

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. 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 generations;
- **Social:** The Society's contribution to local communities and how returns are shared; and
- **Governance:** The Society's way of conducting itself and our licence to operate.

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To help us develop our targets and ambitions we use the Sustainable Development Goals (SDGs) framework. The SDGs 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. We publish our UN PRB report annually.

Environment Policy

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, reducing and, as a last resort, offsetting 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 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 will be installed where possible.
- Sustainable furniture/equipment for head office and in branches must be purchased from responsible suppliers.
- Business travel should only take place where it is essential. MS Teams meetings must be considered first. Business travel by train or Electric or Hybrid Vehicle 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 sustainability targets and strategy.
- UK environmental legislation and regulations will be identified and acted upon.
- Climate related risks are to be identified, assessed and disclosed in our annual climate-related risk disclosures.
- We aim for all new suppliers subject to our tender process to provide details regarding their Modern Slavery statements, audits and outcomes. We ask them to provide details of their environmental targets, their usage of single use plastics, and their carbon emissions, along with

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steps they are taking to ensure their products and/or services are accessible and inclusive to all. Suppliers who provide details of positive social and environmental contributions will be preferred.

Charitable Giving Policy

The Charitable Giving Policy refers to our responsibility and commitment to donating money to charities and community groups. In 2022 Skipton's Board agreed to donate 1% of group profit before tax (PBT) per annum to charitable causes. The donation will have alignment to Skipton's purpose and strategic priorities, including:

- Helping more people have a home;
- Financial education and advice for all; and
- Promoting greener living.

The funds will be distributed through:

Strategic Charity Partnerships

Voted for by members at the AGM, typically a 3-year partnership with charities that share our ambition and commitment to sustainable social change and driving action towards one of the three priorities above.

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 Skipton Charitable Foundation website.

Colleague and Member Giving

This includes member schemes such as, Community Giving which gives members the opportunity to vote for local causes in branch. To donate 50p per member who votes at Skipton's AGM, up to a maximum of £50,000. Branch community budget is available to the branch network to allow them to support local grassroots causes.

Colleague schemes include **matched funding** where we match the amount colleagues have fundraised up to £1,000. And our **star award winners** (internal recognition scheme) _will have the opportunity to donate to a charity of their choice aligned to the purpose priorities as part of the reward.

Skipton Building Society does not offer sponsorship.

Volunteering

All colleagues can take up to three days per year to participate in volunteering activities for charities or community groups.

Governance

We operate a proper and effective governance structure to protect our contribution to our vision and purpose and our reputation. The Group Secretary and General Counsel is responsible for the successful delivery of the Sustainability Policy, and for the prudent management of the budget.

Policy

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 Responsible Business Report. We will appoint an independent external organisation to measure and verify our carbon footprint and our efforts to reduce it.