adaptability, resilience, and strong performance shown by our people in response to this change. We commend our colleagues for navigating this restructuring with professionalism, ensuring a respectful and thoughtful transition into new roles across the organisation.

We conduct company-wide employee engagement surveys to track engagement and gather valuable feedback on our strengths and areas for improvement. Delivered through the external platform Qualtrics, these surveys include questions on topics such as engagement, inclusion and diversity, purpose and values, wellbeing, reward and recognition, leadership, development, and risk and control. The mix of standardised questions allows us to benchmark our performance against other financial services companies, while tailored questions help us assess progress in key focus areas at NewDay. With an impressive response rate of 89%, our 2024 survey reflected consistently high employee engagement at 87% (2023: 76%).

We believe that everyone should be able to be themselves at NewDay. Personal wellbeing and performance are intrinsically linked. Our engagement survey results showed an Inclusion and Diversity Index of 87% (2023: 79%).

The success of our customers, partners, and business is underpinned by strong colleague engagement and motivation to support our customers, and therefore it is key that our colleagues are engaged and motivated to deliver this through our manifesto and values. Our engagement survey results showed a Purpose Index of 89% (2023: 85%).

Effective internal communication is crucial for delivering timely and personalised messaging. Throughout the year, we prioritised keeping colleagues informed and engaged, actively listening to their feedback and taking action where needed.

We use a range of communication tools to ensure everyone stays up to date, including through our colleague intranet, The Circle. We make sure all colleagues receive the right information, at the right time, through weekly newsletters, emails, pop-ups, podcasts and video content.

We also have regular all-company events and updates from our Executive Committee, giving colleagues a platform to ask questions that matter to them.

# 88%

of colleagues told us they feel valued at NewDay in our 2024 colleague engagement survey

### 28th Best Place to Work among UK companies with more than 1,000 employees



Alongside our strong engagement survey results, we are proud to receive external recognition for our colleague experience. We were recognised as 28th Best Place to Work among UK companies with more than 1,000 employees.

The awards are based entirely on feedback current and former employees have voluntarily and anonymously shared on Glassdoor over the past year.

Employee feedback included:

- "Colleagues across all areas of the business have been supportive, helpful and welcoming"
- "You are treated as an individual and your voice is heard"
- "Working with talented, smart, motivated people. Growth mindset, exciting prospects for the company"
- "Fast paced and exciting place to work where you always feel you are making a difference and feel motivated"



Colleagues continued

## Digitalising the colleague experience

### *A smarter, better, faster people platform*

We launched Workday, delivering a step-change in the way colleagues interact with our People team and how they manage their journey while at NewDay.



The integration of multiple systems into a single, unified platform has transformed the way we support our colleagues. This streamlined approach not only drives operational efficiency but also empowers our people with instant, self-service access to the tools and information they need, anytime and anywhere.

By removing barriers and simplifying processes, we enable our colleagues to focus on what matters most – delivering excellence and driving innovation. This transformation underscores our commitment to equipping our colleagues with the resources to thrive and succeed in a fast-paced, dynamic environment.

### *Learning & development*

The delivery of LinkedIn Learning has been a key part of our digital people strategy. We have high-potential talent across NewDay and by integrating LinkedIn Learning we promote continuous learning and development for all.

## LinkedIn Learning

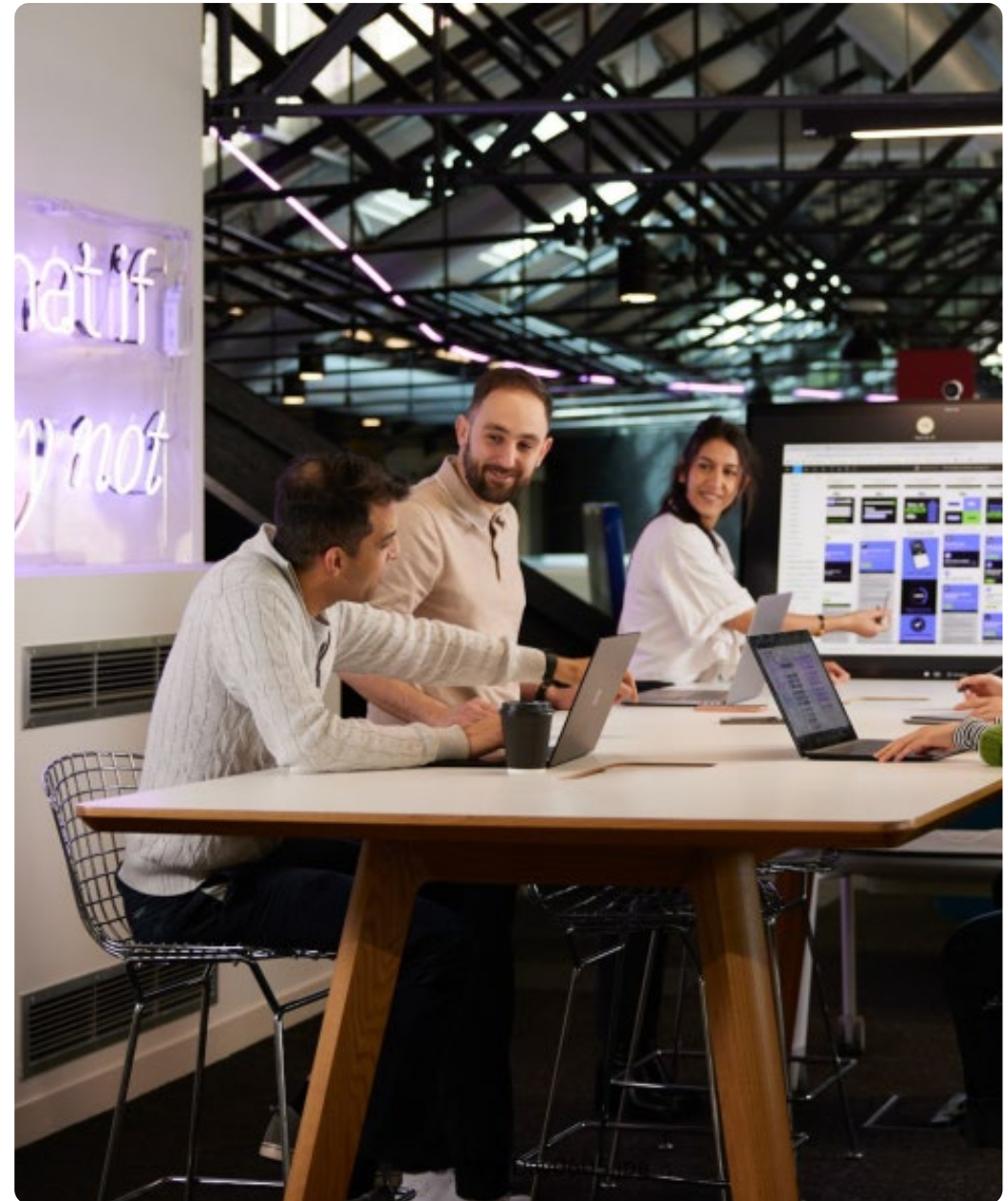
Our approach is to deliver learning experiences through an in-house team of experts, increasingly through innovative e-learning. We use external subject matter expertise to develop specialist technical skills for our business teams. Our learning strategy delivers content at scale, accessibility, expertise, and data-driven personalisation – all through LinkedIn Learning. It has yielded fantastic engagement, with 78% activation, against a 36% industry standard.

By encouraging lateral moves and prioritising internal promotions, we empower individuals to expand their skills and advance their careers. This year, we exceeded our internal mobility target, with 16% of colleagues transitioning to new roles, surpassing our goal of 10%. 43% of these moves were made by women.

Through these efforts, we are creating a dynamic, forward-thinking workplace where colleagues are supported to grow, thrive, and contribute to our shared success.

# 16%

of colleagues moved  
into new opportunities  
internally in the year





## Case study

# 'Unlocking high potential' driving a talent culture

We are dedicated to fostering exceptional talent and developing leaders equipped for the future. Building on the success of our bespoke Leader100 programme for 100 senior managers, we have harnessed psychometric profiling and behavioural insights to align professional growth with organisational goals. Now, we have profiled 1,000 colleagues within our leadership pipeline, providing tailored insights across 30 personality traits, eight motivations, and 12 key behaviours.

This comprehensive approach forms a strong foundation for growth, transforming career conversations into meaningful, growth-focused dialogues. By aligning individual aspirations with actionable development plans, we are fostering a culture of continuous improvement. Our leaders are not only equipped to drive success but also to innovate and adapt to emerging challenges.

Digitalising colleague feedback, insights, and development has further enhanced our decision-making capabilities. Through the implementation of a Skills Cloud in Workday, we've created a dynamic, real-time view of organisational capabilities. This ensures that our talent strategies align seamlessly with evolving business priorities.

This initiative underscores our commitment to leveraging technology and data to unlock the full potential of our workforce, positioning us as a forward-thinking and sustainable organisation.



At the core of our high-performing culture is the continuous growth of our people. LinkedIn Learning empowers our teams to take charge of their development with flexible, personalised pathways to build critical skills. It's not just about adapting to change – it's about leading it.

**Katie Piosik**  
Head of Talent

## 100

senior managers part of  
Leader100 programme

## 1,000

colleagues profiled within  
our leadership pipeline



Colleagues continued

## Rewarding colleagues for their contribution

### Reward

To recognise the dedication and hard work of our colleagues, we offer a comprehensive rewards package including enhanced benefits covering medical cover, life insurance, generous holiday, and cycle to work and electric car schemes.

### Rewarding performance and supporting financial wellbeing

Our discretionary bonus scheme is designed to reward individual performance and align with our corporate goals, including targets linked to our sustainability strategy. Importantly, no colleagues are directly involved in selling products to customers, and no one is incentivised based on the amounts collected. We also encourage colleagues to save for a secure retirement through our generous pension

scheme. With employer contributions of up to 14% under our double-matching policy, this is a stand-out feature of our total reward package. To further enhance engagement, we provide informational sessions to help colleagues make the most of these benefits.

We continue to support families with our enhanced family leave benefits, including maternity, adoption, and shared parental leave. Eligible colleagues can enjoy up to 26 weeks of enhanced family leave pay, providing vital support during key life moments. In recognition of the cost of living crisis in the UK and reflecting on households' differing abilities to cope with ongoing inflation, energy and interest rates, our Pay Award for 2024 and 2025 continues to reflect these day-to-day pressures and was skewed to provide a higher salary increase to colleagues who earn less. We have also continued to support wellbeing by providing complimentary healthy breakfasts, lunches, fresh fruit juices, and barista coffees in our staff restaurants.

To help manage rising expenses, we offer the Smart Spending app, which provides discounts at over 750 retailers, including supermarkets and gyms. Additionally, colleagues can access preferential rates on Dental Insurance and take advantage of Toothfairy, the UK's first health-regulated smart dental app. We also recently added Wellhub to our benefits package, a wellbeing platform that offers access to digital and in-person solutions, covering everything from nutrition and mental wellbeing, to fitness and sleep.

88% of colleagues told us they feel valued at NewDay (2023: 83%) in our 2024 colleague engagement survey.

## Interview with Damaris Anderson-Supple, Group Chief People Officer



### Q What does creating an exceptional colleague experience mean to you?

Creating an exceptional colleague experience means fostering an environment where every individual feels valued, empowered, and equipped to thrive. It's about more than just great perks or benefits; it's about crafting a culture that prioritises inclusivity, wellbeing, and growth.

From meaningful career development opportunities to tools that enable collaboration and innovation, we aim to ensure colleagues feel supported in achieving their goals. This year, we've transformed our people platform and implemented Workday.

An exceptional experience also means listening to our people, understanding their needs and acting on their feedback to create a workplace that evolves with them.

Ultimately, it's about building a sense of purpose and connection, where colleagues know their contributions matter and they're inspired to bring their best selves to work every day.

### Q How does the organisation prioritise colleague wellbeing?

Employee wellbeing is a cornerstone of our sustainability strategy. We take a holistic approach, addressing physical, mental, and financial health through initiatives like wellness programmes, flexible working policies, and financial education resources. Our aim is to create a resilient workforce that is empowered to thrive both personally and professionally. By investing in our people, we strengthen not only their wellbeing but also our organisation's long-term sustainability.

### Q What role do colleagues play in advancing NewDay's sustainability agenda?

Our colleagues are key drivers of our sustainability agenda. They are actively involved in our sustainability agenda through our 'Green Forum', a colleague-led group that has supported on things such as School Uniform reuse but also through our Charity Committee and Community partnerships with Family Action and Stemettes.



Colleagues continued

# We value our differences together

## *Inclusion and diversity (I&D) powers our performance*

Our success lies in appreciating and recognising our differences and celebrating them. We are committed to making everyone feel welcome, valued and respected. We are proud of our culture where everyone is able to be themselves.

rr

Having Dyslexia helps me with solving large complex problems, which is a key part of my role. As a manager, I've found that embracing neurodivergent colleagues and adapting to give them the support that works best for them, leads to higher-performing teams. It helps to remove any barriers to success and allows them to be their true selves.

### Tris Bates

Senior Engineering Manager  
– Customer Channels

Alignment  
to SDG



In 2024, our I&D Index in our employee engagement survey was 87% (2023: 79%). This is a positive score representing the energy and commitment of highly engaged colleagues active in our Inclusion Network, which represents all minority communities, driving our I&D agenda. Importantly, in our colleague engagement survey 89% of colleagues told us they feel they can be themselves at work (2023: 81%) and 90% felt the culture at NewDay is one in which people with diverse personal styles, experiences and backgrounds can contribute and thrive (2023: 83%).

We offer colleagues opportunities to explore the value of inclusive and diverse teams through various events and training initiatives. This includes a robust year-round events programme and a mandatory e-learning module on inclusion awareness. In 2024, we continued with training, equipping colleagues with the skills to identify and constructively address micro-inequities.

Our Inspirational Speaker Series has become a staple of life at NewDay, addressing key topics to raise awareness across the business. We hosted events and panel discussions to celebrate LGBTQ+ History Month, International Women's Day, Global Accessibility Awareness Day, Black History Month, and International Men's Day.

We are committed to supporting colleagues through every stage of life, including menopause. To foster understanding and provide practical support, we offer menopause awareness sessions for colleagues, specialised training sessions for managers, and the development of menopause champions within our organisation. These initiatives aim to create a supportive and informed workplace culture. Our ultimate goal is to achieve menopause accreditation in 2025, demonstrating our dedication to inclusivity and the wellbeing of our colleagues.

Our Sustainable Procurement Policy also demonstrates our commitment to inclusion and diversity. Whenever possible, we prioritise suppliers who actively address social inequality and diversity challenges. Through our supplier assurance process, we require suppliers to demonstrate a policy on

diversity and equal opportunities, supported by evidence. Our Supplier Code of Conduct further establishes expectations for I&D, including fostering inclusive environments, engaging with diverse businesses, and implementing measures to mitigate unconscious bias. By setting these high standards, we ensure that I&D remains a core requirement for partnering with NewDay.

## *Our policies*

Our people policies are crafted to promote equal opportunities and foster an inclusive culture.

These comprehensive policies, which are updated annually, are readily accessible on our intranet. They provide colleagues with a clear understanding of their responsibilities and outline what they can expect from NewDay.

We are dedicated to fostering equality of opportunity and a culture that values inclusion and diversity. Our Code of Ethics and Integrity outlines the expected behaviours and standards for colleagues, while our People Policy and Anti-Harassment Policy underscore NewDay's commitment to combatting discrimination and maintaining an equitable workplace for all. The Grievance Policy provides clear processes for colleagues to raise issues or concerns. Allegations of discrimination or other policy violations are handled through strict procedures to ensure thorough investigation, with disciplinary action taken where necessary.

We are committed to providing a comprehensive and competitive benefits package for our colleagues. Our Employee Rewards Policy outlines key offerings, including salary, bonus schemes, pension plans, holiday allowances, flexible working options, enhanced parental leave, health and life insurance, income protection, and a variety of benefits that promote health and wellbeing. Additionally, our Overtime, Time Off In Lieu, Standby, and Call Out Policy specifies allowances and compensation for colleagues required to work atypical hours.

We take great pride in developing and retaining exceptional talent. To support this, we have established robust performance and career management policies and procedures. These include a Learning and Development Policy; a Performance Management Policy, which ensures all colleagues receive bi-annual performance reviews; a Talent Acquisition Policy and Procedure to guarantee fair and unbiased candidate selection; and an Internal Recruitment Policy to encourage internal mobility and career progression.

## 2024 colleague activity

- Colleagues invited to attend our Inspirational Speaker Series covering a range of topics
- Black History Month
- Vulnerability and Inclusion Awareness Month
- Neurodiversity Celebration Week
- National Inclusion Week
- Pride in Leeds
- Wellbeing weeks including World Mental Health Day, menopause and fertility awareness
- Stemettes mentoring programme and events
- Earth Day
- Debt Awareness Week



Colleagues continued

# Supporting gender balance

## Gender equality

The concept of ‘moving forward’ drives our business and we are committed to improving our gender pay gap. In 2024, our gap was 37%, a regression from 2023 at 32%.

There are two drivers for today’s gap. Our hiring in the last two years has been heavily focused on specialist digital, technology and data-based roles. Whilst our recruitment process and reward policy do not discriminate on the basis of any protected characteristic, the candidate pool for these roles tends to be predominantly male and market salaries are higher than the norm. Coupled with an already lower representation of women at the leadership level than in our entry positions, this creates a gender pay gap which we would like to improve.

At NewDay, we are always looking at ways to encourage internal moves and provide the best development opportunities across our organisation. In 2024, 43% of internal moves into new roles were made by women. Whilst the number of available senior roles is small, we seek our colleagues from a large pool of potential talent, actively aiming to have female candidates on our shortlist for each vacancy.

Alignment  
to SDG



Read more about the UNGC on page 50

## Gender diversity target

Our medium-term gender diversity target is to increase the proportion of female colleagues in Director or Head of Function roles to 40% by the end of 2026. In 2024, we achieved 33% (2023: 27%).

Our mean gender pay gap is 37%  
Pay difference between men and women

	Mean	Median
Pay gap	37%	47%
Bonus gap	52%	55%

Full details of our gender pay gap reporting can be found at <https://www.newday.co.uk/site-services/gender-pay-gap-report/>

## Gender diversity

As at 31 December 2024, the proportion of women among our 1,292 colleagues (2023: 1,354) was as follows:

	2024	2023
Colleagues	44%	45%
Executive Committee, Directors and Heads of Function	33%	27%
Executive Committee	20%	13%
Board	22%	18%

## Priorities

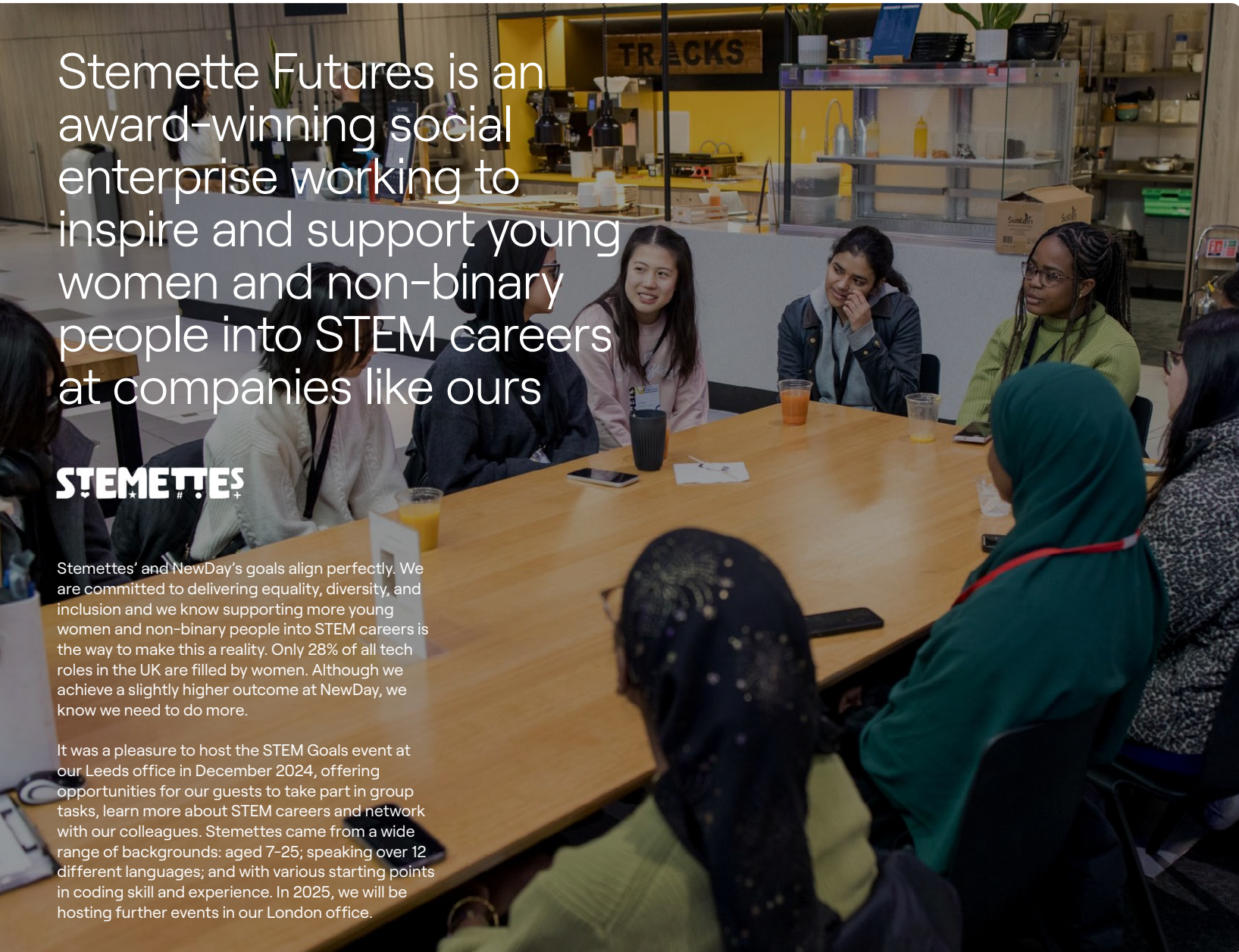
Increasing the representation and development of women in our company remains a priority to us. We remain committed to reducing the pay gap between men and women, especially as we hire into leadership roles.

### Our actions include:

- essential Inclusion Awareness training for all colleagues, which includes unconscious bias awareness;
- the continued promotion of our flexible, hybrid working model – NewWork. This offers all colleagues the flexibility to work half their time in the office and the rest at home;
- investing in engagement and I&D programmes for all colleagues – our Inclusion Network continues to drive meaningful engagement and dialogue through an events programme; and
- continuing to improve our recruitment processes to encourage more diverse shortlists for all roles, but also making sure the interview panel is diverse too. All recruiters undertake our Inclusion Awareness training which covers unconscious bias and we use software to create balanced role profiles which are gender neutral in tone, and reduce bias. We offer a competitive family leave package that is attractive to anyone who is a parent or is planning a family.



## Case study



Stemette Futures is an award-winning social enterprise working to inspire and support young women and non-binary people into STEM careers at companies like ours

**STEMETTES**

Stemettes' and NewDay's goals align perfectly. We are committed to delivering equality, diversity, and inclusion and we know supporting more young women and non-binary people into STEM careers is the way to make this a reality. Only 28% of all tech roles in the UK are filled by women. Although we achieve a slightly higher outcome at NewDay, we know we need to do more.

It was a pleasure to host the STEM Goals event at our Leeds office in December 2024, offering opportunities for our guests to take part in group tasks, learn more about STEM careers and network with our colleagues. Stemettes came from a wide range of backgrounds: aged 7-25; speaking over 12 different languages; and with various starting points in coding skill and experience. In 2025, we will be hosting further events in our London office.

**rr**

It's so important that we address the gender imbalance in STEM careers. I want everyone to know they have a place to work in a STEM career at NewDay, in financial services and beyond, and that this career can be so rewarding.

Our partnership with Stemettes helps us, as a company, make a direct impact in improving the pipeline of young women and non-binary people entering STEM careers and choosing STEM subjects at school; this is important as currently only 28% of tech roles in the UK are filled by women.

Our community partnership will allow Stemettes to run practical, fun-filled learning experiences for young women and non-binary people aged 7 to 25, building on the impact of our previous work together.

More than simply being the right thing to do, research has proven that diverse teams deliver better financial outcomes and are more rewarding places to work.

**Sarah Grindall**

Head of Platform Delivery



Colleagues continued

# Supporting our colleagues to deliver their best

## Hybrid working

We continued with our flexible working approach, NewWork, encouraging colleagues to share their time between remote working and the office. We believe that our office space sparks the collaboration and networking that power NewDay.

In addition to remote working, we also offer colleagues the opportunity to work up to ten days per year in permitted overseas locations under our NewWork overseas policy. Given the complex tax and legal implications of working overseas, we consulted external legal experts to get the right solution in place – and deliver even more flexibility for our colleagues. We make sure our colleagues have the opportunity to get equipment and furniture to make their workspaces as comfortable as possible both in the office and in their home working environment – this is important to us.

86%

of colleagues feel that NewDay supports their health and wellbeing at work

A significant benefit is that we also offer every colleague in our offices complimentary healthy breakfasts, lunches, fresh juices and barista coffees, encouraging colleagues to take the opportunity to have lunch and connect with each other, facilitating a strong team working environment.

## Health, safety and wellbeing

We believe strongly in the importance of health and wellbeing. We know that open and regular communication about mental and physical health is critical when people are dealing with change. Wellbeing is now an established conversation in our business. We monitor wellbeing in our engagement surveys, with 86% of respondents saying that NewDay supports their health and wellbeing at work (2023: 80%).

We support wellbeing through our NewDay care package, offering various resources for colleagues and our bi-annual fortnight of wellbeing programmes, including in person and virtual sessions on physical and mental health, as well as financial wellbeing. Our Employee Assistance Programme provides independent advice from qualified counsellors on health, finances, and personal or work-life matters. We offer Bupa private healthcare, including mental health and musculoskeletal pathways without needing a GP referral. Colleagues can access Bupa Virtual GP for 24/7 video appointments with GPs, nurses, and pharmacists. We also provide eye test vouchers, annual flu vaccinations, and a new dental insurance benefit at preferential rates.

We also have a team of mental health first aiders, split across both our sites, who are valuable in providing early support for anyone experiencing emotional distress or mental health problems. We run wellness awareness weeks in Spring and Autumn which focus on financial, mental, physical and emotional wellbeing with a wide range of external speakers. We also offer all colleagues full access to the mindfulness and wellness app – Calm.



In order to further support colleague wellbeing, we provide health booths in both of our offices. This allows colleagues to track their health scores across a range of physical variables and also offers mental wellbeing tools. As they are always on site, this also enables colleagues to set goals and track their progress over periods of time should they wish to. We also recently added Wellhub to our benefits package, a wellbeing platform that offers access to digital and in-person solutions, covering everything from nutrition and mental wellbeing, to fitness and sleep.

We have comprehensive Health and Safety policies and practices in place. We had one accident in 2024 which required reporting in accordance with the Reporting of Injuries, Diseases and Dangerous Occurrences Regulations 2013 (2023: one).

## Working with trade unions

We support colleagues' rights to exercise collective bargaining and freedom of association. We have a recognition agreement with Advance for statutory consultation for colleagues who TUPE transferred from another organisation. 63 of our colleagues are members of a collective bargaining group.

Alignment  
to SDGs



Read more about the UNGC on page 50



# Environment

## Our focus

### Committed to reducing our environmental impact

We are an environmentally conscious and highly digital business. We actively monitor and manage our carbon footprint and are committed to delivering against our longer-term Net Zero target.

## Alignment to SDGs



Read more about SDGs on page 50

# 0.5

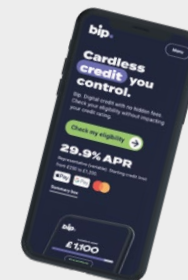
of CO<sub>2</sub>e per average FTE employee across Scope 1, 2 and 3 within our own operations against a target of 0.4 tonnes (2023: 0.5 tonnes<sup>1</sup>)

# 100%

of energy usage met by renewables (2023: 100%)

# 566<sub>k</sub>

customers on a cardless product (2023: 491k)



Updated decarbonisation plan refining interim targets and reconfirming 2040 Net Zero ambition



Carbon credits purchased<sup>2</sup>, offsetting residual emissions across Scope 1 and 2 (market-based) since 2022

# 0%

of waste to landfill (2023: 0%)

<sup>1</sup> Estimates included within 2023 emissions data have been updated to actuals where further information was received after the publication date.

<sup>2</sup> Carbon credits related to 2024 emissions are pending retirement.



## Environment continued

Committed to  
reducing our  
environmental  
impact*Protecting the environment*

Environmental sustainability remains a key focus of our sustainability strategy. We are committed to conserving energy and giving preference to renewable energy sources wherever reasonably practicable, whilst maintaining operational efficiency and meeting the needs of our customers. Since 2022, we have purchased carbon credits<sup>1</sup> to offset our residual Scope 1 & 2 emissions (market-based). However, we recognise we have much more to do in our journey towards Net Zero by 2040, particularly within our supply chain.

*Carbon footprint*

As a digitally oriented financial services business, our carbon footprint from our own operations is low. In 2024, we consumed 0.5 tonnes of CO<sub>2</sub> emissions per average FTE employee (2023: 0.5 tonnes<sup>2</sup>) across Scope 1, 2 and 3 emissions within our own operations. We continue to focus on reducing emissions in our operations, although we have seen increases in some categories, such as travel. More long-haul flights to launch our platform-as-a-service business, and support international clients, led to higher carbon usage within our own operations in recent years. We remain committed to our Net Zero target and the increased volume of flights to deliver a quality service to our Platform customers will be reflected as we refine our decarbonisation plan.

Owing to the nature of our business, our Scope 1 emissions are low so we focus on managing general energy consumption across our Leeds and London sites. We track our energy consumption and GHG emissions in a dashboard, enabling us to monitor volumes, highlight focus areas and implement energy saving initiatives.

In order to reduce overall energy consumption all lighting is LED, and we upgraded IT equipment and transitioned to the Cloud using Microsoft Azure which, as part of Microsoft, is carbon neutral. Our building management systems have been upgraded, implementing real-time monitoring to regulate heating, cooling and lighting, ensuring more efficient energy consumption. Our waste methods are selected to ensure that 100% of our waste avoids landfill. All end-of-life IT hardware is recycled. We do not have any hazardous waste.

Our London office is part of the wider Kings Cross Estate that, from 2021, achieved carbon neutral status. Our London office also has the Building Research Establishment's BREEAM accreditation, the world's leading sustainability assessment method for buildings. In order to achieve the BREEAM rating, the standard sets out over 100 environmental impact reducing requirements that must be met. These measures reduce the carbon footprint of the building which reduces running costs, but also ensures the building becomes a more healthy and productive place for its occupants. Both the Leeds and London offices have dedicated facilities management teams ensuring that they are managed efficiently and in compliance with applicable laws and regulations.

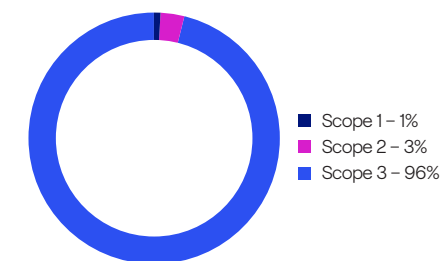
Since Q4 2022, we transitioned to 100% renewable energy tariffs and have purchased carbon credits<sup>1</sup> offsetting residual emissions across Scope 1 & 2 (market-based).

Whilst our emissions increased across Scope 1, 2 and 3 own operations, we were pleased that the ongoing focus on sustainability in our supply chain led to a continued reduction in Scope 3 emissions generated from third parties. In 2024, we engaged AXA Climate to refine our decarbonisation approach, including updating our carbon tracking to utilise the latest measurement techniques. Whilst this increased our baseline absolute emissions, we continue to show a reduction in emissions year-on-year. In addition, the greater accuracy and transparency of our new emissions calculation methodology will allow for focused supplier engagement to reduce Scope 3 emissions and we recognise that further progress in this area is key to achieving our Net Zero ambition. EcoVadis also recognised the progress we made on sustainable procurement and it now assesses us as Advanced in this area (see page 51 for further details).

In addition to our Sustainability Rating, EcoVadis also assessed our carbon management practices for which we were rated Intermediate on its carbon scorecard. We have reviewed its proposed areas for improvement as we strive for Advanced and, where appropriate, are incorporating these into our strategy. These were largely focused on setting absolute Scope 3 emissions reductions targets, considering third party verification of data disclosed and continuing to enhance supplier engagement in climate action. To this end, we have engaged with external climate consultants and, as a result, have now set Science Based Targets Initiative (SBTi) aligned near-term and Net Zero targets and are now focusing on developing our more detailed supplier engagement programme, which will be delivered over the coming years.

Our Scope 1 and 2 emissions are verified by a third party on an annual basis as part of our Streamlined Energy and Carbon Reporting compliance assessment to ensure they have been calculated in accordance with the principles of GHG Reporting Protocol.

## Baseline emissions



We recognise that our carbon footprint extends beyond Scope 1 and 2. Since 2021, we have assessed our emissions baseline, set long-term decarbonisation goals, and transitioned to 100% renewable energy sources. For our residual emissions we have purchased Verra-approved carbon offsets covering Scope 1 and 2 emissions since 2022. A cross-functional sustainability working group continues to drive our environmental agenda and broader sustainability priorities and our commitment to reaching Net Zero, including Scope 3 emissions, by 2040 remains central to our strategy.

In 2024, we engaged AXA Climate to refine our decarbonisation approach, adopting the latest measurement techniques. We transitioned to Exiobase for general emissions factors and incorporated supplier-specific data for our most material suppliers, leading to a restatement of historic Scope 3 emissions. This enhanced accuracy enables us to track and reduce supply chain emissions better.

To support these efforts, we continue to strengthen our environmental and sustainable procurement policies, to align with our evolving strategy and ambitions, ensuring that we continue to take meaningful steps towards our Net Zero goal.

Alignment  
to SDGs

- 1 Carbon credits relating to 2024 emissions are pending retirement.
- 2 Estimates included within 2023 emissions data have been updated to actuals where further information was received after the publication date.



Environment continued

# Our environmental impact

	2024	2023 <sup>2</sup>	2022	2021	2020	2019
Scope 1 emissions (tonnes CO <sub>2</sub> e)	95.3	101.8	90.0	148.9	58.7	71.6
Scope 2 emissions, location-based – Electricity use (tonnes CO <sub>2</sub> e)	282.3	242.2	259.0	376.2	364.5	838.4
Scope 2 emissions, market-based – Electricity use (tonnes CO <sub>2</sub> e)	0.1	–	29.7	100.7	338.5	692.1
Scope 3 emissions – own operations (tonnes CO <sub>2</sub> e)	259.1	307.8	136.2	21.5	20.9	152.1
– Scope 3 emissions – Employee rail travel (tonnes CO <sub>2</sub> e)	26.6	28.9	24.3	9.1	1.1	96.1
– Scope 3 emissions – Employee air travel (tonnes CO <sub>2</sub> e)	196.1	238.9	80.3	0.1		
Scope 3 emissions – Third party suppliers (tonnes CO <sub>2</sub> e) <sup>1, 3</sup>	13,975	14,146	17,738	13,853	12,187	13,517
Tonnes of CO <sub>2</sub> e per average FTE employee, location-based (own operations – Scope 1, 2 and 3)	0.5	0.5	0.4	0.5	0.4	0.9
Tonnes of CO <sub>2</sub> e per average FTE employee, location-based (Scope 1, 2 and 3 including third party suppliers)	11.9	10.9	14.5	12.9	11.1	13.0
% of energy usage met by renewables	100%	100%	100%	53%	24%	8%
Waste produced (kg)	124k <sup>5</sup>	134k <sup>5</sup>	75k <sup>4</sup>	43k <sup>4</sup>	39k <sup>4</sup>	70k <sup>4</sup>
% of waste recycled <sup>4</sup>	26%	33%	28%	25%	32%	18%
% of waste to energy <sup>4</sup>	74%	67%	72%	75%	68%	82%
% of waste to landfill <sup>4</sup>	0%	0%	0%	0%	0%	0%
Water usage (litres)	3.5m	3.6m	4.3m	2.5m	4.2m	5.4m
Paper usage in our offices (printers/photocopiers) (sheets)	396k	724k	596k	479k	490k	
Number of customers on a cardless product	566k	491k	453k	338k	198k	54k
% of cards issued in the year that are recyclable	21%	22%	31%	0%	0%	0%
% of customer statements delivered digitally	88%	78%	81%	76%	55%	41%

<sup>1</sup> Our Scope 3 emissions include Category 1: Purchased Goods and Services, Category 3: Fuel and Energy Related Activities, Category 4: Upstream Transportation and Distribution, Category 5: Waste Generated in Operations, and Category 6: Business Travel. We do not include financed emissions under Category 15: Investments of the Greenhouse Gas Protocol.

<sup>2</sup> Estimates included within 2023 emissions data have been updated to actuals where further information was received after the publication date.

<sup>3</sup> In 2024, we engaged AXA Climate to refine our decarbonisation approach, adopting the latest measurement techniques. We transitioned to Exiobase for general emissions factors and incorporated supplier-specific data for our most material suppliers, leading to a restatement of historic Scope 3 emissions. This enhanced accuracy enables us to better track and reduce supply chain emissions.

<sup>4</sup> Coverage of Leeds office only as London office waste is managed by Kings Cross Estate, which from 2021 is carbon neutral.

<sup>5</sup> 2024 and 2023 waste produced covers the Leeds and London offices, prior periods are Leeds office only.





Environment continued

# Engaging colleagues in our environmental actions

## Promoting green issues with our colleagues

Our colleagues engage with our environmental strategy through The Green Forum, a multi-site colleague-led forum which provides a platform to educate colleagues, raise ideas and concerns and promote recycling, reuse and repurpose across the business.

As a result of the initiatives of The Green Forum, and our collaboration with our suppliers, we introduced in our London office our new Huskee cups made from coffee husk – a by-product of the coffee industry. This initiative supports the reduction of waste accumulation as well as the risk of pest infestation in landfills and contributes to the financial wellbeing of coffee farmers. This was a successful trial which we intend to rollout to our Leeds office later this year.

Our beekeepers were busy this year in producing two harvests of honey in Spring and late Summer, resulting in producing around 145 jars of honey, together with soy beeswax melts which were sold in our Leeds and London offices to raise money for our charity partner, Family Action.

As part of our partnership with Family Action, the intent is to support not only families but also young carers within the wider community. We saw a group of Leeds Young Carers visiting the office to take part in a Food Preparation and Awareness Day, organised by colleagues and our in-house catering team, Wilson Vale. This group tasted, made and took home a fantastic collection of homemade and wholesome foods, as well as recipe cards and instructions so that they could try these simple recipes at home. This initiative was a great success, and we hope to repeat more of these in the future.

Colleagues continue to support Family Action's annual Back to School campaign to tackle the issue of textile waste, through donating school uniforms which were passed on to families across the country who were unable to afford new uniforms.

To support colleagues who want to help drive a reduction in their own carbon footprint, we offer a Green Car Scheme. This allows colleagues to lease an electric car under a salary sacrifice arrangement. Our selected lease company ensures each car is carbon neutral.

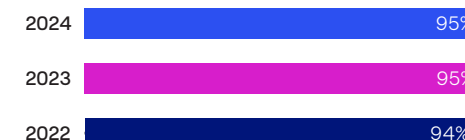
## Promoting green issues with our customers

As well as taking our own environmental action, we encourage customers to do the same. We continue to encourage our customers to manage their account online, with 95% (2023: 95%) of active customers now registered. The *Bip* and *Newpay* products offer digital credit, reducing both plastic and paper usage as well as the environmental impact of transporting credit cards, pins and statements to customers. 566k (2023: 491k) customers were on a cardless product as at the year end, and we intend to increase this going forward.

We continue to consider the impact on the environment as part of new product launches and our most recent partnership with John Lewis & Partners includes a recyclable plastic card to reduce waste at the end of the card's life.

95%

customers registered for e-servicing



88%

of statements sent digitally



21%

of cards issued in the year that are recyclable

<sup>1</sup> Included the launch of the John Lewis & Partners programmeAlignment  
to SDG

Read more about the UNGC on page 50



## Environment continued

# Working with suppliers to assess their environmental action

Across both offices, we continue to work in partnership with our landlords, facilities and catering partners to deliver activities to reduce our environmental impact.

Our Procurement team and dedicated Supplier Managers undertake annual Sustainable Procurement training delivered by a third party provider. 100% of the Procurement team passed the annual Chartered Institute of Procurement and Supply Ethical Procurement and Supply exam, enabling them to be champions in Human Rights, Environmental Procurement, and Fraud, Bribery and Corruption. In addition, members of the team have completed EcoVadis training courses covering Sustainability and Sustainable Procurement Reporting to validate and enhance activities in these areas.



This commitment to sustainable procurement has led to NewDay being awarded the CIPS Corporate Ethics Kite Mark. This is awarded to organisations who demonstrably commit to ethical sourcing and supplier management and have taken proactive steps to safeguard against unethical conduct. This signals that we are committed to ensuring colleagues are trained in ethical sourcing and supplier management, and that we have adopted ethical values in the way in which we source and manage suppliers. In addition to formal training, representatives from the Procurement team join the sustainability working group. This creates awareness and furthers the understanding of sustainability progress and opportunity in the supply chain to other members.

Our Supplier Code of Conduct outlines all the areas we expect our suppliers to adhere to across all aspects of sustainability, including protecting the environment. Suppliers are required to actively reduce their carbon emissions and other negative environmental impacts, and provide visibility of progress towards this requirement. All suppliers must encourage the use of technologies and practices with reduced environmental impact. Beyond that, suppliers must work towards the reduction of negative environmental impacts throughout their supply chain. In addition, suppliers must engage in proactive environmental management by developing environmental policies, setting environmental objectives and targets that, as a minimum, include commitments to identify, measure and reduce significant environmental impacts. Finally, suppliers

must collaborate with NewDay to innovate and develop practices that help to improve environmental performance and reduce carbon emissions. A sample of suppliers is selected each year to be audited against our sustainability criteria.

We are committed to supporting both our customers and suppliers in their sustainability and low-carbon efforts. We work with our suppliers to understand their current status and commitments to reducing emissions. For new suppliers, our onboarding process requests details of their environmental credentials, including whether they have an environmental policy, KPIs and defined carbon neutral or Net Zero ambitions. However, our Net Zero roadmap requires greater monitoring and ongoing engagement of both new and existing suppliers.

In 2024, we engaged with AXA Climate with the aim of refining our decarbonisation plan intended to support delivery of Net Zero by 2040. This roadmap includes a near-term target to reduce emissions by 55% by 2033, and engagement with suppliers is crucial to achieving this. This included selection of new emissions factors and a re-baselining of our supplier base. The new baseline has been calculated using a combination of supplier-specific data, and an updated emissions factor database, Exiobase.

This new method of calculating our Scope 3 Supplier emissions allows us to target the greatest GHG emitters with a view to working with them to reduce our footprint and so achieve our near-term and Net Zero targets.

In the future, a wide-reaching supplier engagement programme will be launched, designed to allow us to more fully understand our supplier emissions and therefore track these; giving us the tools to better work with those who are yet to begin tracking and reporting on their emissions, as well as ensuring communication of NewDay's requirements to any new suppliers we look to partner with in the future.

## Carbon offsets

We have implemented strategies to reduce our carbon emissions across our own operations and achieved 100% renewable energy sources across Scope 1 and 2 since Q4 2022.

For our residual emissions we have purchased Verra-approved carbon offsets covering Scope 1 and 2 emissions since 2022.

The offsets we have purchased, through ClearBlue Markets, support India's cleanest city of Indore, Madhya Pradesh in reducing emissions of 283,396 CO<sub>2</sub>e annually, the equivalent of taking 61,063 cars off the road for a year. Activities contributing to these reductions include composting to avoid landfill, methane emissions and bio-methanation which converts organic material into biogas. The project also supports the development of grid-connected Solar PV which reduces reliance on fossil fuels for energy.

In choosing the appropriate offsets to purchase, we considered the SDGs that the project contributes to:



### Affordable clean energy

India predominantly relies on imported fossil fuel sources to meet its electricity needs. The solar project provides a native energy source from a zero-cost fuel source.



### Gender equality

The project is contributing to gender equality opportunities with subsidies for electric cards given to 100 women, and the establishment of the She-Kunj-A women's centre.



### Industry, innovation and infrastructure

Beyond emission reductions, the project maintains a multitude of initiatives which support Indore's community such as health check-ups, smart classrooms, and a waste water treatment plant.

#### Alignment to SDGs





# Communities

## Our focus

Our commitment to moving communities forward in 2024

We strongly believe that our purpose to help people move forward with credit in their lives, doesn't stop with our products. We have a broader responsibility to support the communities we serve and society in general.

## Alignment to SDG



Read more about SDGs on page 50

# £0.3M

contributed to Family Action in 2024 through corporate donations and colleague fundraising

# 372

hours volunteered by NewDay colleagues at Family Action FOOD club sites in London and Oldham

# STEMETTES

Partnership with Stemettes to inspire and support young women and non-binary people in STEM careers

# £2.1M

contributed to Family Action across our nine-year partnership

# 1,500+

toys and a further £5k donated to the Family Action Christmas Toy Appeal



Rich programme of match-funded colleague-led charity initiatives



Communities continued

## Supporting our communities

We are committed to finding ways for our purpose to drive impact beyond our products. This includes partnering with organisations that share our vision for helping people move forward in their lives.

### *Our charity partner, Family Action*

Family Action closely shares NewDay's vision to help create forward progression in people's lives, supporting people through change, challenge and crisis, to strengthen communities and improve opportunities. Selected by our colleague-driven Charity Committee and sponsored by our Executive Committee, we are proud to be in the ninth year of our partnership.

Family Action works with over 60,000 families to help manage their mental health and wellbeing, working with them to reduce the impact of social isolation, poverty, addiction and other significant sources of stress and pressure. In 2024, we continued to support Family Action, reaching extremely vulnerable people when it's needed most, removing financial barriers and helping them to move forward. Since the start of our partnership in 2016, over 2,600 Open Doors Grants have been issued to disadvantaged families and individuals. These cash grants provide funding for essential items that can make a positive difference in helping individuals and families move forward from difficult situations.

We also organised events to support the Leeds Young Carers service, including hosting a cooking and hygiene workshop in our Leeds office, with the aim of helping young people to learn new skills and build their confidence in the kitchen.

Our colleagues are also highly engaged with Family Action's mission, offering both their time and fundraising efforts to support key activities. Colleagues volunteered over 372 hours at Family Action's FOOD (Food On Our Doorstop) clubs, which have rapidly expanded since the COVID-19 pandemic and the cost-of-living crisis that followed. In 2024, volunteering opportunities expanded beyond London, with Leeds colleagues volunteering their time at the Oldham FOOD Club. Family Action's FOOD clubs are an innovative way of addressing issues of food insecurity, enabling low-income families to access good-quality food at an exceptionally low cost.

We also continued our important work with Family Action's HeadStart programme, helping disadvantaged young people to develop the skills, experiences and confidence needed to secure and stay in employment.

In addition, NewDay and our colleagues raised £21k in individual and match-funded donations, including completing personal challenges such as the London Marathon and took part in a series of Ultra Challenge events which included a London to Brighton Ultra cycle ride, a Peak District Ultra walk/run and a London to Brighton Ultra walk/run.

We also continue to actively engage our supply chain in support of Family Action fundraising initiatives.

In 2025, our partnership with Family Action will expand further, supporting the FamilyLine helpline service.



## A word from Family Action



Thank you, NewDay, our longest standing official partner, for your support of our Open Doors Grants programme.

Since NewDay started supporting the Open Doors Grants scheme in 2016, a total of £749,901 has been given in cash grants. Every single one of these grants has been essential in helping vulnerable families and individuals move forward. These grants are incredibly beneficial as for many they address fundamental necessities such as, proper flooring, suitable beds and bedding, cookers, and clothing. For 82% of applicants their financial pressures have reduced, and 67% recipients said they felt less stress/anxiety as a result of the grant.

NewDay staff have generously given their time by volunteering in our services. They also took on several physical challenges to raise funds for Family Action and supported our annual Toy Appeal Christmas Campaign.

In 2024, 97 NewDay volunteers supported our FOOD clubs, totalling 372 hours. They raised over £21k by taking part in cycling, running, and walking challenges. NewDay also exceeded all targets for our Toy Appeal, donating 1,541 gifts to five services.

The support from NewDay has enabled us to support young people and adults and offer direct, practical help to families up and down the country.

Thank you, NewDay.



Alignment  
to SDG





## Case study



# Celebrating £2m

family  
action

In July 2024, we reached a milestone in our partnership with Family Action. Since 2016, over £2m has been donated through corporate donations and colleague fundraising. We marked this incredible milestone by hosting a celebration event with Family Action in NewDay's London office, to reflect on the achievements of the partnership to date, and we welcomed guest speakers from services NewDay has supported throughout the years.

Over the course of the nine-year partnership, NewDay has helped support Family Action to deliver a range of services including the Open Doors Grants programme, the Friendship Works Mentoring Service and the development of FamilyLine, Family Action's helpline service. This milestone in the partnership provided a moment for us all to reflect on the work and achievements to date and allowed both NewDay and Family Action to refocus and look ahead to what's next.

“Shared values and a common purpose create a stronger partnership – this has been the foundation of NewDay and Family Action's collaboration. It's what has driven our success so far, and it's why we'll continue to grow and make an even greater impact together.

**Rob Holt**  
Chief Executive Officer, Credit

## £2.1m

has been donated through corporate donations and colleague fundraising since 2016

“

I am deeply grateful to everyone at NewDay for such generous and sustained support, which has enabled us to provide direct, practical support to thousands of individual people, families, and communities across the UK.

**Sir David Holmes CBE**

Chief Executive at Family Action







Communities continued

## Our wider community support

### *Impact powered by our people*

Our colleagues are driven to make an impact in our communities. Our Charity Committee consists of inspired and motivated colleagues who promote and organise fundraising initiatives throughout the year.

Our Committee inspired a range of activities in 2024, including overseeing our match-funding scheme for colleague-led charity initiatives:

- the London Marathon and three Ultra Challenge events saw colleagues get active to support Family Action, raising over £11k from individual donations which were match funded by NewDay;
- a team of colleagues competed in Street League's Challenge Victory Cup. We donated £8k to support Street League's work with young people facing personal barriers to employment to improve their wellbeing, secure employment and have a brighter future;

- we donated over 1,500 Christmas presents and a further £5k, in support of Family Action's annual Christmas Toy Appeal, gifting a toy to a child who may otherwise go without;
- we attended Leeds Pride in partnership with Family Action, showing our collective support for the LGBTQ+ community in Yorkshire;
- 38 colleagues completed the One Peak Challenge climbing 2,415ft and raising over £3k for Family Action; and
- one of our colleagues completed a ride across Britain - cycling from Land's End to John O'Groats raising £3k for Family Action, which was match-funded by NewDay.

We also continued our partnership with Stemettes Futures, an award-winning social enterprise working to inspire and support young women and non-binary people in Science, Technology, Engineering and Maths (STEM) careers at companies like ours. We know from our own hiring that the candidate pool for technology and data-based roles is predominantly male. This collaboration aligns with our Inclusion and Diversity ambitions and supports in developing a stronger future pipeline of female and non-binary candidates pursuing STEM careers.

Alignment  
to SDG



Read more about the UNGC on page 50





## Case study

## Leeds Young Carers service food preparation awareness event

During the year, our Leeds office hosted a group of young carers from the Family Action Leeds Young Carers service for a food preparation event during the half term.

The Leeds Young Carers service supports families where a child or young person in the home is providing care for someone who has a mental health or physical illness, disability or a difficulty with drugs or alcohol. This service aims to reduce the caring tasks that children and young people provide, and support families to improve their quality of life.

During the course of this workshop, the young people in attendance cooked a variety of dishes and learnt new cookery skills with the aim of boosting their confidence and knowledge in the kitchen. At the end of the day, all the young carers took home recipe cards, allowing them to recreate the recipes they had learnt for their families at home, plus samples of the dishes they had cooked during the day.

I'd just like to thank NewDay for helping our young people expand their knowledge and improve their confidence with preparing meals for themselves and their families.

Sometimes our young people can feel like they are unable to help their parents' situations, so giving these young people a way of feeling they are helping, even in such a simple way, will have really boosted their confidence and emotional wellbeing.

**Rob Owens**

Young Carers Practitioner at Family Action





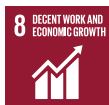


# Governance

## Our focus

Behaving ethically and responsibly, supported by strong governance and controls

## Alignment to SDGs



[Read more about SDGs on page 50](#)



ISO 27001 Information Security Management certified

# 83%

of suppliers who attested code of conduct compliance  
(2023: 83%) against a target of 80%

# 0

anti-bribery and corruption related incidents  
(2023: 0)



All colleagues trained annually in Consumer Duty, anti-bribery and corruption, anti-fraud, anti-money laundering, data protection, cyber security, health and safety and inclusion and diversity



EcoVadis Gold accreditation placing us in the top 5% of financial services rated companies (excluding insurance and pension funding)  
(2023: Gold, top 3%)

# 0

data security breaches  
(2023: 0)

# 0

calls made to whistleblowing hotline  
(2023: 0)



Awarded CIPS Corporate Ethics Kite Mark demonstrating commitment to ensuring an ethical and sustainable supply chain

Governance continued

# Strong governance and controls

The Board is responsible for overseeing the Group’s activities. The Directors are apprised of, debate and challenge strategy, mergers and acquisitions, operational performance metrics, risk matters, customer and conduct-related matters and receive reports on current strategic initiatives.

## Role of the Board

The Board is responsible for creating a foundation for growth and attractive shareholder returns. It determines the vision, strategy and high-level policies of the Group, striking an appropriate balance between risk and reward, whilst ensuring positive customer outcomes. It sets out the guidelines within which the business, including those parts of the business that are outsourced, is managed and controlled. It monitors business performance against agreed targets, within an agreed budget, to support the strategic objectives of the business. It also provides oversight and independent challenge, particularly with regard to the business’ culture and values.

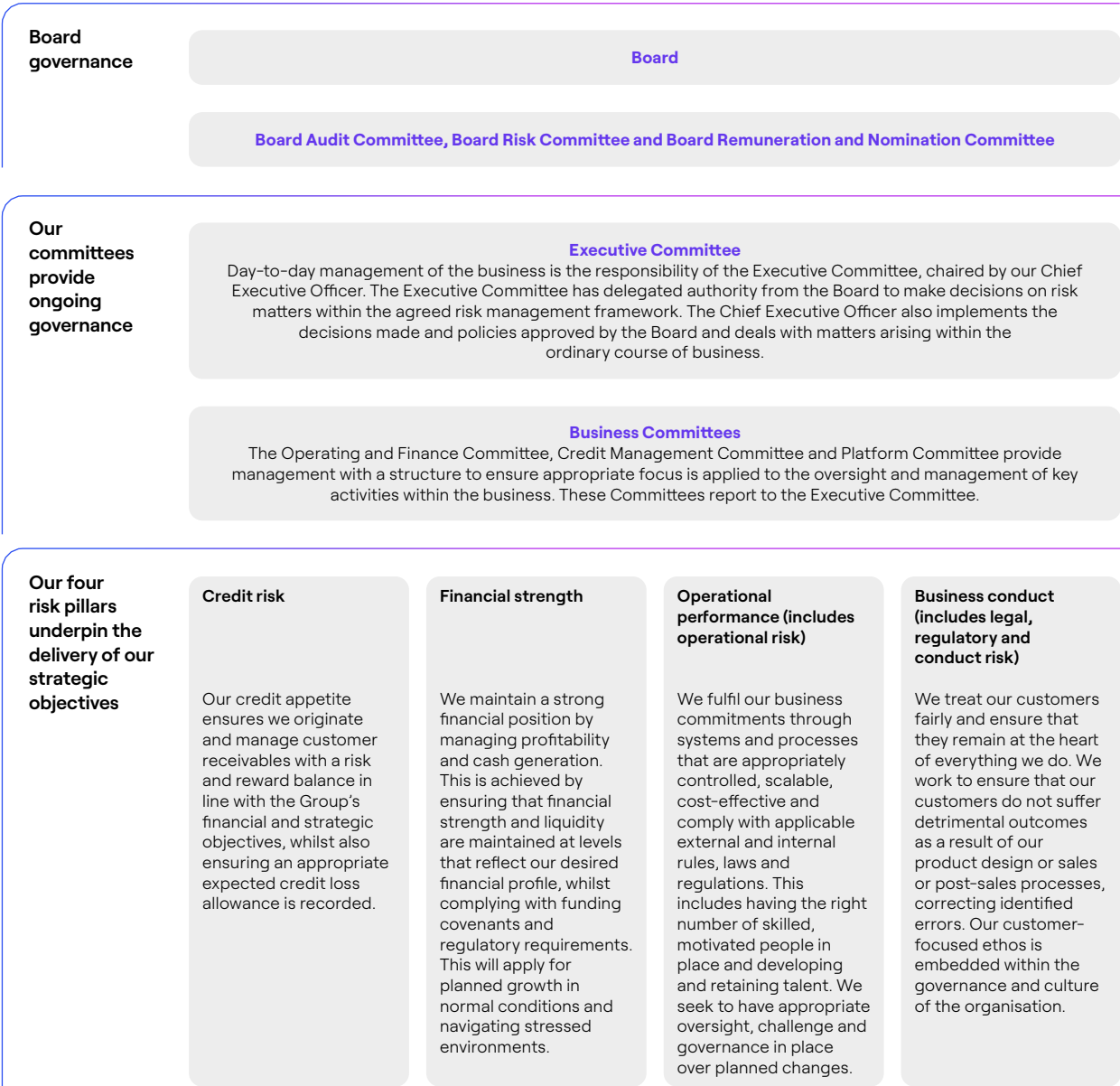
The Board executes these responsibilities through its own decision-making and by delegating responsibility to Board committees and to the Chief Executive Officer, with support from the Executive Committee. The Board has three sub-committees: (i) the Board Audit Committee; (ii) the Board Risk Committee; and (iii) the Board Remuneration and Nomination Committee. The roles and responsibilities of each committee are documented in Board-approved terms of reference. However, some matters are reserved for consideration by the Board. These include matters relating to: (i) strategy and management; (ii) structure, capital and funding; (iii) financial reporting and controls; (iv) internal controls and risk management; (v) material contracts; (vi) external communications requiring Board approval; (vii) changes to the Board’s structure and remuneration and senior management arrangements; (viii) delegation of authority; and (ix) corporate governance matters.

Alignment to SDGs

8 DECENT WORK AND ECONOMIC GROWTH

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Read more about the UNGC on page 50





Governance continued

# Strong governance and controls

## Board experience

Our Board and Executive team bring many skills and a breadth of experience, including strategic experience, commercial knowledge, retail and investment banking experience, UK regulatory knowledge, customer management and conduct expertise, treasury and funding experience, risk management expertise and operational, IT and accounting experience. This enables Board members to make informed decisions on key issues facing the business.

Rupert Keeley was appointed the Board member responsible for ESG during 2024. Rupert's considerable leadership expertise and industry knowledge has helped drive forward NewDay's sustainability agenda as well as furthering our goal of being a force for good in responsible lending.

## Sustainability governance

Sustainability matters are discussed at Board meetings at least quarterly. Sustainability regularly features on the Executive Committee's agenda, and individual members of the Executive Committee sponsor each of our sustainability targets.

Our Board-approved ESG policy articulates the ethos of our customer focus and commitment, and intention to contribute positively towards society by being a responsible lender. It also outlines our commitment to minimise our environmental impact and operate an inclusive and diverse workplace. The policy is intended to also improve transparency, reporting and compliance and provides a framework for setting targets to improve our sustainability performance.

## Executive Director remuneration

The Remuneration and Nomination Committee oversees the implementation of the Group's remuneration policy and, in particular, seeks to ensure that the Executive Directors are appropriately rewarded for the Group's performance and the delivery of the Group's strategy in a manner consistent with its values and the promotion of a strong environmental, social and corporate governance culture.

## Corporate governance principles

The Group applies the Wates Corporate Governance Principles for Large Private Companies (published by the Financial Reporting Council (FRC) and available on the FRC's website) (the 'Wates Principles'). In addition, the Group complies with: (i) the FRC's UK Corporate Governance Code (which can also be found on the FRC's website) where deemed appropriate taking account of the size, nature and share ownership structure of the Group; and (ii) the Guidelines for Disclosure and Transparency in Private Equity, which can be found online at [privateequityreportinggroup.co.uk](https://privateequityreportinggroup.co.uk).

## Acting with integrity

We expect all colleagues to act responsibly and with integrity in line with the requirements of our Code of Conduct.

All colleagues undertake mandatory training annually, with a 100% completion rate, defining the behaviours expected of them. Training covers the following topics:

- Consumer Duty
- Anti-bribery and corruption
- Data protection
- Vulnerable customer awareness
- Senior Managers and Certification Regime – Conduct in financial services
- Anti-fraud
- Information security
- Inclusion awareness
- Anti-money laundering
- Data management
- Health and safety

Alignment  
to SDGs



Read more about the UNGC on page 50





Governance continued

# Strong governance and controls

## Managing conduct risk

Conduct risk can arise through the design of products that do not meet customers’ needs, mishandling complaints where the Group has behaved inappropriately towards its customers, inappropriate sales processes and exhibiting behaviour that does not meet market or regulatory standards. Avoiding poor customer outcomes requires focus on treating customers fairly, including assessing affordability and sustainability of lending, and handling vulnerable customers sensitively. We manage and mitigate conduct risk by ensuring colleagues have appropriate training, monitoring various operational metrics through our customer outcomes radar and by tracking activities which affect customers, monitoring customer complaints, implementing process improvements and adhering to service standards. The outcomes of this reporting are monitored by the Board and the Board Risk Committee.

You can read more about our governance structure and principal risks in our 2024 Annual Report and Financial Statements available at [newday.co.uk/investors/results-centre](https://newday.co.uk/investors/results-centre)

## Climate risk

Climate risk has been incorporated into the Group’s risk management framework. In 2024, NewDay engaged with AXA Climate to help identify the climate transition risks and opportunities specific to NewDay. The risk and potential impacts will be assessed as part of our principal risk reviews. Executive governance of climate-related matters is undertaken through reporting to the Board and Executive Committee with both Executive Committee member and Director level responsibility assigned for progress on climate-related issues.

The Board Risk Committee considers current and potential future risk exposures, which includes climate risk, as part of its remit.

Principal risk	Link to our values	2024 performance
<div><h3>Conduct risk</h3><p>Customer harm arising from inappropriate culture, products, governance and processes.</p><div><h4>Example</h4><p>NewDay or its strategic partners fail to define good outcomes associated with its products and services resulting in customer detriment or a failure of customers to achieve their financial objectives</p></div></div>	<div></div>	<div><ul style="list-style-type: none"><li>→ Delivered the Consumer Duty Annual Report to the Board and post-implementation review</li><li>→ Created a cyclical Consumer Duty assurance plan to support ongoing assurance over delivery of good outcomes</li><li>→ Delivered further optimisations of <i>Aqua Coach</i> to help more customers move forward with credit</li><li>→ Managed incidents and remediated where necessary to avoid any customer detriment</li><li>→ Enhanced disclosure, reporting and monitoring of outcomes for vulnerable customers</li></ul></div>
How we are mitigating this risk		Where next?
<div><ul style="list-style-type: none"><li>→ Credit Management Committee overseeing our conduct risk management framework</li><li>→ Our company purpose, helping people move forward with credit</li><li>→ Our manifesto, values, and investment in colleague training, together with key management communications support business standards and the customer outcomes we aim to achieve</li><li>→ New product approval forum</li><li>→ Retail partner monitoring and relationship management</li><li>→ Continuing to focus on agent recruitment, retention, training and performance management and reward considering changing ways of working</li><li>→ Monitoring the effectiveness of policies and processes supporting conduct risk</li><li>→ Reviewing responsible lending and affordability across the Group to ensure they remain fit for purpose</li><li>→ Monitoring emerging new sources of complaints from individuals and CMCs and continuing to enhance processes and management of complaints</li><li>→ Customer outcomes forum to drive customer improvement initiatives</li><li>→ Customer understanding forum to ensure appropriate tone and content of our communications</li><li>→ Product annual review and fair value assessments to identify improvement opportunities in customer outcomes</li></ul></div>		<div><ul style="list-style-type: none"><li>→ Continue to raise the bar on our Consumer Duty journey. Maintain our focus on responsible lending and customer outcomes and continue to ensure that our marketing and complaints processes deliver effectively for the customer and are aligned to the Consumer Duty</li><li>→ Regularly review our affordability strategy and roadmap</li><li>→ Review customer behaviour patterns and how customers access credit and their understanding of how to manage their credit account</li><li>→ Deliver ongoing enhancements in the support of vulnerable customers</li><li>→ Further support to customers to help them be better with credit by giving them greater visibility of the impacts of their credit behaviour</li></ul></div>

Governance continued

## Strong ethics and governance

### *Working with our regulators*

We are regulated by the FCA, the financial services conduct regulator, which supervises relevant consumer credit activities in the UK. The FCA also acts as NewDay's prudential regulator. We maintain good relationships with our regulators and are supportive of legislation that protects consumers and ensures that only reputable businesses are permitted to provide financial products and services.

In relation to conduct matters, our Legal team provides day-to-day support on applicable core laws and regulations including the Consumer Credit Act, Payment Services Regulations and the FCA Consumer Credit sourcebook. This experienced team engages across all business areas supporting matters such as the implementation of regulatory change, product design, customer journeys, financial promotions, customer communications and system changes.

The Group is in good regulatory standing. NewDay's engagement with the FCA is close and interactive, typically on topics such as thematic reviews and ad hoc information requests.

### *Regulatory developments*

The FCA Consumer Duty came into force in July 2023 (extended to closed books in July 2024) and introduced a new overarching principle requiring firms to act to deliver good outcomes. The Consumer Duty aligns well to our purpose of helping customers move forward with credit and our areas of focus, being fair treatment of customers with characteristics of vulnerability and supporting customers in financial difficulty. NewDay's first Annual Consumer Duty Report was presented to the Board in July 2024, confirming NewDay is meeting its Consumer Duty obligations and delivering good and fair outcomes for its customers. Additionally, NewDay contributed to the FCA's Call for Input on its regulatory approach, which sought views on where the Consumer Duty has brought duplication or conflict with existing regulation.

### *Working with our auditors*

Our external auditor, KPMG LLP, has been in place since 2012 (including predecessor groups). Our Board and the external auditor have safeguards in place to protect the independence and objectivity of the external auditor. The external auditor is not permitted to perform any work that might impact its objectivity and independence or create a conflict of interest with respect to the Group. We have internal procedures in place to determine the use of the external auditor for non-audit services.

We are open and cooperative with our external auditors and provide all the information and explanations requested by KPMG to complete its audit. Each year, KPMG has issued an unqualified audit opinion on our Financial Statements.

## Our main trade association relationships

As we operate in a regulated sector, we work alongside leading associations in the financial services industry to ensure we keep up to date with regulatory matters and industry best-practice. As active members, we attend and participate in policy discussions, contributing subject matter expertise to support leading industry working groups.

All colleagues who attend industry events, round-tables and working groups are provided guidance on competition law to ensure there is no conduct which could infringe relevant legislation. We are committed to competing fairly and promoting healthy competition in the market. Awareness training on anti-competitive practices is also included in the induction process for all new starters.



#### → UK Finance

A trade association for the UK banking and financial services industry. Representing over 300 firms, UK Finance seeks to offer a single voice for its members, engaging on firms' behalf with regulators, the media and HM Government.



#### → Finance and Leasing Association (FLA)

A trade body for the asset, consumer and motor finance sectors in the UK. FLA member companies, which include banks, finance subsidiaries of major manufacturers and independent finance firms, provided £155bn of new finance to UK businesses and households in 2024. £115bn of this was consumer credit, accounting for over a third of all new consumer credit written in the UK. The FLA oversees the Lending Code, to which NewDay adheres.

Alignment  
to SDGs



Read more about the UNGC on page 50



## Governance continued

# Strong ethics and governance

## Data protection and information security

As a financial services provider, data protection and information security are critical to the success of our operations and, as such, are captured within our principal risks.

We have robust policies and processes in place to protect customer data and ensure it is used in an appropriate manner. Information security, data protection, cyber security and data governance are mandatory annual training courses completed by all colleagues to ensure they are aware of their responsibilities in this area.

## Data protection

Our Data Protection Officer (DPO) oversees the creation of appropriate assurance processes and documentation to ensure ongoing compliance with data protection legislation. The DPO works in conjunction with our data governance, cyber and information security specialists to ensure the security of NewDay's systems.

We process large volumes of personal information on a daily basis and we take our data protection responsibilities seriously. As a credit provider, we follow the security requirements mandated under the Payment Card Industry Data Security Standard (PCI DSS) to protect cardholder data. In 2024, we were assessed to be fully compliant following our annual PCI DSS compliance audits.

We also undertake processes to assess data security when onboarding third parties through our supplier due diligence process, to ensure those we partner with also have the appropriate controls in place.

## Information security

Cyber security is of high importance to our customers, Board and stakeholders. Since 2022, relevant entities in the Group are certified against the ISO 27001 best practice security standard, demonstrating our commitment to managing information safely and securely as a trusted partner. Certification evidences that we have identified risks and put in place appropriate measures to protect the organisation from information security breaches. Our Information Security Management System is designed to protect the confidentiality, availability and integrity of data held via a centrally managed framework, that helps us secure our information, and respond to evolving security threats. To ensure an ongoing focus on information security and boost awareness, we have regular internal communication campaigns and a dedicated cyber awareness month.

Our business and our customers are protected by robust information security capabilities. We partner with specialist third parties to provide a best-in-class cyber security capability to manage our risks, and secure our systems. We use our cloud platform provider's security technologies to protect data and services running on the Digital and Data platforms. These technologies leverage advanced analytics and threat intelligence capabilities that provide detailed visibility of suspicious activity, and integrate seamlessly with our security monitoring solution. Our Security Operations Centre operates 24/7 to centrally monitor and respond to events and alerts.

We operate a regular programme of security testing and assessment activity to validate our security posture. Security penetration testing is performed against our internal systems and customer-facing services. 'Red Team' security testing, which simulates real-world cyber threat activity, is also carried out to validate our detection, blocking and incident response capabilities. This assessment activity enables us to continually optimise our defences, and address any identified gaps. We also actively use the SecurityScorecard cyber security risk rating platform to provide an independent and objective view of our external security risk posture. Our programme of security testing activity will continue to provide assurance on the security of our services.

## Financial crime

The FCA has responsibility for taking regulatory action to counter financial crime and sets out requirements for regulated companies to put in place adequate systems and controls to monitor, detect and prevent financial crime.

Our Prevention of Financial Crime Policy explains the various legislation in relation to financial crime, documents the framework in place to ensure that we comply with the relevant laws, and highlights the responsibilities of colleagues. This over-arching policy is supplemented with more detailed policies, which provide an understanding of the following areas, along with expected levels of employee conduct:

- Anti-bribery and corruption
- Anti-money laundering & counter terrorist finance
- Sanctions
- Politically exposed persons
- Prevention of internal fraud
- Know your customer and identification
- Conflict of interest

These policies are supported by mandatory annual training completed by all colleagues.

We have a dedicated Financial Crime team, reporting to the Director of Risk, which monitors the effective operation of our preventative systems, processes and controls. Our Financial Crime team also maintains a Gifts and Hospitality register and colleagues seek approval from or escalate to the Financial Crime team if sensitive transactions happen, as required by our Anti-Bribery and Corruption Policy.

Alignment  
to SDGs







## Governance continued

Behaving  
ethically and  
responsibly*Whistleblowing*

We are committed to being a transparent and accountable business, and offering colleagues channels to speak up confidentially about concerns is an important part of our culture. Our whistleblowing policy sets out our commitment to the highest standards of ethics and explains to colleagues what whistleblowing means. Colleagues undertake annual training which includes details on our whistleblowing policy. We have an internal whistleblowing email address or an external call line provided by an independent company, Safecall, so that people can call anonymously should they wish to.

In 2024, no colleagues contacted our confidential whistleblowing helpline and all emails were thoroughly investigated and dealt with according to the appropriate internal policies and procedures. We had no anti-bribery and corruption related incidents in 2024.

*Employee grievances*

We aim to do the right thing by our colleagues, but our Grievance Policy and procedures ensure that colleagues can raise issues should they arise and know they will be investigated and dealt with appropriately. In 2024, 0.4% of employees raised a grievance (2023: 0.4%), 40% of which were upheld (2023: 0%).

*Governance in our supply chain*

Responsibility is at the heart of our business. We consider the needs of all our stakeholders so that we make informed, fair decisions that benefit our customers, colleagues, shareholders and partners, as well as our local communities.


Our Procurement Policy details the principles that must be followed in sourcing and managing suppliers to ensure that procurement activities support our sustainability practices and objectives.

Our Supplier Code of Conduct outlines our expectations for suppliers we do business with across environment management and compliance, social standards, human rights, and diversity and inclusion. We are committed to supporting our suppliers in this respect, including working together to improve the suppliers' ability to meet these expectations. Our Code of Conduct applies to suppliers that are providing services to or on behalf of NewDay and third parties sub-contracted by a supplier. We welcome open, honest discussions with suppliers where they feel they might not be able to fully adhere to our Code and the opportunity to explore solutions to these challenges. However, if suppliers continue not to be in compliance with the Code, we may take steps to review the terms of the contract, including reducing the order or exiting of the relationship.

All suppliers are requested to attest their compliance to our Supplier Code of Conduct as part of their onboarding. During onboarding, all new suppliers are assessed for inherent risks and, where appropriate, are referred to our Enterprise Risk Assurance team, which runs assurance with targeted suppliers covering the topics referenced in our Supplier Code of Conduct. When conducting assurance, we also request that prospective suppliers submit responses and supporting documents on their approach to a number of ethics and sustainability topics, including policies related to diversity and inclusion, modern slavery, health and safety, whistleblowing, holding ISO 14001 (Environmental) and ISO 45001 (Health and Safety) Standards, environmental practices and compliance with regulation, employment contracts and people management controls. Prior to onboarding suppliers, we perform supplier risk assessments based on geographic risk segmentation to identify suppliers from high-risk countries, particularly in relation to modern slavery and human trafficking. All suppliers are requested to attest their compliance to the Supplier Code of Conduct as part of their onboarding.

In line with internal supplier qualification and ongoing monitoring processes, we ask new and existing suppliers to self-attest their compliance against key principles relating to corporate social responsibility. 83% of our suppliers have attested to our Supplier Code of Conduct (2023: 83%).

Suppliers should have good management and governance processes in place to ensure the requirements of the Code can be demonstrated at all times. Furthermore, suppliers must make reasonable efforts to monitor their supply chain, ensuring their suppliers are also aware of the aims of the Code. Our Enterprise Risk Assurance team carries out annual reviews to ensure that our critical suppliers continue to adhere to our standards using a combination of annual supplier attestations, desktop assurance and on-site assurance visits.

 Our full *Supplier Code of Conduct* is available on our website at <https://www.newday.co.uk/site-services/supplier-code-of-conduct/>

Alignment  
to SDGs



Governance continued

# Behaving ethically and responsibly

## *Treating our suppliers fairly*

As a financial services organisation, NewDay recognises the importance of bringing economic benefit to our colleagues, investors and local communities. Commercial transactions should be beneficial to all parties and based on the principles of fair and honest dealings.

Our suppliers play a critical role in delivering high-quality service to our customers, so it is vital that we treat them fairly. We use a large number of suppliers that range from small enterprises to large multinational corporations and we continually evolve our procurement processes to ensure we only use suppliers who operate in a responsible manner.

Every supplier is assigned an Accountable Executive and a Supplier Manager who will be responsible for ensuring both parties deliver in accordance with contractual obligations. The supplier's classification in accordance with our Supplier Management Framework (ranging from material supplier to transactional supplier) determines the minimum frequency with which strategic and performance reviews are completed.

We understand that many of our small suppliers may have cash flow issues if we do not pay them on time and therefore aim to settle invoices promptly. In 2024, 72% of the Group's invoices were paid in line with contractual terms, of which 80% were paid within 30 days and a further 20% were paid within 60 days.

## *Modern slavery*


We aim to act fairly, ethically and openly in everything we do. We support the protection of human rights around the world and are guided by the fundamental principles such as the International Labour Organization (ILO) core conventions. We comply with all applicable law and regulation, including the UK Modern Slavery Act 2015, and we expect our suppliers to do the same. We endeavour to prevent any negative impact on the human rights of external stakeholders.

We are committed to carrying out our business responsibly, and this includes ensuring that slavery and human trafficking are not taking place in any part of our business or supply chain.

Our commitment to combatting modern slavery and human trafficking is embedded into our policies. We have put in place robust processes that aim to ensure we only work with appropriate suppliers who can meet the standards expected of them. Our primary supply chain focus is on areas of supply which potentially carry a higher risk, for example our sub-contracted workforce. Our general supplier risk assessments also allow us to understand and focus on our suppliers with operations in higher-risk locations, particularly emerging economies and less developed countries.

Our supplier attestations specifically reference the Act and its requirements. Any risks identified will be escalated, reported and managed in accordance with our supplier risk management procedures.


We provide ongoing training to our Procurement team and key stakeholders involved in supplier management to ensure competence in monitoring our adherence to the Act.

 *Our full Modern Slavery and Human Trafficking Statement is available on our website at <https://www.newday.co.uk/site-services/modern-slavery-and-human-trafficking-statement/>*

## *Tax strategy*


We are committed to: (i) ensuring we meet our obligations to pay the correct amount of UK tax at the right time; and (ii) complying with all applicable laws, rules, regulations and disclosure requirements in relation to taxation in the UK. We will seek to interpret the UK Tax Rules consistently with both the spirit and intention of the law and will not seek to exploit ambiguity.

We are committed to being open, transparent and proactive. Accordingly, we actively engage with HMRC, where appropriate, and disclose all relevant facts and circumstances. This includes in relation to current, future and past tax events and any queries we may have in relation to the interpretation of the UK Tax Rules (as deemed appropriate).

 *Our Board-approved tax strategy is available on our website at <https://www.newday.co.uk/site-services/tax-strategy/>*

Alignment  
to SDGs



 Read more about the UNGC on page 50

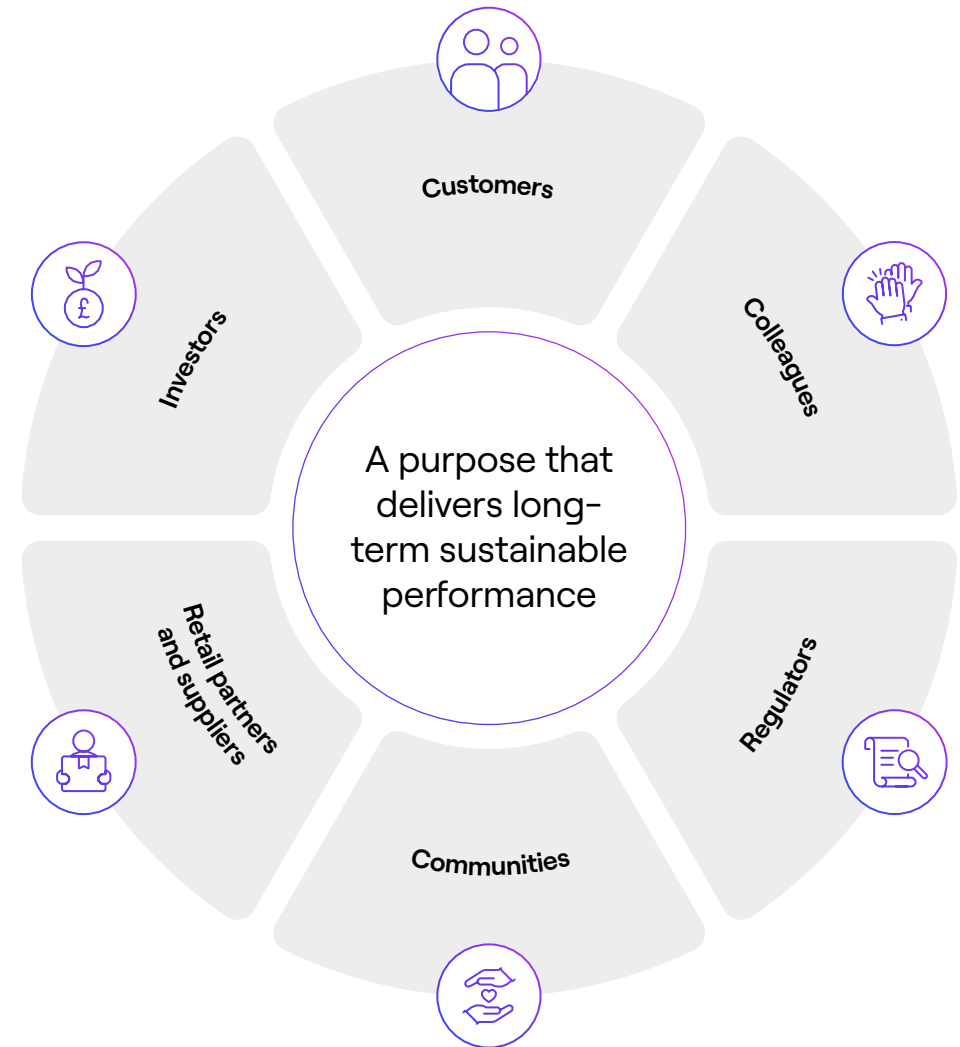
## Stakeholder engagement

# Stakeholder engagement is at the heart of our sustainability activity

Our sustainability strategy must be based on the issues that matter to our stakeholders and reflect important social priorities.

We are committed to building long-term relationships and balancing the interests of our different stakeholders in order to maximise the success of our business. By understanding the differing needs and concerns of our stakeholders through proactive engagement, the Board can then ensure careful consideration of the potential impact of their decision-making on each stakeholder group. Detailed on the following pages are the Group's key stakeholders, their material interests, how we engage with them and key outcomes delivered for each group in 2024.

Our Board and its committees consider the needs and concerns of our stakeholders regularly. An example of a decision taken and how the interests of our stakeholders were considered is our acquisition of the existing Argos store card portfolio and agreement to enter into a long-term embedded finance partnership. The acquisition allows us to help more people move forward with credit by giving them access to easy-to-use products, financial education tools and appropriate financial support. The embedded finance partnership with Argos broadens our reach into working Britain and allows Argos to drive sustainable sales growth. The portfolio is expected to be profitable and cash generative, thereby providing additional returns for our shareholders as well as increasing cash flows to service our corporate debt whilst ensuring good customer outcomes and compliance with applicable regulations.





## Stakeholder engagement continued

Detailed below are the Group's key stakeholders, their material interests, how we engage with them and key outcomes delivered for each group in 2024.

Stakeholder and their material interests	How we engage	2024 key deliverables
<b>Customers</b>  <b>What matters most to them</b> <ul style="list-style-type: none"> <li>→ Responsible access to credit</li> <li>→ Financial inclusion</li> <li>→ Building credit scores and rewards for positive behaviours</li> <li>→ Easy-to-use products</li> <li>→ Appropriate financial support when or if needed</li> </ul>	<ul style="list-style-type: none"> <li>→ Our manifesto is at the heart of our decision-making</li> <li>→ Apps and web interfaces</li> <li>→ Feedback through transactional NPS and NES metrics to track customer satisfaction</li> <li>→ Customer issue resolution programmes using customer and colleague feedback to improve processes</li> <li>→ Payment support options for customers who encounter difficulties</li> <li>→ Credit education tools to support improving credit scores</li> <li>→ Servicing and transaction messages and alerts</li> <li>→ Customer KPIs in monthly Board reporting</li> <li>→ Customer focus groups</li> </ul>	<ul style="list-style-type: none"> <li>→ Welcomed 537k new customers during 2024</li> <li>→ Improved transactional NPS of +79. NES of +77</li> <li>→ Supported 1.7m customers to improve their credit score</li> <li>→ 356k customers extended payment support</li> <li>→ 1.1m customers registered for financial education tools at the year end</li> </ul>
<b>Colleagues</b>  <b>What matters most to them</b> <ul style="list-style-type: none"> <li>→ Being part of an engaging and highly motivated environment</li> <li>→ Attractive career paths</li> <li>→ Enhancing skills</li> <li>→ Competitive and balanced rewards and remuneration</li> <li>→ Empowerment to make an individual contribution to delivering on our vision</li> </ul>	<ul style="list-style-type: none"> <li>→ Our purpose and values are at the heart of employee engagement</li> <li>→ Bi-annual employee surveys with follow-up actions</li> <li>→ Programme of activities throughout the year covering inclusion and diversity, mental health and wellbeing</li> <li>→ Continuous all-colleague communication programme, including town halls</li> <li>→ Online learning and development tool</li> <li>→ Independent whistleblowing helpline</li> </ul>	<ul style="list-style-type: none"> <li>→ Engagement score of 87%</li> <li>→ 89% of colleagues told us they feel they can be themselves at work and 90% felt the culture at NewDay is one in which people with diverse personal styles, experiences and backgrounds can contribute and thrive</li> <li>→ Continued provision of care packages and benefits to support health and wellbeing</li> </ul>
<b>Retail partners</b>  <b>What matters most to them</b> <ul style="list-style-type: none"> <li>→ Their customers receiving responsible access to competitively-priced credit</li> <li>→ Easy-to-use and market-leading products with seamless integration and high online conversion</li> <li>→ Best-in-class customer journeys</li> <li>→ Building brand loyalty to drive higher sales</li> <li>→ In-depth data-driven customer insights</li> </ul>	<ul style="list-style-type: none"> <li>→ Responsibly saying "yes" and rewarding their customers is core to partner engagement</li> <li>→ Regular performance meetings with our partners</li> <li>→ Provision of data insight and performance analytics</li> <li>→ Working with our partners to develop marketing strategies, online integrations and offers</li> </ul>	<ul style="list-style-type: none"> <li>→ 200k new Merchant Offering customers</li> <li>→ £1.4bn of Merchant Offering spend directly with our partners</li> <li>→ Launched our technology and lending partnership with Lloyds Banking Group, enabling us to engage and support many more retailers</li> <li>→ Launched our partnership with Debenhams Group to provide an end-to-end technology proposition to underpin a brand new digital financial product</li> <li>→ Signed an agreement with Argos Financial Services to purchase their cards portfolio and agreed a partnership to provide an Argos branded digital credit proposition</li> </ul>





## Stakeholder engagement continued

## Stakeholder and their material interests

## How we engage

## 2024 key deliverables

## Shareholders

## What matters most to them

- Building a sustainable, ethical, strong, customer-centric and valuable business
- Responsible lending and promoting financial inclusion
- Building market-leading technologies
- Ensuring NewDay makes a positive impact where all stakeholders benefit
- Predictable, sustainable and attractive returns

- Well-informed Board meetings and strategy days
- Ongoing investor dialogue through their Board representatives' investor meetings
- Monthly performance reporting – both financial and non-financial

- Statutory profit before tax of £144m and underlying profit before tax of £213m
- Paid £54m to shareholders, £51m through dividends
- Deleveraged the business by repaying £24m of Senior Secured Debt
- Generated £118m of free cash flow available for growth and debt service
- Launched two Platform partnerships and signed a deal to acquire existing Argos store card portfolio
- Progressed the delivery of our sustainability strategy

## Investors (asset-backed securities and high yield bond)

## What matters most to them

- Payment of interest and principal on their investments when they fall due
- Sustainable and safe returns

- Monthly securitisation investor reporting
- Quarterly HYB investor reporting and presentations
- Investor roadshows and open investor relations dialogue

- Repaid £24m of Senior Secured Debt due to mature in 2026
- Generated £118m of free cash flow available for growth and debt service
- Refinanced all maturing asset-backed securities
- Executed hedges to reduce our exposure to further base rate increases

## Regulators

## What matters most to them

- Responsible and compliant lending
- Treating customers fairly
- Proactive engagement on industry and regulatory matters
- Sustainable business practices
- Appropriate governance and Board-level oversight

- We believe credit is a force for good and we believe good regulation reinforces this
- Member of industry bodies to ensure active engagement in industry-wide discussions
- Open and transparent reporting
- Proactive engagement and collaborative approach with policymakers, regulators and Government

- Continued to embed and comply with the FCA's Consumer Duty, presenting the first Annual Consumer Duty Report to the Board
- Continued application of the FCA's arrears support reforms (which replaced the Tailored Support Guidance) aimed at helping customers experiencing financial difficulties
- Reviewed regulatory publications and consultation papers, responding where appropriate with Board oversight on topics such as the regulation of BNPL and the FCA's Call for Input on its regulatory approach

## Community partnerships

## What matters most to them

- Socially responsible business practises benefiting all stakeholders
- Widening financial inclusion and promoting good credit behaviours
- Environmentally friendly and sustainable practices

- Attendance at industry-wide meetings
- Long-term support of Family Action, our charity partner
- Sustainability KPIs in Board reporting
- Member of environmental organisations to share best practice

- Donated £0.3m in our ongoing partnership with Family Action
- Our colleagues donated over 1,500 toys and a further £5k for Family Action's Christmas Toy Appeal
- Hosted Family Action's HeadStart programme, helping disadvantaged young people to develop the skills, experiences and confidence needed to secure and stay in employment
- Partnered with Stemettes to help young women and non-binary people to develop tech skills and promote STEM careers



## UN Sustainable Development Goals

Committed  
to the  
UN Sustainable  
Development  
Goals

Our commitment to being a responsible business, our policies and procedures align to the Ten Principles of the UNGC across human rights, labour, environment and anti-corruption.

In 2021, we committed to making the Ten Principles part of our strategy, culture and day-to-day operations by becoming a signatory to the UNGC and we reconfirm our ongoing commitment. We recognise the United Nations Sustainable Development Goals (SDGs) as shared global priorities to be achieved by 2030 and are committed to taking strategic action to support their achievement. Whilst we align to all of the SDGs, we focus on the goals where we can make the most impact.

## WE SUPPORT



## Ten Principles

## Human Rights

- Principle 1 – Businesses should support and respect the protection of internationally proclaimed human rights; and
- Principle 2 – Make sure they are not complicit in human rights abuses.

## SDGs supported by these principles:



## Labour

- Principle 3 – Businesses should uphold freedom of association and the effective recognition of the right to collective bargaining;
- Principle 4 – The elimination of all forms of forced and compulsory labour;
- Principle 5 – The effective abolition of child labour; and
- Principle 6 – The elimination of discrimination in respect of employment and occupation.

## SDGs supported by these principles:



## Environment

- Principle 7 – Businesses should support a precautionary approach to environmental challenges;
- Principle 8 – Undertake initiatives to promote greater environmental responsibility; and
- Principle 9 – Encourage the development and diffusion of environmentally friendly technologies.

## SDGs supported by these principles:



## Anti-corruption

- Principle 10 – Businesses should work against corruption in all its forms, including extortion and bribery.

## SDGs supported by these principles:



## The UN Sustainable Development Goals



We are proud to support the UNGC and I am pleased to confirm that NewDay reaffirms its support of the Ten Principles of the UNGC in the areas of Human Rights, Labour, Environment and Anti-corruption.

We continue to take action to integrate the principles into our business strategy, culture and daily operations. We describe our actions to continually improve the integration of the UNGC and its principles into our business strategy, culture and daily operations. We also commit to sharing this information with our stakeholders by making it available on our website.

**John Hourican**  
Chief Executive Officer



## EcoVadis accreditation

Our progression in our sustainability strategy and activity has been recognised by EcoVadis which accredited us with its Gold Sustainability Rating in 2024, placing us in the top 5% of financial services companies (excluding insurance and pension funding) EcoVadis has rated (2023: top 3%). Our overall score of 75 compares to an average of 50 for the financial services industry.

EcoVadis' business sustainability ratings are based on international sustainability standards including the Global Compact Principles, the International Labour Organization conventions, the Global Reporting Initiative standard, the ISO 26000 standard, and the CERES principles.

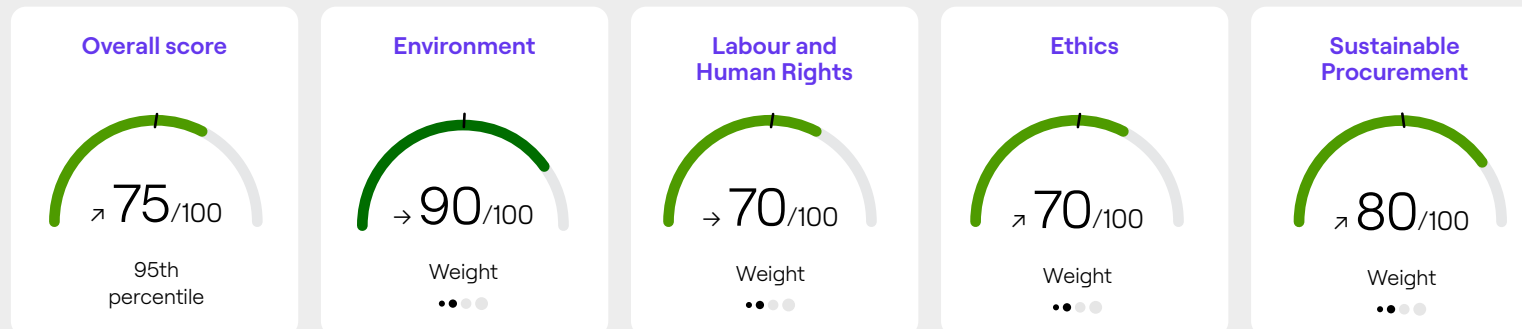
EcoVadis is supervised by a scientific committee of sustainability and supply chain experts, to ensure reliable third party sustainability assessments.

EcoVadis evaluates 21 sustainability criteria across four core themes: Environment, Labour and Human Rights, Ethics and Sustainable Procurement.

The EcoVadis assessment process validates our sustainability commitments, practices and performance and offers a clear roadmap for continuous improvement. We continue to undertake feasibility studies to implement EcoVadis improvement recommendations to continue on our sustainability journey.

### Sustainability performance

● Insufficient ● Partial ● Moderate ● Advanced ● Outstanding — Average score



Since our first EcoVadis assessment in 2020, we have improved from a Bronze rating, ranking in the top 50% to a Gold rating, ranking in the top 5% of financial services companies (excluding insurance and pension funding) they have rated, evidencing the progression in our sustainability strategy and implementation.

Our 2024 overall score is defined as Advanced on EcoVadis' rating scale. This means it has assessed that we have a: "structured and proactive sustainability approach. Engagements, policies and tangible actions on major issues with detailed implementation information. Significant sustainability reporting on actions and Key Performance Indicators."

Our top-performing sustainability assessment themes were Environment and Sustainable Procurement, although we scored above average in all categories.

Sustainable procurement and engaging our supply chain with our sustainability strategy remains a key area of focus as part of our operational roadmap to achieve Net Zero.

EcoVadis also assessed our carbon management practices for which we were rated Intermediate on its carbon scorecard (2023: Intermediate).

We have reviewed EcoVadis' proposed areas for improvement as we strive for Advanced and, where appropriate, will incorporate these into our strategy.

These were largely focused on setting absolute Scope 3 emissions reductions targets, considering third party verification of data disclosed and continuing to enhance supplier engagement in climate action.

### Carbon Management Level

● Insufficient ● Beginner ● Intermediate ● Advanced ● Leader



#### Result

Company with core elements of a GHG management system and intermediate decarbonisation commitment, actions and reporting capabilities.

#### Opportunity

Implement actions in line with your GHG management system's objectives, and enhance your reporting practices.





## Task Force on Climate-related Financial Disclosures (TCFD)

We recognise that the long-term success of our business depends on the resilience of our operations, supply chains, and the communities where our customers and colleagues live and work. This means that it is essential that we minimise our environmental impacts and work with others to take action on the global issue of climate change.

We have embarked upon a process to develop our climate-related strategy and identify the key opportunities and risks posed by climate change. In 2024, we engaged with AXA Climate to help identify portfolio exposure to climate transition risks and opportunities.

We recognise that we still have further work to do to meet our commitments and support customers to meet their individual responsibilities and aspirations. We will continue to enhance our risk management processes in respect of climate and develop climate impact scenario analysis as part of our future priorities.

### TCFD recommendation

### 2024 progress

### Future focus

#### Strategy

Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long-term

- Engaged with AXA Climate to identify climate-related risks and opportunities specific to NewDay to inform our sustainability strategy including our Net Zero commitment

- Completion of scenario analysis exercise, with integration of outputs into the strategic and financial planning process
- Establish detailed climate strategy that responds to the specific challenges posed by climate change and to deliver our Net Zero ambitions
- Continue to develop approach to customer engagement on climate-related risks and opportunities
- Further embed climate considerations into our supply chain and procurement processes

Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning

Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario

#### Governance

Describe the Board's oversight of climate-related risks and opportunities

- Our governance structure provides clear oversight and ownership of the Group's sustainability strategy
- Quarterly Board-level reviews of sustainability-related topics
- Executive Committee sponsorship and Director ownership of individual sustainability targets

- Enhance reporting to the Board Risk Committee on climate-related risks
- Oversee target setting and track progress against our climate-related goals and aspirations

Describe management's role in assessing and managing climate-related risks and opportunities





TCFD continued

TCFD recommendation	2024 progress	Future focus
<p><b>Risk management</b></p> <p>Describe the organisation’s processes for identifying and assessing climate-related risks</p> <hr/> <p>Describe the organisation’s processes for managing climate-related risks</p> <hr/> <p>Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management</p>	<p>→ Engaged with AXA Climate to identify climate-related risks specific to NewDay</p> <p>→ The Risk Committee continued to closely monitor the effectiveness of the risk management framework in order to ensure that the principal and emerging risks identified by the business remained relevant and appropriately managed within the parameters of the Board’s agreed risk appetite</p>	<p>→ Appraise and actively manage the climate-related risks and opportunities and their impacts on the Group’s activities</p> <p>→ Evolve risk appetite in relation to climate risk</p> <p>→ Continue to focus on supporting customers adapting to transition risks</p> <p>→ Continue to develop and enhance climate-related disclosures</p>
<p><b>Metrics and targets</b></p> <p>Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process</p> <hr/> <p>Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks</p> <hr/> <p>Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets</p>	<p>→ With the assistance of AXA Climate, we have performed a re-baselining exercise of our measurement of carbon consumption and emissions using Exiobase for provisioning general emissions factors in addition to using supplier-specific emissions for our most material suppliers</p> <p>→ Continued to make progress towards our near-term decarbonisation target of reducing emissions by 55% by 2033</p>	<p>→ Update decarbonisation plan reflecting the specific risks and opportunities presented by AXA Climate and to ensure this plan aligns to our Net Zero by 2040 ambition</p> <p>→ Continue to improve data availability and accuracy to refine and expand our emissions reporting</p> <p>→ Enhance metrics to monitor our progress against our long-term targets</p>



TCFD continued

In 2024, NewDay engaged with AXA Climate to help identify the climate transition risks and opportunities specific to NewDay. We will continue to assess and evolve these risks and opportunities as we develop our detailed climate strategy to deliver our Net Zero ambitions and climate impact scenario analysis.

Climate-related risks

Risk	Description	Potential financial impact	Time horizon
Transition	The imposition of new climate-related regulations, policies and taxes could add to NewDay's operational and compliance costs. They could also discourage customers from accessing our products and services through their impact on levels of disposable income. Finally, failure to respond to changing consumer preferences could reduce demand for products and services.	Increased expenses or reduced revenues	Short, medium and long-term
Fiscal	Carbon pricing is expected to rise significantly over the following years in Europe under both the Net Zero 2050 and the Delayed Transition scenarios to "step up" efforts to transition to a low-carbon economy. The price of carbon could have an indirect impact on NewDay (e.g. changes in the market could have a negative impact on the disposable income of NewDay's customers and therefore on NewDay's activity, but also on NewDay's cloud-based technology suppliers).	Increased expenses or reduced revenues	Short, medium and long-term
Physical	Adverse climate-related events (for example floods, droughts or storms) could impact NewDay's operations as well as key stakeholders such as customers, colleagues and suppliers.	Increased expenses	Long-term
Reputational	Failure to respond to legislative requirements and the needs of stakeholders could lead to regulatory or financial censure and/or reduced customer loyalty and shareholder divestment.	Reduced revenues	Short, medium and long-term

Climate-related opportunities

Opportunity	Description	Potential financial impact	Time horizon
Resource efficiency	We aim to operate in a way that has minimal impacts on the environment and improves operational performance. By increasing energy efficiency, we can reduce operating costs.	Reduced expenses	Short, medium and long-term
Sustainable funding	In the context of a low-carbon transition, additional funding could become available through sustainable bonds if related financial conditions are relevant for NewDay and sustainability requirements are met.	Reduced expenses	Medium-term
New products and services	There will be increased customer demand for financial products and services that align with their climate-related needs. This could present revenue-generating opportunities.	Increased revenues	Short, medium and long-term
Market opportunity	Competitive advantage (including talent attraction and retention) by effectively communicating our approach and progress on climate-related issues.	Increased profit through increased productivity	Medium-term



## Sustainability metrics

A summary of our performance across key sustainability metrics is presented below:

Measure	2024	2023	2022	2021
<b>Customers</b>				
New customers	0.5m	0.4m	1.3m	0.9m
Improved credit score	1.7m	2.4m	2.1m	2.2m
Customers extended short-term payment support	356k	441k	390k	270k
Customers registered for our financial education tools	1.1m	0.8m	0.6m	0.3m
Associate satisfaction	9.4	9.3	9.2	9.3
Transactional Net Promoter Score	79	72	64	70
Net Easy Score	77	75	67	73
UK Customer Satisfaction Index	89.3	84.3	85.5	85.5
Complaints per 1,000 active accounts	1.5	1.2	1.3	0.7
Complaints referred to FOS	13,550	2,476	1,443	1,488
Upheld by FOS	17%	38%	29%	33%
<b>Communities</b>				
Charity donations	£0.3m	£0.3m	£0.3m	£0.4m
Toys donated to Family Action	1,540	480	2,350	2,300
Volunteering hours	372	250	100	

**Environment**  
Our review of environment performance is presented on page 31.

Measure	2024	2023	2022	2021
<b>Colleagues</b>				
Employee engagement	87%	76%	78%	80%
Inclusion and Diversity Index	87%	79%	82%	83%
Purpose Index	89%	85%	81%	82%
Internal mobility	16%	11%	30%	21%
Servicing turnover	16%	27%	27%	25%
Non-servicing turnover	10%	9%	18%	18%
Gender diversity – Colleagues	44%	45%	47%	48%
Gender diversity – Board	22%	18%	17%	18%
Gender diversity – Executive Committee	20%	13%	13%	13%
Gender diversity – Executive Committee, Directors and Head of function	33%	27%	27%	30%
Pay gap – mean	37%	32%	35%	37%
Pay gap – median	47%	47%	47%	52%
Bonus gap – mean	52%	59%	66%	51%
Bonus gap – median	55%	52%	61%	57%
<b>Governance</b>				
% of colleagues trained annually in anti-bribery and corruption, anti-fraud, anti-money laundering and data protection	100%	100%	100%	100%
Calls to our confidential whistleblowing hotline	0	0	1	2
% of employees raised a grievance	0.4%	0.4%	0.1%	1.0%
Grievances upheld	40%	0%	13%	8%
Data security breaches	0	0	0	0
Anti-bribery and corruption related incidents	0	0	0	0
Suppliers attested to code of compliance	83%	83%	84%	48%
Invoices paid on time	72%	82%	80%	85%



# Glossary

Term	Explanation
BNPL	Buy Now, Pay Later product offering.
Carbon offsetting	The investment in environmental projects that generate a reduction in GHG emissions to compensate for emissions of the business. Whilst we have implemented carbon reduction strategies, for our residual emissions we have purchased Verra-approved carbon offsets from ClearBlue Markets.
D2C	Direct to Consumer – our revolving credit offering.
Engagement survey	Our bi-annual company-wide colleague engagement surveys, administered by Qualtrics, cover a wide range of topics including engagement, inclusion and diversity, purpose and values, wellbeing, reward and recognition, leadership, development, and risk and control. The surveys include a mix of standardised questions which allow us to benchmark our performance against other financial services companies, and questions tailored to our focus areas at NewDay allowing us to gauge progress made. All responses are anonymous.
FCA	Financial Conduct Authority – the financial services conduct regulator, which supervises relevant consumer credit activities in the UK.
FOS	Financial Ombudsman Service – an independent organisation that settles complaints between consumers and businesses that provide financial services.
Greenhouse Gas (GHG)	The GHG Protocol defines GHGs as the six gases listed in the Kyoto Protocol: carbon dioxide (CO <sub>2</sub> ); methane; nitrous oxide; hydrofluorocarbons; perfluorocarbons; and sulphur hexafluoride.
Net Easy Score (NES)	The average customer feedback score when rating how easy it is to navigate through our services, apps or websites.
Net Zero	Net Zero means cutting GHG emissions to as close to zero as possible, with any remaining emissions re-absorbed from the atmosphere, by oceans and forests, for instance.
Payment support	A range of payment support options, including payment holidays, short-term no fee arrangements and repayment plans. These enable us to offer the appropriate level of support to customers whose personal circumstances change and they fall into arrears on their payments.
Renewables	Energy taken from sources that are inexhaustible, e.g. wind, water, solar, geothermal energy and biofuels.
STEM	Science, Technology, Engineering and Maths.
Sustainable Development Goals (SDGs)	The United Nations’ 17 SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including poverty, inequality, climate change, environmental degradation, peace and justice. They are an urgent call for action by all countries in a global partnership.
Transactional Net Promoter Score (NPS)	The average customer feedback score when rating their experience on an interaction with us.
Vulnerable customer	NewDay adopts the well-established definition of a vulnerable customer, articulated by the FCA in 2015 and reiterated in 2021 in its Guidance for Firms on the Fair Treatment of Vulnerable Customers: “A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.” We consider harm to include both financial and non-financial harm, and equally recognise that vulnerable customers are at greater risk of experiencing harm.



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