

Building a better Society

Sustainability Policy

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Introduction

The Sustainability Policy refers to our responsibility towards our vision of building a better Society. We recognise that as an organisation, since our formation in 1853, we have not existed in isolation, but have been a part of the communities in which we serve.

This policy recognises that we are part of a bigger system of people, other organisations and nature and it is our responsibility to take action where we have the greatest impact.

Scope

This policy applies to Skipton Building Society. We want to be a responsible business with high ethical and professional standards. Our aim is to meet our responsibilities through a commitment to relevant laws and regulations by ensuring we don't risk the health and safety of our colleagues and community; avoiding harm to those we encounter and supporting diversity and inclusion.

Current focus

We firmly believe a better society is one that is more sustainable. Our targets and ambitions are centred around Environment, Social and Corporate Governance (ESG) factors that help us measure and report on the sustainable and social impact of Skipton Building Society. In embracing sustainability in all its forms and staying true to our mutuality, we will continue to focus on.

- **Environment:** The Society's impact on the world and locality and our commitment to future generation
- **Social:** The Society's contribution to local communities and how returns are shared
- **Governance:** The Society's way of conducting itself and our licence to operate

Policy

To help us develop our targets and ambitions we use the Sustainable Development Goals (SDGs) framework. The SDG's are a globally recognised plan to end poverty, fight inequality and stop climate change by 2030.

In 2021 we became a signatory of the UN Principles of Responsible Banking (PRBs). The PRBs provide the framework for a sustainable banking system. There are six principles: Alignment; Impact & Target Setting; Clients & Customers; Stakeholders; Governance & Culture; Transparency & Accountability. By committing to these principles and undertaking an impact analysis to understand the positive and negative impacts of our products, services, procedures and policies, we will identify where we can have the most impact, further embed sustainability throughout the Society, and continue to deliver best sustainable practice for our customers and wider society.

Community and Charity

Skipton Building Society is committed to supporting community groups and charities. We aim to have a positive impact on customers, colleagues and communities through charitable donations, colleague fundraising and volunteering.

To note a few of our charity and community activities; our corporate charity partner is voted for by colleagues, typically a 3-year corporate charity partnership is to provide a focus for colleague fundraising and volunteering as well as raising awareness. The Skipton Building Society Charitable Foundation operates as an independent charitable trust with trustees both external and at least one internal colleague. Their primary focus is to benefit children, youth schemes and the elderly, for more information please see the Charitable Foundation website.

We support our colleagues by allowing three days volunteering per year, providing a matched funding scheme and encouraging payroll giving.

Environment

Skipton Building Society recognises that its operations have an impact on the environment. We accept the "duty of care" imposed by legislation as the minimum standard to be set and maintained, but our intention is to develop a business that is environmentally sustainable.

We aim to reduce our environmental impact by tracking, offsetting, and reducing our carbon footprint. To ensure we take action where we have the greatest impact this policy sets out key principles that must be followed by the Society:

- We will offset our Scope 1 & 2 emissions annually. We are committed to continually reducing our carbon footprint and will evaluate our business activities to identify negative environmental aspects and significant energy uses.
- Electricity purchased by the Society must be from renewable sources.
- We will work to reduce the amount of waste we generate and will continue to send <1% waste to landfill. Waste will be reused or recycled where possible.
- All new fleet vehicles purchased must be an electric vehicle (EV) or hybrid.
- All branch refurbishment plans must include LED lighting, highly efficient air conditioning, low energy heating and insulation must be installed where possible.
- Sustainable furniture/equipment for head office and in branches must be purchased from responsible suppliers.

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- Business travel should only take place where it is essential. Teams meetings must be considered first. Business travel by train or EV is encouraged.
- Single use plastics should be eliminated from all operations and working practices where possible. When purchasing new equipment for use by the business, colleagues must consider the impact this may have on the environment.
- We will encourage colleagues to comply and support the environmental targets and sustainability strategy. We will provide opportunities for colleagues to participate, learn more and feedback on the targets and strategy.
- UK environmental legislation and regulations will be identified and acted upon.
- Climate related risks are to be identified and analysed by our Climate Change Risk Forum.
- All new suppliers are required to provide details regarding their Modern Slavery statements, audits and outcomes. They must provide details of their environmental targets, their usage of single use plastics, and their carbon emissions, along with steps they are taking to ensure their products and/or services are accessible and inclusive to all. Suppliers who do not comply with existing regulation and minimum requirements will be refused. Suppliers who provide details of positive social and environmental contributions will be preferred.

Governance

We operate a proper and effective governance structure to protect our contribution to our vision and purpose and our reputation. The Head of Corporate Communications & Sustainability is responsible for the successful delivery of the Sustainability Policy, and for the prudent management of the budget. Decision making powers rest with the Sustainability Steering Group.

This policy will be reviewed on an annual basis to reflect changes in legislation, best practice and business requirements.

Measures of Success

We will always strive to set stretching targets and provide opportunities for colleagues to get involved. We will align our sustainability activity with the Society's purpose to ensure we continue to remain relevant to our customers.

Customers and colleagues are at the heart of our business and wherever possible we will seek feedback to support the work we are undertaking.

We will report on our progress to customers, colleagues and other stakeholders at least once a year through the Sustainability Report. We will appoint an independent external organisation to measure and verify our carbon footprint and our efforts to reduce it.