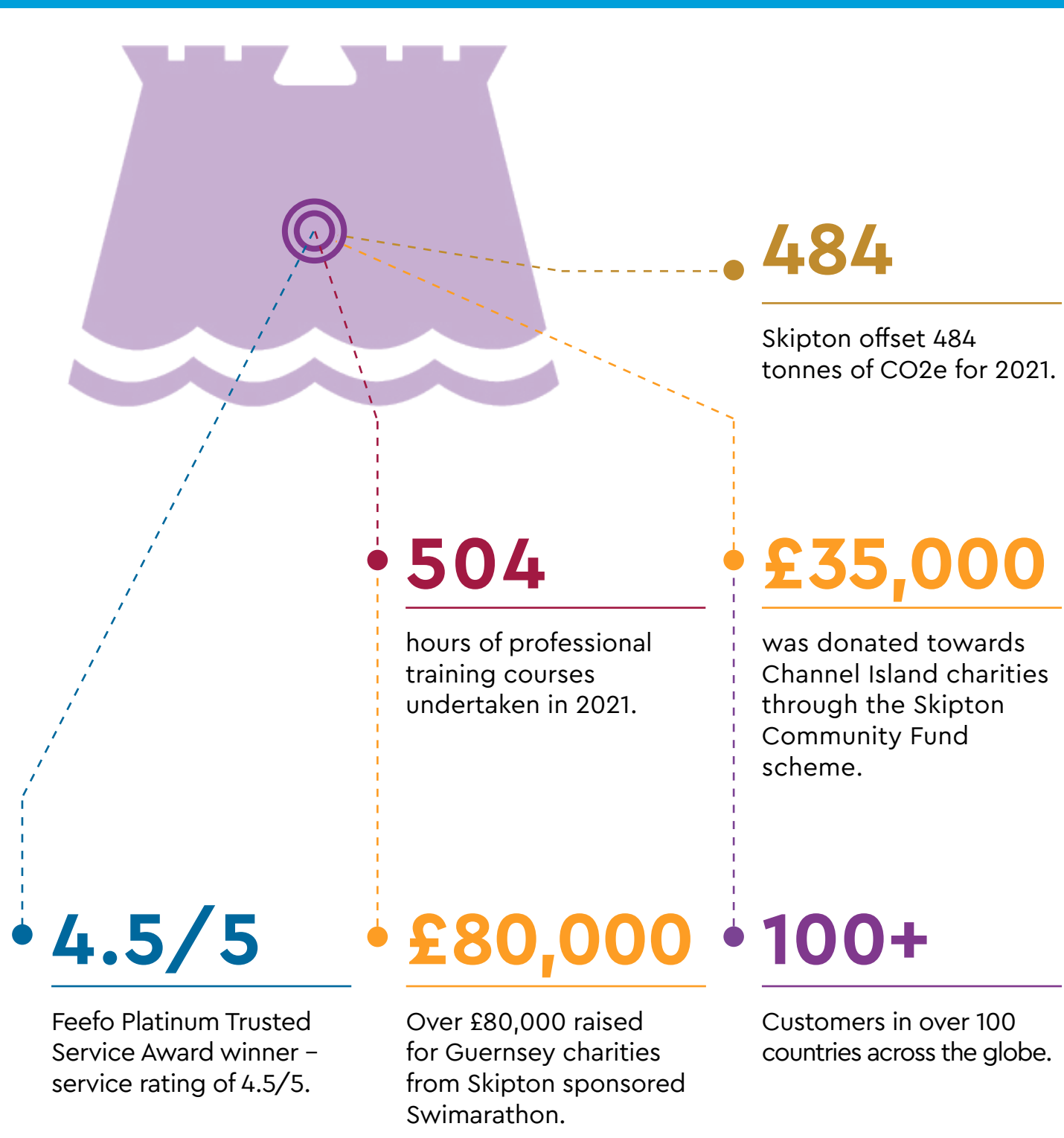


Skipton International Sustainability Report 2021





Jim Coupe
Managing Director,
Skipton International



Skipton's ethos of doing the right things for our customers, colleagues and communities is at the core of our values.

Skipton International (Skipton) has an ethos of being a good corporate citizen. We firmly believe in doing good in the communities we are lucky enough to operate in.

Skipton's ethos of doing the right things for our customers, colleagues and communities is at the core of our values. This is the third Sustainability Report we have published, providing a review of the activities we have undertaken to date, plus our plans, commitments and targets for the future.

2021 was again an unusual year, the impact of the pandemic and its resulting lockdowns affecting progress against some targets. Regular home-working continued to focus the Skipton team on streamlining internal processes. Skipton remains committed to delivering on all commitments.

Each individual at Skipton continues to be enthusiastic about the island communities in which we are fortunate to live. We are passionate supporters of our Corporate Social Responsibility and Sustainable Development activities. As a team we are keen to protect and improve our world.

2021 was an important year at Skipton as we became a signatory to the United Nations Environment Programme – Finance Initiative (UNEP-FI). Skipton is the first Channel Island bank to join this global partnership between the UNEP and the global finance sector, mobilising private sector finance for sustainable development. Skipton will be completing its impact assessment and setting targets in the coming months, in line with the Principles for Responsible Banking.

In this report Skipton publishes progress towards its prior Sustainable Development Goals targets where, for 2021, Skipton's Carbon emissions have been externally validated. Scope 3 emissions have been expanded this year to include the impact of Skipton's colleagues commuting and working from home.

Skipton has also added further significant targets with regards to its carbon footprint. Not only will Skipton continue to offset 125% of its annual scope 1, scope 2 and limited scope 3* emissions but it has targets to become Carbon Negative for its historic scope 1 and 2 emissions (since the company was formed in 2009) by 2026.

*Scope 3 emissions include business travel, home working and employee commuting.

Skipston International has become the first Channel Island organisation in the banking sector to commit to the United Nations Environment Programme Finance Initiative (UNEP FI), further strengthening its efforts towards a sustainable future.

To enhance its current sustainability strategy, Skipston now aligns itself to the UNEP FI's 'Principles for Responsible Banking', which creates best working practice on topics from climate and nature to gender equality and financial inclusion.

Skipston's commitment to the Principles for Responsible Banking is an important step towards aligning the banking sector with the UN Paris Agreement on Climate Change and Sustainable Development Goals. Over 270 banks have joined this movement for change, which asks signatories to analyse their impact on people and the planet, set and implement targets and publicly report on their progress. The initiative aligns itself to the UN's Sustainable Development Goals and the Paris Climate Agreement.



Skipston International commit to the ambitions set out in the following Principles:

1

Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

2

Impact and target setting

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

3

Clients and customers

We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

4

Stakeholders

We will pro actively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

5

Governance and culture

We will implement our commitment to these Principles through effective governance and a culture of responsible banking.

6

Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

In September 2015, the leaders of all 193 member states of the United Nations introduced 17 Global Goals for Sustainable Development that aim to transform our world by 2030. Governments, the private sector, civil society and individuals are mobilising their efforts on an international scale to support the goals, which include ending all forms of poverty, fighting inequality and tackling climate change. As well as looking back on some of our highlights for 2021, this report explains how Skipton will continue to contribute to this important agenda.



Support the Goals

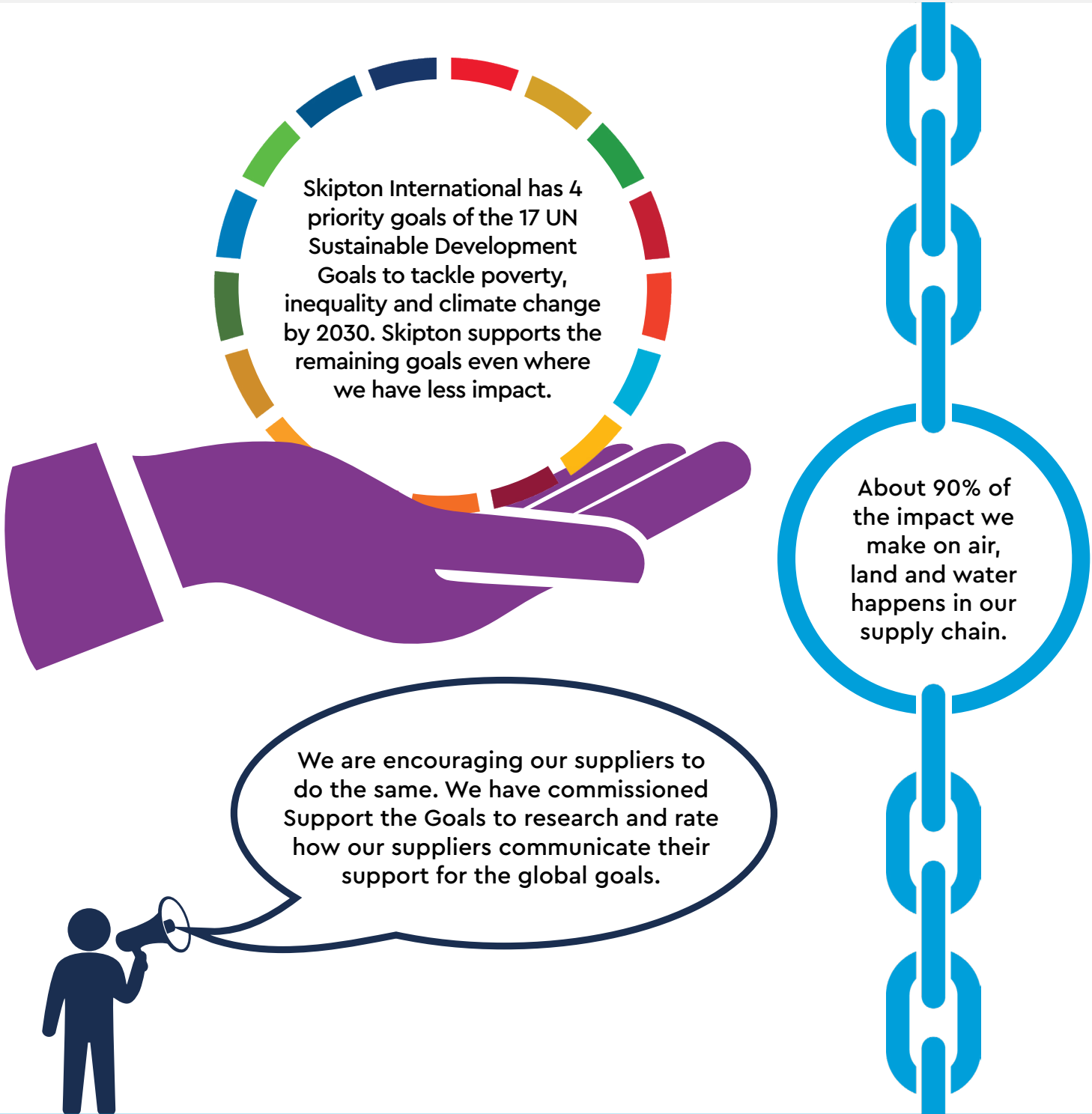
Support the Goals is an initiative to share the stories and journeys of businesses supporting the UN Sustainable Development Goals.

It aims to raise awareness of the goals in the business community, and to encourage support through positive publicity and gentle competition.

Skipton International's Support the Goals ratings is 5 stars



SUPPLIERS



Our Vision is to build a better society.
We're taking action where we have the greatest impact.

OUR PREVIOUS GOALS

8 DECENT WORK AND ECONOMIC GROWTH



OUR COMMITMENT

We will be one of the best places to work.

OUR TARGETS

Score 9.0/10 in our annual Employee Engagement Survey by 2022 for "I am satisfied with Skipton as an employer".

66% of team members to hold at least Certificate level qualifications by 2022.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



OUR COMMITMENT

We will give more to the planet than we take.

OUR TARGETS

Offsetting 125% of our annual scope 1 and scope 2 emissions from 2020 – to become annually scope 1 and scope 2 carbon negative.

Reducing paper consumption by 33% per customer by 2022.

11 SUSTAINABLE CITIES AND COMMUNITIES



OUR COMMITMENT

We will help more people into homes and support our local communities.

OUR TARGETS

Helping 200 first-time buyers into homes annually.

Increasing the time our people spend volunteering in the community by 300% by 2022.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



OUR COMMITMENT

We will always consider the interests of all stakeholders.

OUR TARGETS

Showing that we care about our customers by maintaining Feefo Platinum Trusted Service Provider status.

Commit to the Guernsey Employer's Disability Charter in 2020.

DECENT WORK AND ECONOMIC GROWTH

We will be one of the best places to work.

Skipton Benefits

Skipton offers a broad benefits package which includes private medical insurance, pension scheme contributions and a generous annual leave allowance. In addition, Skipton provides flu vaccinations and eye tests.

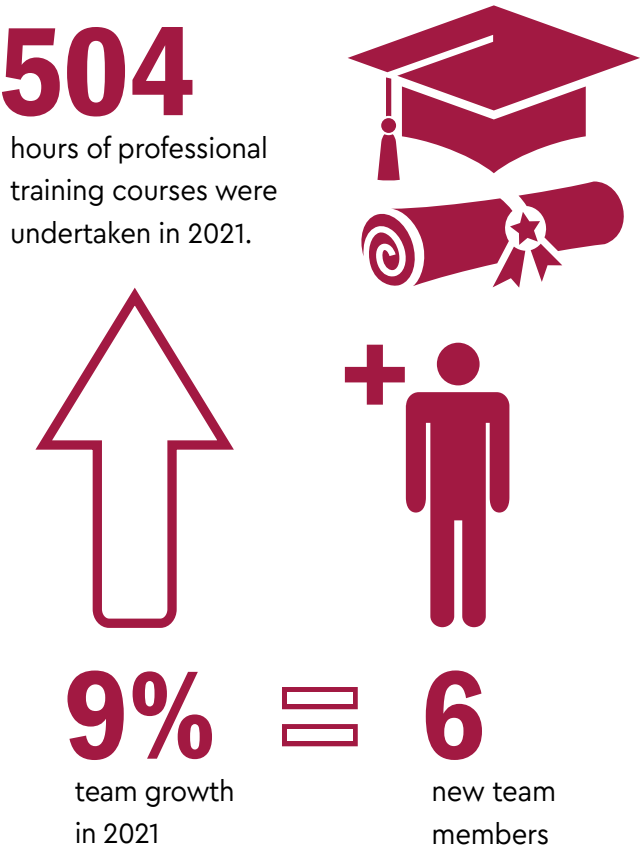
"The bursary has given me valuable experience in a number of roles within the financial sector, in which I will benefit for years to come."

Abigail Galpin, Skipton's Bursary Student

Employee Engagement Survey

To ensure that Skipton continues to have an effective and rewarding working environment, it annually engages with its employees through the engagement survey.

Skipton's engagement remains high, with employee satisfaction scoring 8.5/10 for the second consecutive year.



Bursary Student

Abigail Galpin is Skipton's current bursary student. She is studying for an Economics degree at the University of Bath. Abigail receives financial support, as well as ongoing practical work experience and mentorship. Abigail is the second bursary student that Skipton has supported, as the bank looks to shape the leaders of tomorrow.



Team Development

The Skipton Talent Management Programme continues, with numerous staff members undertaking training and exams. In total, 72 professional training courses were undertaken by the bank's staff in 2021 – a massive 504 hours. Four staff received well-deserved promotions throughout the year.



Progress overview

Skipton is continuing to recognise and reward all staff who have individual career aspirations, through its Talent Management Programme.

In the Employee Engagement Survey Skipton scored an average of 8.5/10 for employee satisfaction over the past two years.

Training is undertaken regularly and is encouraged by Skipton as an employer – at the end of 2021, 67% of staff held at least a certificate level qualification.

97% of our team completed our employee engagement survey



We will help more people into homes and support our local communities.

Skipton Community Fund

In 2018, Skipton International launched the Skipton Community Fund as a direct response to news of cuts to funding of many community groups. It was hoped that the Fund would be able to help those Channel Island not-for-profit organisations that do not have such a high profile, or are often overlooked for funding and public donations – proving a small amount can go a long way.



Over **£100,000** has been donated since the Community Fund was launched in 2018

Jersey Heart Support

The Skipton Community Fund was pleased to have supported the Jersey Heart Support Group in their effort to install more public defibrillators around the island.

Thanks to the Fund, there is now access to a defibrillator at Bouley Bay and at Jersey Zoo, which could help to save more lives in the future.



Rock to Rocques

The Only Way is UP! took place on Sunday 3 October with the option of two routes. The full course is 55 miles and takes in 25 hills with approximately 6,000ft of climbing and the alternative route of 44 miles will take in 14 of the hills and climb approximately 4,500ft.

The cycle ride is in aid of Only Fools and Donkeys which raises money for local charities working with children, young people and adults with learning difficulties and physical disabilities.



Accidental Zoo

The Skipton Community Fund was pleased to assist The Accidental Zoo with their launch of 'Thrive Outside' for primary schools across the Bailiwick of Guernsey.

Taking place in July 2021, over 1000 Bailiwick children were given the opportunity for close interaction with a variety of animals to aid their education

£40,000 has been added to the Community Fund for 2022

Purple Monday

In January 2021, Skipton brightened up the island on one of the most depressing days of the year – commonly known as 'Blue Monday'. The #PurpleMonday campaign partnered with a local charity, Guernsey Mind, to dispel the stigma of mental health issues and created a sense of togetherness.

29 successful projects supported in 2021



Wetwheels Jersey

The Skipton Community Fund stepped forward to help replace its old life rafts, covering the costs for one six-man and one eight-man life raft along with accompanying grab bags which contain first aid and safety equipment.



We will help more people into homes and support our local communities.

Skipton Swimarathon

Skipton has been heavily involved with the Guernsey Swimarathon for ten years. Through this community event, involving over 2,500 volunteer swimmers with ages ranging from 3 to 93, the bank has been privileged to see the deep impact the kind donations of the Guernsey public can make to local charities.

This year's event broke all records and raised over £80,000 for the main beneficiaries of whom was Priaulx Premature Baby Foundation and Citizens Advice Guernsey.



Over
£80,000
raised in 2021's event



Boxing Day Dip

Skipton International announced a brand-new partnership with the Guernsey Cheshire Home to sponsor the popular annual Boxing Day Dip.

Swimmers turned out in their hundreds on Cobo beach, many in fancy dress, to brave the Atlantic ocean on a chilly Winter's day.

All funds raised went towards the upkeep of the Guernsey Cheshire Home, where annual costs are approximately £1,100,000. With no States' funding, the home is entirely reliant on fund raising and donations.



Skipton Big Ideas

Skipton has a strong involvement with the Jersey community through the sponsorship of the Skipton Big Ideas exhibition. The immersive exhibition featured over 20 art installations by over 40 local and international artists at St Helier Town Church. The exhibition welcomed over 7,600 visitors from the Jersey community, and addressed key messaging such as sustainability, inclusivity and diversity.



Progress overview

243 first time buyers successfully purchased their first home in 2021 supported by . This includes partial ownership mortgages completed on shared ownership properties. Since inception, £24 million has been lent through the Guernsey Housing Association scheme. In Jersey, £88 million mortgages have been completed through Andium HomeBuy since Skipton first supported the initiative in 2016.

Skipton continues to support charities across the Channel Islands through its Community Fund initiative. 29 good causes benefited from the Community Fund in 2021, with overall donations of £35,000.

Skipton introduced a charity volunteering programme in 2020. This gives employees the opportunity to take one day a year to volunteer for a charity of their choice. 2021 saw a 170% increase in the number of voluntary days in which several charities benefited.

2021 Carbon Offsetting

Being based on an island air travel comprises a significant proportion of Skipton's carbon footprint. The pandemic resulted in fewer flights and associated travel in 2020 and 2021. We expect some of this reduction to become permanent following the increase in use of video meetings with our business partners and customers.

Also, Guernsey Electricity, our electricity supplier, now imports more energy from French low carbon sources reducing their carbon consumption per kilowatt hour by 20%. Skipton has decided to offset 484 tonnes of CO2e for 2021 (based on the 2019 scope 1 and scope 2 emissions usage + our new emissions targets). This represents nearly nine times* more than we consumed in 2021.

Scope 1

Scope 1 emissions are direct emissions from company-owned and controlled resources. In other words, emissions that are released into the atmosphere as a direct result of a set of activities.



Skipton offset nearly 9 times* of what it took from the planet in 2021

Scope 2

Scope 2 emissions are indirect emissions from the generation of purchased energy, from a utility provider. In other words, all GHG emissions released in the atmosphere, from the consumption of purchased electricity, steam, heat and cooling.

Scope 3

Scope 3 emissions are all indirect emissions – not included in scope 2 – that occur in the value chain. In other words, emissions that are linked to the company's operations.

*Scope 3 emissions include business travel, home working and employee commuting.

Skipton offset 484 tonnes of Carbon Dioxide in 2021 through supporting the following Verified Carbon Standard projects:



Negros Island Solar Power in Philippines



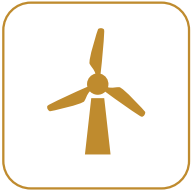
Wind Based Power Generation By Panama Wind Energy in India



Pacajai REDD+ in Brazil



Dachunhe Sanji 6MW Hydropower in People's Republic of China



Guohua Tongliao Kezuo Zhongqi Wind in People's Republic of China



Solar Project by ACME in India



Planting 242 Trees in the Great Rift Valley, Kenya



2021 Emissions

GHG Emissions Scope	Source	GHG Emissions (tCo2e)
Scope 1	Company Vehicle	0.2
Scope 2+3*	Electricity	16.2
Scope 3	Travel	2.0
Scope 3	Working From Home	18.1
Scope 3	Employee Commuting	17.6
Total Scope 1 Emissions (tCO2e)		0.2
Total Scope 2 + 3 Emissions (tCO2e)		53.9
Total GHG Emissions (tCo2e)		54.1

*Lifecycle Intensity – this is the carbon intensity of delivered electricity, taking into account the full lifecycle emissions of each electricity source, which includes emissions associated with: materials used for plant constructions; embodied carbon for each type of generation technology (including GEL owned and for imported electricity); on-site operations; the supply chain of fuels; and transmission and distribution losses.



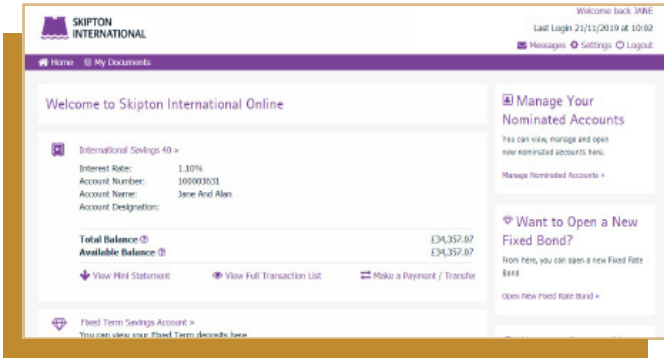
Carbon
Neutral
Organisation



CO₂e
Reduced
Organisation

Skipton International Online

At the end of 2021, 38% of savings balances can be accessed online. By signing up to this portal, customers agree to paperless statements and confirmations, meaning a reduction in print and postage.



e-mortgages

Skipton's e-mortgage portal allows many mortgage brokers referring business to Skipton to submit a full mortgage application online without the need to supply the paper equivalent.



Progress overview

Skipton offset 895% of its 2021 scope 1, scope 2 and limited scope 3* emissions, exceeding the target of 125%. This was achieved by supporting several Verified Carbon Standard projects, offsetting 484 tonnes of carbon dioxide. Skipton offset nearly 9 times of what it took in 2021.

Skipton has changed its communication methods with customers and suppliers, allowing the bank to significantly reduce paper waste. Paper usage per customer has reduced by 45% since 2019.

Skipton will continue to encourage its customers and staff to digitalise their communications to further reduce their paper usage.

*Scope 3 emissions include business travel, home working and employee commuting.

Feefo Platinum Trusted Service Provider Award

In 2021, Skipton was awarded the Feefo Platinum Trusted Service award – an independent review platform that recognises businesses that deliver exceptional experiences, as rated by its customers.

The award is based on real customers' reviews and determined by the average rating provided, with winners of a gold award needing a minimum of 4.5 out of 5 across a whole year. To qualify for the Feefo Platinum Service Award, Skipton must have been awarded a Gold Trusted Service Award for the past three consecutive years.



88% of Skipton's customers' in 2021 who gave feedback rated the service as 'good' or 'excellent', giving Skipton an average rating of 4.5 / 5.

Vulnerable customers training

Hearing and visual impairment can affect us all and ensuring the team undertakes specific training raises our awareness of the difficulties faced by those with these vulnerabilities.

Wearing dark glasses and earplugs are not usual office attire, however, as part of these training session, team members don these accessories to help understand how older and vulnerable customers experience every day activities such as checking a mobile phone, navigating a building, or moving around furniture.



Guernsey Employer's Disability Charter

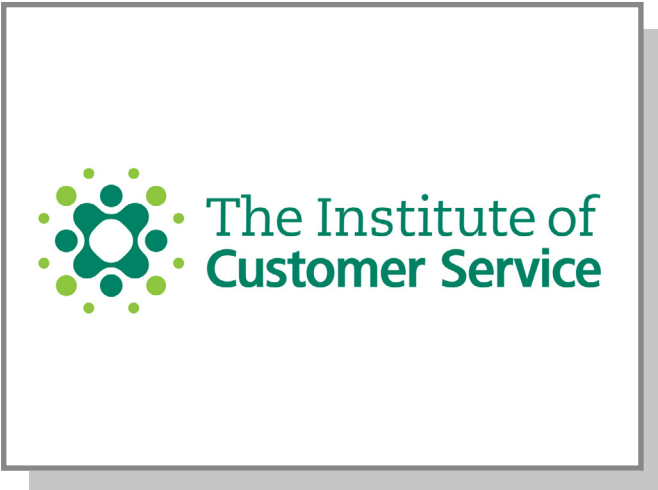
The bank committed to the initiative in early 2020. The ethos is for businesses in Guernsey to be fully inclusive to disabled individuals through guaranteed job interviews for disabled applicants, mock interviews and taking a proactive approach to making reasonable adjustments. During 2021, Skipton worked alongside the Guernsey Employment Trust, providing valuable work experience.

"Not only do Skipton International offer highly competitive interest rates, they also provide probably the best service I have ever received from any financial institution." - Customer feedback from Feefo

Institute of Customer Service Awards

Skipton International was a finalist in the Institute of Customer Service UK Customer Satisfaction Awards – in 'Best Customer Experience' category.

The Institute of Customer Service is an independent professional membership body for customer service, which works through all sectors to drive business performance through service excellence.



Progress overview

The bank has retained its Feefo Platinum Trusted Service Provider status and proudly highlights the Feefo 'live' comments on its website, giving additional reassurance and transparency to all.

Skipton committed to the Guernsey Employer's Disability Charter in 2020, providing work experience placements and training to team members.

OUR NEW PRIORITY GOALS

8 DECENT WORK AND ECONOMIC GROWTH



OUR COMMITMENT

We will be one of the best places to work.

OUR TARGETS

Score 9.0 on our annual Employment Engagement Survey by 2025 for "I am satisfied with Skipton as an employer".

Annually retain at least 90% of colleagues.

70% of team members to hold at least Certificate level qualifications by 2025.

12 RESPONSIBLE CONSUMPTION AND PRODUCTION



OUR COMMITMENT

We will give more to the planet than we take.

OUR TARGETS

Maintain the offsetting of 125% of our annual scope 1, scope 2 and limited scope 3* emissions.

To become Carbon Neutral for our historic Scope 1 and 2 emissions (since the company was formed in 2009) by 2024

To become Carbon Negative for our historic Scope 1 and 2 emissions (since the company was formed in 2009) by 2026.

Reduce paper consumption by 20% per customer by 2025.

11 SUSTAINABLE CITIES AND COMMUNITIES



OUR COMMITMENT

We will help more people into homes and support our local communities.

OUR TARGETS

Help 200 first-time buyers into homes annually.

Increase the time our people spend volunteering in the community by 100% by 2025.

Annually support at least 25 Channel Island bases charities / good causes through the Skipton Community Fund.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



OUR COMMITMENT

We will always consider the interests of all stakeholders.

OUR TARGETS

Showing that we care about our customers by maintaining Feefo Platinum Trusted Service Provider status.

Commit to a Graduate / School Leaver Programme by the end of 2023.



**SKIPTON
INTERNATIONAL**

