SKIPTON
BUILDING SOCIETY
Since 1853



Skipton Building Society

Sustainability Report

2020

SKIPTON
BUILDING SOCIETY
Since 1853

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Foreword



Whilst joining a growing number of global organisations, Skipton is the first UK building society, recognised by Support the Goals, a not-for-profit initiative, celebrating organisations which support the United Nations Sustainable Development Goals (SDGs). In our efforts to support the UN's aims of ending poverty, fighting inequality and stopping climate change by 2030, we've been awarded the maximum five-star rating, reflecting our firm belief that we all have a responsibility to build a better society.

Over the past year, we've also donated over £200,000 to our charity partner Mental Health UK. Since then, COVID-19 has touched everyone's lives in different ways, highlighting the increasing importance of having access to mental health support. In addition, partnering with the Business Disability Forum, we're ensuring our customer communications are understandable and accessible for all of our one million customers.

Lisa Davis, Chief People Officer and Sustainability Steering Group Chair

Skipton Building Society was founded on a social purpose. A purpose which works to give people financial well-being, security and greater control of their own destiny. This remains as important today as it was in 1853. Our vision is to build a better society, one that is more sustainable; socially, financially and environmentally.

The COVID-19 pandemic has shone an even brighter light on sustainability. For us, 2020 reaffirmed our belief that we can, should, and will do more. It won't be easy and, like many, we've faced a lot of challenges recently. But if we're truly going to build a better, more sustainable society, we need to be brave, innovate, stretch and challenge ourselves. And hopefully this sustainability report and our commitments within it to the UN Sustainable Development Goals, reassure you that we're going to carry on doing just that.

David Cutter, Group Chief Executive





About us

Skipton Building Society is the UK's fourth largest building society with over one million customers. Our story started in 1853 and we've been helping generations for over 168 years. As a mutual organisation, we don't answer to shareholders. Instead, we're influenced and shaped by our customers.

Looking back at when the Society was founded, our founders wanted to help more people into homes, provide a safe place for their savings and support long-term financial well-being.

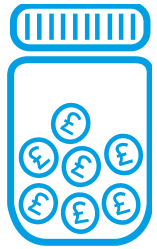
We're a purpose-led organisation and, as times have changed, our purpose has stayed the same.

This, in turn, supports our core vision of building a better society. We regularly hear reference to the new world we're now living in and the need for everyone to be more sustainable. But the reality is that the need and responsibility has always been there.

Our founders helped create a better society for our customers, for the people they employed and the communities where they operated. Their focus was a sustainable future for all. And that's as true and important today as it was in 1853.

2020 in numbers

Charitable donations of **over £480,000**



Over £200,000 to our charity partner **Mental Health UK**

£80,000 to 80 charities supporting housing and homelessness causes through **Community Giving**



Skipton Building Society Charitable Foundation donated **£156,833 to 83 charities** working to support children, young people and the elderly



£35,000 donated through **sponsorships donations** with the Skipton Building Society Camerata and the Craven and Harrogate Citizens' Advice Bureau



Society matched funding donated **£15,881 to 34 charities** close to the hearts of our colleagues



Colleagues & Customers

85% Customer satisfaction



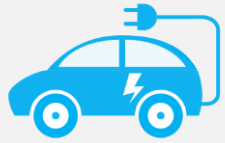
90% Colleague engagement



65% Customer empathy

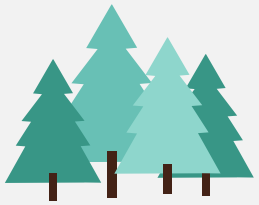
The Environment

4 electric car charging stations installed at our head office



99.5% waste recycled or recovered





Over **15,000** trees planted to offset our carbon

Skipton Building Society

SUPPORT THE GOALS

5 Star award from Support the Goals, a not-for-profit initiative that celebrates organisations that support the United Nations Sustainable Development Goals

We're contributing more to the planet than we take...

… by supporting the United Nations Sustainable Development Goals (SDGs)

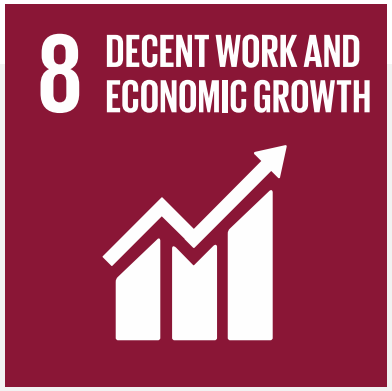
The SDGs give us a real opportunity to join a global movement for positivity. A movement where governments, businesses and individuals contribute to the ambition of achieving prosperity for everybody, whilst protecting our planet for future generations.

For us, this means doing the right thing for our colleagues and customers in the communities we serve, and contributing more to the planet than we take.

We identified four goals where we feel we can have the greatest impact, and that support our strategy and vision to build a more sustainable society.



Taking action where we have the most impact



OUR COMMITMENT:

We'll be one of the best places to work.

Skipton holds the Platinum accreditation, the highest Investors in People (IIP) level.



OUR COMMITMENT:

We'll help more people into homes and support local communities.

Our founding purpose of helping people own their homes contributes to sustainable, inclusive communities.



OUR COMMITMENT:

We'll give more back to the planet than we take.

For the sake of future generations, we'll ensure our contribution to the environment is always more than the impact of our operations.



OUR COMMITMENT:

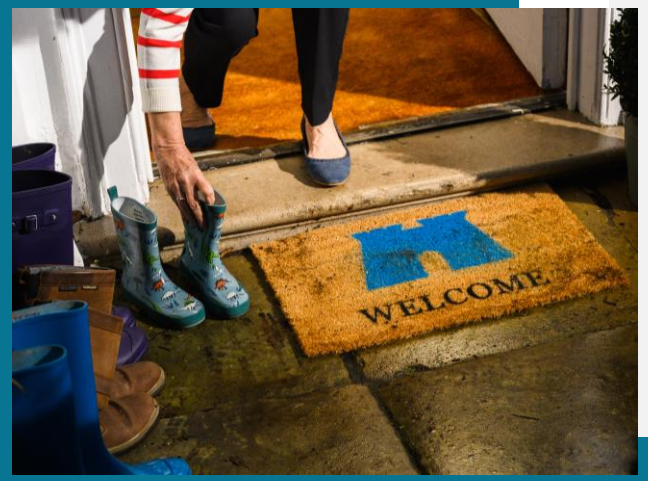
We'll always be owned by and responsible to our members, not shareholders.

We'll maintain our position as a strong institution and put the needs of our customers first.

11

SUSTAINABLE CITIES AND COMMUNITIES

Helping more people into homes and supporting our local communities



Our Targets

Helping **30,000 first-time buyers** into homes by 2022.

Supporting at least **1,000 homeless people** each year.

Increasing the time colleagues spend volunteering in the community **by 100%**.

Our Progress in 2020

In 2020, we provided **5,424 first-time buyers** with a mortgage and **15,206 Lifetime ISAs** were opened. This is in addition to supporting 5,923 first-time buyers and opening over 40,000 Lifetime ISAs in 2019. Just some of the ways we're helping customers find their good place. Our Lifetime ISA customers received a share of over **£80m** in government bonus payments in 2020.

Our Community Giving scheme enabled **80 charities** to collectively continue providing over **4,600 hot meals** each day, over **3,300 beds** each night for the homeless, and continued support for the **2,500 people** they've helped into permanent accommodation in 2020.

We allow all colleagues three volunteering days each year and we continued to volunteer virtually during 2020...

"I've been supporting several older people throughout the pandemic by having regular phone calls with them. It's rewarding to know I've brightened up someone's day."

Kate Oliver – Information Security – volunteering for Age UK

11 SUSTAINABLE CITIES AND COMMUNITIES

How we're bringing this to life



Supporting our Small and Medium Sized Suppliers

The 2020 national lockdowns, together with a host of localised restrictions, meant that many small and medium sized enterprises (SMEs) really struggled. Skipton has many SMEs registered as suppliers. From technology to catering suppliers, cleaning through to photography, our SME suppliers were all impacted by COVID-19.

During the height of the pandemic, we changed how we paid our SME suppliers, meaning they received their payments much quicker.



This means that they now receive full payment from Skipton within **10 days** on average.



Towards the end of 2020, we gave another **£40,000 to 40** new Community Giving nominees.

Community Giving

Community Giving

Skipton's Community Giving scheme gives our mortgage intermediaries we work with the chance to help charities and community groups that support housing and homelessness in their local areas.

As part of Skipton's Community Giving scheme in 2019, 40 community groups and charities across the UK received a share of £40,000. And in 2020, we donated the same again to the 2019 causes, in addition to another £40,000 donation to the 40 new Community Giving nominees.

Mental Health UK - our Corporate Charity Partner

Mental Health UK work across the UK to provide advice, support, training and information for people affected by poor mental health. We entered a three-year partnership with the charity in January 2020, and we're working together with them to raise awareness, learn more about mental health and look at how we can better support our people, our customers and our communities.

The charity had seen an unprecedented increase in requests from the public for help for its services during 2020 and we're proud to support them the best we can.

Mental Health UK

In recognition of the challenging times faced by many parts of society during 2020, Skipton Building Society, its Board and colleagues **donated £200,000** to support the work of Mental Health UK.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

Giving more back to the planet than we take



Our Targets

Sending **zero waste** to landfill by the end of 2022.

Halving our **carbon footprint** by the end of 2022.

Eliminating single use plastics by the end of 2020.

Our Progress in 2020

During 2020 we diverted **99.5% of our waste** from landfill. **83.9%** was recycled and **15.6%** has been recovered.

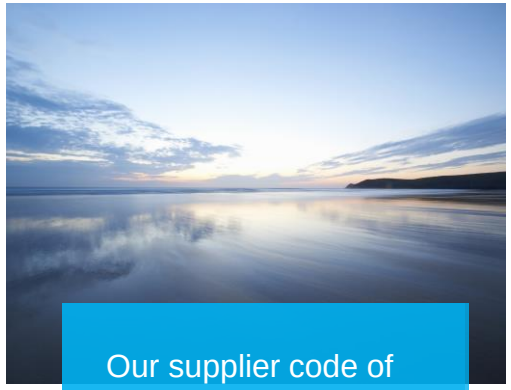
In 2020, **five branches** have either been relocated or fully refurbished with the **installation of LED lighting**, highly **efficient air conditioning** and **low energy heaters** to provide both heating and cooling.

Reduction of single-use plastic continues to be a firm priority for us. Ahead of COVID-19, we'd **reduced single-use plastics by 25%**. However, COVID-19 has encouraged a trend for more single-use items which has temporarily impacted our progress. We now equip our people with reusable PPE, and work continues to find and use alternative materials across the whole business.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION

How we're bringing this to life





Our supplier code of conduct outlines the **sustainability standards** that all our suppliers commit to.

Reducing Waste and Saving Water

From the beginning of the COVID-19 pandemic we advised all customer-facing colleagues to wear PPE where possible. To reduce waste, we issued all branch colleagues with reusable face masks rather than disposable alternatives.

At the head office all urinals are now fitted with auto flush, and we've installed auto taps in all our restrooms, helping us to further reduce our water usage.

Working to go beyond Net Zero

We're committed to reducing our environmental impact and contribution to climate change through increased energy management, awareness and changes to operational procedures. We frequently examine our energy efficiency and as such, refurbish our branches for both operational and environmental reasons.

Our Greenhouse Gas emissions have been independently calculated by Envantage Ltd for the period 1 January to 31 December 2020.

In future we'll be working with the Carbon Trust who'll carry out an independent audit on our greenhouse gas footprint and provide us with information to actively reduce carbon emissions.

Emissions Scope	Source	Tonnes of carbon dioxide equivalent (tCO2e)
Scope 1 - direct emissions from owned or controlled sources	Natural Gas & Company Cars	657.4
Scope 2 - indirect emissions from purchased energy	Electricity	928.5
Scope 3 - other indirect emissions that occur in an entity's value chain	Business travel in grey-fleet cars	24.9
Total Emissions		**1,610.8**



8 DECENT WORK AND ECONOMIC GROWTH

We'll be one of the best places to work



Our Targets

We'll continue to **increase** the number of young people who gain employment following our apprenticeship programmes.

We'll offer at **least 50% of places** on our talent development programmes to women, to foster a healthy pipeline of female talent.

We'll maintain our industry leading **Investors in People Platinum** accreditation.

Our Progress in 2020

New apprenticeship programmes were hampered by COVID-19, but **three new external apprentices** joined the Society in January 2021.

83% of places on our talent development programmes were awarded to women. On our Connecting Our Future programme, **75%** of places were awarded to women. **100%** of participants in the Loughborough University Master's degree programme are women; and on our Aspiring Leaders development programme, **82%** of participants are women.

The Society has achieved Investors in People Platinum status **for four consecutive years**, the highest accreditation available.

8 DECENT WORK AND ECONOMIC GROWTH

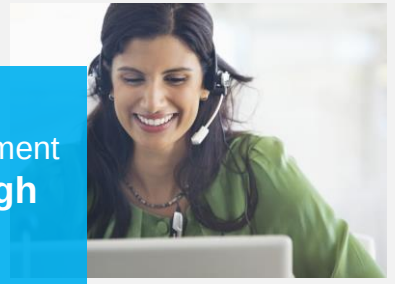
How we're bringing this to life

Early Careers

Skipton's vision for early careers is 'to build a talented, diverse workforce which is fit for the future' and we've a number of programmes that have supported this vision.
2020 saw us launch our first graduate leadership programme. This offers a great opportunity for recent graduates to join Skipton Building Society and get hands-on experience in a variety of roles to enable them to become future senior leaders at the Society.



2020 saw us launch our first **graduate leadership programme**



Colleague engagement remained **very high at 90%**

Colleague Engagement

In September 2020, our independent colleague engagement survey revealed colleague engagement remained very high at 90%, with 94% of our people saying they felt proud to work for the Society.

We've found ourselves living and working in new ways and recognise it's been challenging to balance home life and work at times. We received recognition as the UK's 8th best big company to work for in 2020, as part of The Sunday Times 25 Best Big Companies to Work For. And in addition Skipton has received a 2-star accreditation from Best Companies which represents the second-highest standard of workplace engagement and signifies organisations striving for the best.

Diversity and inclusion

Committed to being an Inclusive Employer

We continue to focus on diversity and inclusion. In 2020, we carried out a thorough assessment of current practice, enabling us to prioritise three key areas:

- improving diversity of colleagues across the Society at all levels and in all functions
- creating an inclusive colleague environment and customer journey
- continuously improving diversity and inclusion practices and outcomes.

We ran a number of dedicated sessions through the year, including a focus on non-inclusive behaviours during Learning at Work Week, an introduction to Race at Work through the summer, culminating in National Inclusion Week.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

We'll always be owned by and be responsible to our members, not shareholders



Our Targets

Becoming a **Disability Smart Accredited** organisation by the end of 2020.

Showing that we care about our customers by delivering a customer **empathy score above 60%**.

Ensuring that our net customer **satisfaction levels** are always **above 85%**.

Our Progress in 2020

The Disability Smart Accreditation will demonstrate the progress we've made on making our products and services more accessible for customers who may have a disability, impairment or long-term condition. The accreditation checks across all areas of our business, looking at policies and procedures covering communications, premises, recruitment and many more. We need to achieve 70% for the accreditation – we started at 17% in 2018 and are **now up to 69%**.

Our customer empathy score for 2020 was **65%**.

Our net customer satisfaction score for 2020 was **85%**.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

How we're bringing this to life



A society where nobody is left out



In 2020, we introduced the SignVideo service, which enables customers who use British Sign Language to get in touch safely and securely through a three way video call link between a Skipton colleague, the customer and a British Sign Language translator.

One of our most recent initiatives has been the introduction of the Communication Access symbol, with underlining training and aims of becoming a widely recognised symbol to help improve communication for all

Delivering for our customers

As an essential service, all Skipton branches operated throughout 2020, albeit sometimes at reduced hours. We saw a 72% increase in digital webchat interactions and a 66% increase in social media interactions as COVID-19 encouraged customers to access our services and support online. To help our customers, we extended our social media customer service hours, and our branches and contact centre opening hours were above the industry standard.

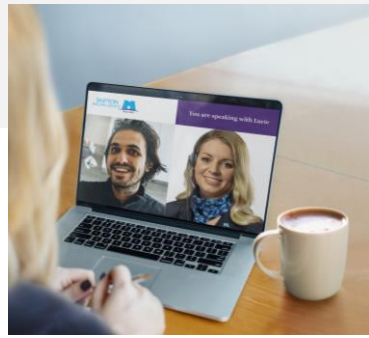
In 2020, **over 20,000 Skipton Link video appointments** took place

Customer satisfaction and customer empathy

In 2020, we increased our focus on customers with vulnerabilities and accessibility difficulties. We introduced a new accessibility sub-panel as part of the customer panel, which has given us valuable insight into the challenges customers may face.

This has informed our ongoing efforts to respond empathetically to customers with specific needs, especially those who may need our support the most.





Other Sustainable Development Goals that we support



2020 has been a difficult year for many, with the pandemic challenging many people's well-being both inside and outside of work. Looking after our colleagues' mental well-being remains high on our agenda. As well as our colleagues having access to dedicated sessions on mental health, we also have 64 mental health first aiders across the Society.



Skipton is a signatory on the Women in Finance Charter and the Race at Work Charter, reporting regularly on our progress. We've maintained a gender-balanced shortlist for recruitment into senior positions, and our data shows a steady increase in the numbers of Black, Asian and Minority Ethnic (BAME) colleagues joining the Society over the past three years.



With the government initiative to end the sale of all new conventional petrol and diesel cars and vans by 2030, we're exploring ways we can support this. We want to help and encourage our colleagues to move away from traditional engines as hybrid and electric vehicles become more popular, economical and affordable. We've installed four electric 21kWh fast vehicle charging stations at our head office. We also have two electric cars in our fleet of pool cars for colleagues to use.



We'll plant over 15,000 trees to offset our carbon emissions for 2020. These trees will cover the equivalent of approximately four football pitches. Planting trees is an effective way to reduce flood risk, offset carbon emissions and improve the natural environment for the benefit of climate, wildlife and people.

What's next?

We firmly believe a better society is one that is more sustainable – socially, financially and environmentally.
At Skipton, by sustainability, we mean meeting the needs of the present without compromising the needs of future generations.

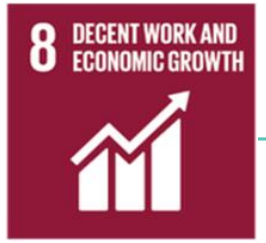
At the end of 2020 we reviewed our sustainability strategy and targets to ensure we're taking action where we've the most impact. In 2021, we'll continue to embrace sustainability in all its forms and stay true to our mutual ethos, we'll be:

- Socially sustainable – recognising the social issues of both today and the future.
- Financially sustainable – operating in a financially sustainable and fair way for our members.
- Environmentally sustainable – understanding we must do no environmental harm that impacts our members and wider society - now and for future generations.



Financial Sustainability

- Support one million savers
- Help more people to invest
- Help 8,000 first time buyers own homes in 2021





Social Sustainability

- Support 40 housing and homeless organisations per year through our community giving scheme
- Become a Disability Smart Accredited organisation
- Encouraging 50% of our colleagues to volunteer up to three days per year
- Donate £500k to Mental Health UK by 2022
- Maintain our Platinum Investors in People Award



Environmental Sustainability

- Take more carbon out of the atmosphere than we put into it by 2025
- Remove 75% of single use plastics by 2025
- Maintain 99% of our waste not going to landfill

Charity comments

We're proud of the work we do and it's great to get good feedback from those that we support



Mental Health UK

We are so grateful to everyone at Skipton for the support you have shown us this year. From the launch in January which was a great kick start to the partnership, to the pledges and donations made by colleagues in Mental Health Awareness Week and World Mental Health Day, and of course the hugely generous donation made by the company and your senior management team. We are so grateful for your support in such a difficult year – it really does mean the world to us and has given us the confidence that we can continue our life saving and life changing work through the most difficult period in many people's lifetimes.

Mental Health UK

Skipton Building Society Charitable Foundation

Caring for a loved one living with the long-term effects of a neurological condition such as multiple sclerosis, Parkinson's or a stroke can be isolating at the best of times, and COVID-19 pandemic has only compounded this, leaving many carers feeling physically and emotionally exhausted. The demand for respite has never been greater, and we are incredibly grateful to the Skipton Building Society Charitable Foundation for funding the purchase of additional things needed for us to reopen for respite and provide the specialist care these families require, ensuring their safety and comfort during their respite break.

leuchie HOUSE NATIONAL RESPITE CENTRE

On behalf of the patients, their families and carers, staff and volunteers at The Prince & Princess of Wales Hospice, I am writing to you in appreciation to thank you for your generous award of £1,500 towards buying a SEM Scanner for the hospice. We are extremely grateful for your support. Your help makes a real difference and allows us to continue to provide free specialist palliative care for people aged sixteen years and over with life-limiting illnesses, and support for their families and carers. Every year we care for over 1,200 patients, families and carers for whom we ensure the highest possible quality of care.

The Prince & Princess of Wales Hospice

Community Giving

We are absolutely delighted and really grateful for your support in this difficult year. It will make a huge difference to us, especially as we have seen a drop in income from areas such as events due to the pandemic. The donation of £1,000 will be spent on emergency B&B accommodation for people who would otherwise struggle to access accommodation, PPE equipment such as hand sanitiser and face masks, as well as resources such as mobile phones over the winter period.

SIMON ON THE STREETS

Thank you for the donation, it makes a real difference to some of Bristol's most marginalised of people. This winter, your donation could gift someone warm shelter, regular hot meals or vital medical and emotional support. You could also be helping our housing advice services and professionals to change someone's life, this Christmas and beyond.

SKIPTON
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Since 1853



Thank you for reading

For more information

Visit www.skipton.co.uk/about-us

Or email us at sustainability@skipton.co.uk