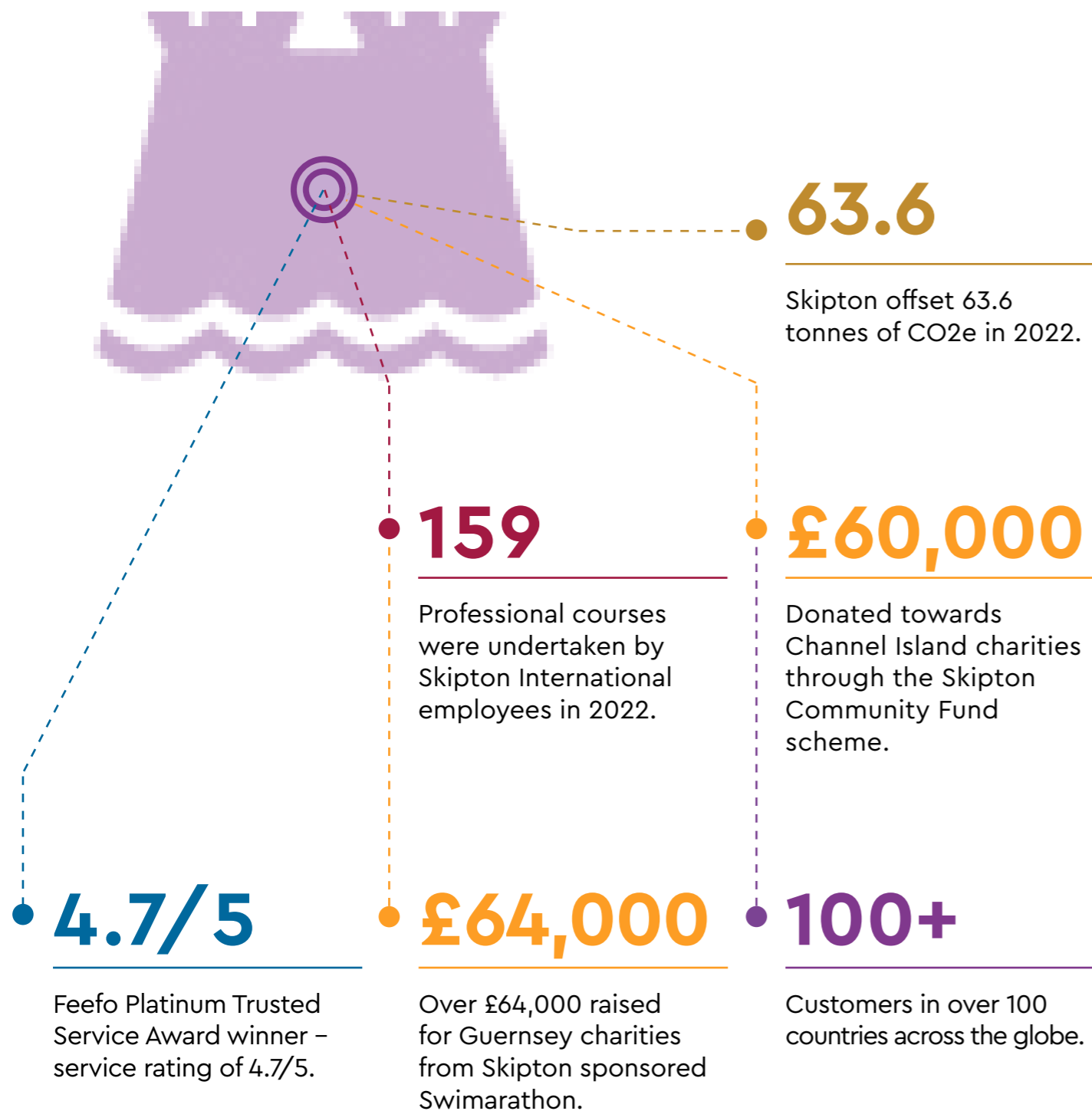


Skipton International Sustainability Report 2022



SUPPORT THE GOALS
JOIN THE MOVEMENT





4-5
Jim Coupe,
Managing Director

6-7
UN Finance Initiative

8-9
What is the Sustainable Development Goals?

10-11
Our previous Sustainable Development Goals

12-13
Decent Work and Economic Growth

14-17
Sustainable Cities and communities

18-21
Responsible Consumption and Production

22-23
Peace, Justice and Strong Institutions

24-25
Our Sustainable Development Goals

Skipton International
☆☆☆☆
Support the Goals Rating

Jim Coupe
Managing Director,
Skipton International



Each individual working at Skipton is committed to our island communities, dedicated to improving the lives of others and working together as one team to improve the world in which we live.



Skipton International (Skipton) has at its core an ethos of doing the right thing within the communities in which we operate. Our customers, colleagues and community are paramount, and being good corporate citizens is at the heart of everyone within the organisation.

This is the fourth year we have published an annual Sustainability Report, showcasing our achievements and future plans, targets and commitments for the future.

Despite growing numbers, each individual working at Skipton is committed to our island communities, dedicated to improving the lives of others through Skipton's corporate social responsibility and sustainable development activities, working together as one team to improve the world in which we live.

In this report, Skipton publishes progress made with its prior sustainable development targets, including offsetting 63.6 tonnes of Carbon Dioxide in 2022 through supporting numerous Verified Carbon Standard projects. New for 2022 was the introduction of Skipton's very first Talent Development Scheme which provides school leavers with an insight into the world of finance work.

The Skipton Development Programme continues, with numerous colleagues undertaking training and exams. In 2022 alone, Skipton staff undertook 159 professional training courses, and four colleagues received well-deserved promotions throughout the year to reflect commitment and dedication.

Skipton International became 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.

Skipton 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.

Skipton'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 316 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.



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



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 2022, this report explains how Skipton will continue to contribute to this important agenda.



Support the Goals

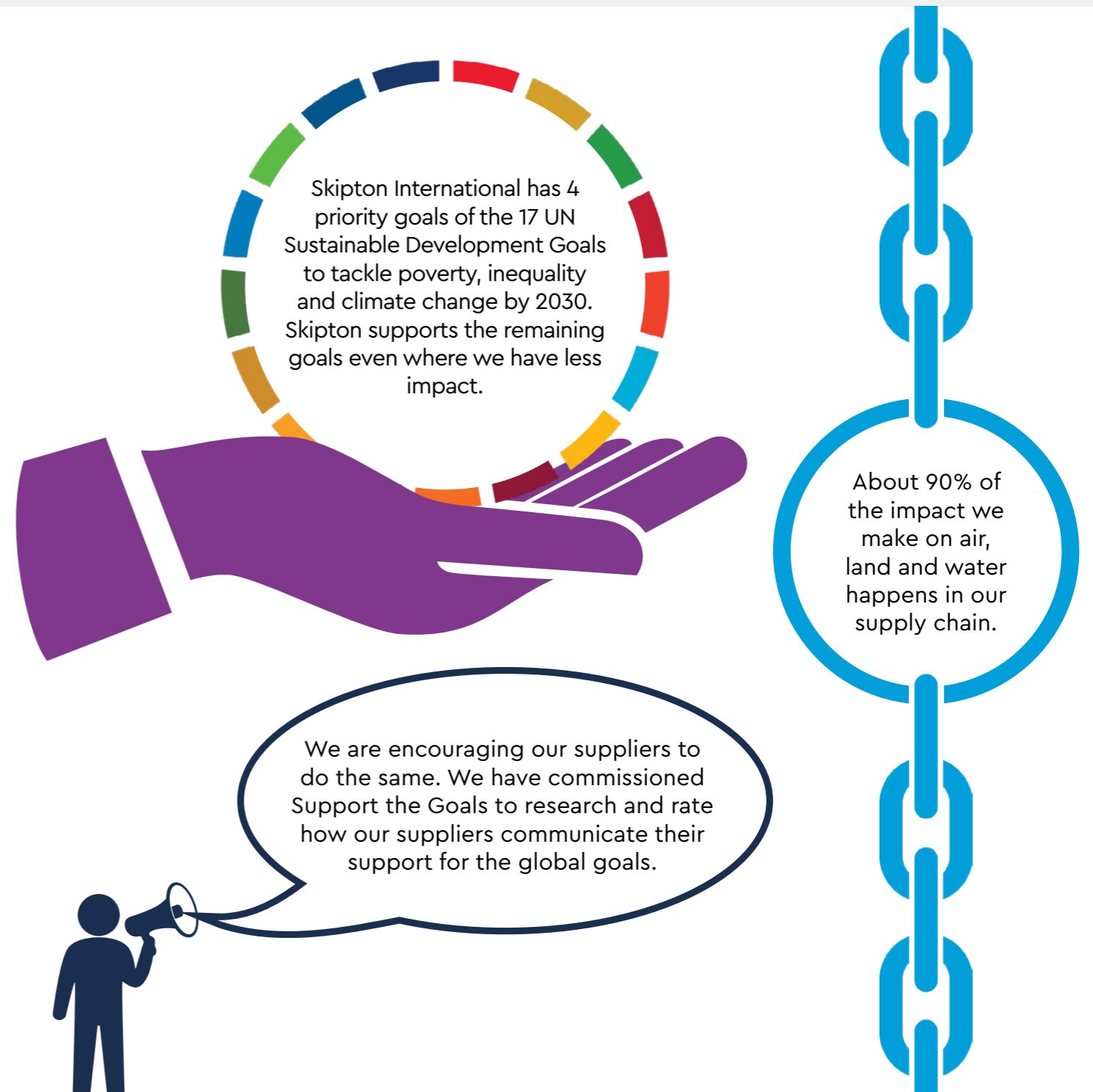
Support the Goals is an initiative to share the stories and journeys of businesses supporting the UN Sustainable Development Goals.

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



Skipton International has 4 priority goals of the 17 UN Sustainable Development Goals to tackle poverty, inequality and climate change by 2030. Skipton supports the remaining goals even where we have less impact.

We are encouraging our suppliers to do the same. We have commissioned Support the Goals to research and rate how our suppliers communicate their support for the global goals.

About 90% of the impact we make on air, land and water happens in our supply chain.

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 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 Carbon Footprint.

To become Carbon Neutral by 2024. Offsetting our total Carbon Footprint since the company was formed in 2009.

To become Carbon Negative by 2026. Offsetting 125% of our total Carbon Footprint since the company was formed in 2009.

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 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.

"Skipton as a firm is willing to invest in you as an employee to better your skill set by supporting with training costs and development."

Adam Stone-Gomes, Compliance Officer and Nominated Officer

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 8.6/10 for the third consecutive year. A positive increase against previous years



159

professional courses were undertaken by Skipton International employees in 2022.



8%

team growth in 2022



10

new team members

Talent Development Scheme

In 2022, we introduced our very first Talent Development Scheme which provides school leavers with an insight into the finance world of work. Chloe Brehaut, one of our trainees, joined us in September for her 1 year placement at Skipton. Joining 4 separate teams across the bank throughout her stay. Learning new skills and life experience along the way.



Team Development

The Skipton Talent Management Programme continues, with numerous staff members undertaking training and exams. In 2022 alone, Skipton staff undertook 159 professional training courses. Four members of staff received well-deserved promotions throughout the year to reflect commitment and dedication



Progress overview

Skipton is continuing to recognise and reward all staff who have individual career aspirations, through its Talent Management Programme. At the end of 2022, 66% of staff held at least a certificate level qualification with 17 colleagues studying CeMAP during 2023.

In the Employee Engagement Survey Skipton scored an average of 8.6/10 for employee satisfaction, which has increased over the past two years.

Staff turnover (following probation) was 6.6% at the end of 2022.

86% of our team completed our employee engagement survey



SUSTAINABLE CITIES AND COMMUNITIES

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.



Almost **£200,000** has been donated since the Community Fund was launched in 2018

Jersey Cheshire Home

The Jersey Cheshire Home is vital in caring for islanders with physical disabilities. This year, Skipton aided them with a grant through their Community Fund to allow the charity to purchase a Dinamap Monitor.

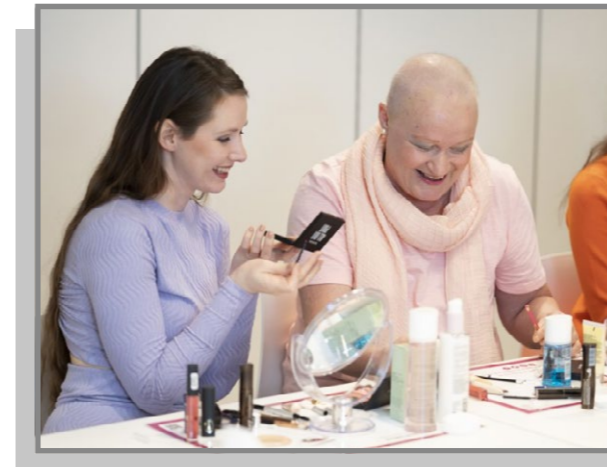
Skipton's support ensures that the residents can get the best care at the Jersey Cheshire Home.



Pollinator Project

The Pollinator Project is a local charity that is making a difference to Guernsey's biodiversity by improving natural habitats, doing research and decreasing the use of pesticides, plastic and peat by campaigning and raising awareness.

The Skipton Community Fund has given a grant to the Pollinator Project so that they can purchase a gazebo to continue putting on outdoor events, and keep raising awareness and encourage people to get involved with conservation and their nature programs.



Look Good Feel Better

Skipton was pleased to be able to support the charity Look Good Feel Better, who run free workshops to offer beauty and cosmetic advice and teach new skills to help people to manage the side effects of cancer treatment.

Skipton provided a grant that will be used to fund 4 face to face skincare and makeup workshops.

£60,000 has been added to the Community Fund for 2023

Purple Monday

This year, Skipton partnered with a local charities, Guernsey Mind, Age Concern, Health Connections, and Men's Shed to target the over-60's community in particular to brighten their day.

As they often end up feeling isolated and lonely through the post-Christmas blues, the #PurpleMonday campaign creates a sense of togetherness in the community.

37 successful projects supported in 2022



Acorn Enterprises

Skipton supported a Jersey Project in which islanders who have disabilities or health conditions, aid in refurbishing Jersey's benches. Skipton funded for a sanding machine for their ongoing project.





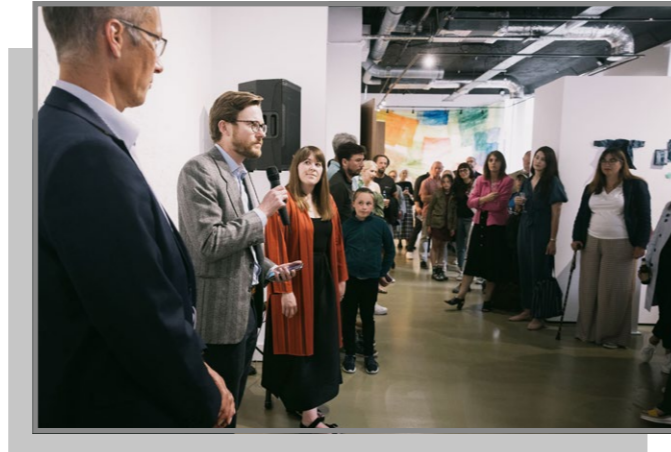
SUSTAINABLE CITIES AND COMMUNITIES

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

Skipton Big Ideas

This year, Skipton partnered with ArtHouse Jersey to put on an exhibition called 'Skipton Big Ideas: Where Waste Meets Design'. 14 artists were invited to the exhibition space at Capital House in Jersey to work on transforming waste, broken and unneeded objects into new works of art, whilst being in the public eye.

This lasted 5 weeks, and once the artists were finished, there was a formal 2 week exhibition of all the work that was made, plus numerous interactive workshops.



Skipton Swimarathon

The 46th annual Skipton Swimarathon was held in October, more than 2,000 swimmers turned out for the amazing event to raise money for Guernsey charity GROW Limited, which supports people with learning disabilities.

The total distance swam was over 700km and, £64,000+ was raised by volunteer swimmers, corporate organisations, friends, and family. GROW Limited used the funds to finalise their £3 million redevelopment.



Over **£75,000** raised in all sponsored events in 2022

Boxing Day Dip

Like last year, Skipton continued to sponsor the Skipton Boxing day Dip with the Guernsey Cheshire Home.

Hundreds of swimmers ran into the cold sea to help raise money, and keep a boxing day tradition going!

This year, customised red beanies were sold and were a huge hit amongst both the swimmers and the spectators.



Progress overview

307 First Time Buyers supported in 2022, including 78 from Guernsey Housing Association and Andium social housing schemes.

37 good causes were supported in 2022.

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. To help meet this target, we have been looking at implementing new ways to plan bigger and better ways to help communities in 2023.

We will give more back to than planet than we take.

2022 Carbon Emissions

We calculated our own GHG emissions for 2022 using the UK BEIS and DEFRA conversion factors. Some emissions for 2022 have used 2021 data as proxy where this had not yet been made available (as indicated), and will be restated in the 2023 disclosures report.

There has been an 18.99% overall increase in GHG emissions driven mainly by increases in business travel, working from home and colleague commuting. However, the overall intensity ratio has reduced in line with increased turnover. SIL will continue to monitor their emissions which will feed into the Society's science-based targets which will be set for the Group footprint.



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.

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.

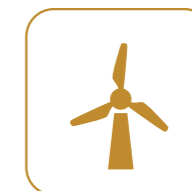
*Scope 3 emissions include business travel, home working and employee commuting.



Skipton offset 484 tonnes of Carbon Dioxide in 2022 through supporting the following Verified Carbon Standard projects:



Negros Island Solar Power in Philippines



Wind Based Power Generation By Panama Wind Energy in India



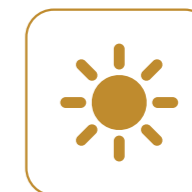
Pacajai REDD+ in Brazil



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



We will give more back to than planet than we take.

2022 Emissions

GHG Emissions Scope	Source	GHG Emissions (tCo2e)
Scope 1	Company Vehicle	0.2
Scope 2+3*	Electricity**	15.3
Scope 3***	Travel	9.5
Scope 3***	Working From Home**	19.6
Scope 3***	Employee Commuting**	19.1
Total Scope 1 Emissions (tCO2e)		0.2
Total Scope 2 + 3 Emissions (tCO2e)		63.4
Total GHG Emissions (tCo2e)		63.6

*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.

**Data limitations has meant 2022 electricity usage, working from home and employee commuting have been used. The calculations have been 'prorated' by the increase in headcount.

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



Carbon Neutral Organisation



CO₂e Reduced Organisation

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



Progress overview

In 2023 Skipton will offset at least 125% of its 2022 scope 1, scope 2 and limited scope 3 emissions, reaching our target for the year.

In 2022, Skipton offset 450 tonnes of carbon dioxide vs calculated 2021 GHG emissions of 54.1 tCO₂e.

8 Bank of England base rate changes in 2022 increased mailings and paper consumption by a net 31% YOY, from 14 to 18.4 pages. Skipton launched an Online Mortgage Portal in 2022 and is reviewing current processes in order to reduce consumption moving through to 2023.

Skipton – 2021 Scope 3 (financed) emission

Working with Envantage (Energy and Carbon Consultants) we calculated Skipton's Scope 3 financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology for reporting from 1 January 2021 to 31 December 2021. We've selected this as the baseline year for Scope 3 financed emissions which we intend to use for setting our science-based targets in the future. Scope 3 financed emissions look beyond operational emissions to include any emissions generated from the other Scope 3 value chain categories.

In this table, we've also included Scope 1 and 2 emissions from 2021 to show the overall split of emissions across the entirety of our operations. The PCAF method is widely considered to be the financial services industry standard for calculating Scope 3 financed emissions.

To understand what proportion of the property's emissions are financed by Skipton, an attribution of emissions for each mortgaged property is calculated based on the property's remaining loan to value (LTV). This is also considered alongside EPC data which is publicly available on government websites, or modelled where not available.

Scope	Source	2021 Emissions (tCO ₂ e)	% of total
Scope 1	Company Vehicles	0.2	0.00%
Scope 2	Electricity ²	13.6	0.06%
Scope 3	Purchased Goods and Services	1,662.3	7.56%
	Capital Goods	8.6	0.04%
	Fuel- and Energy-related Activities	21.0	0.10%
	Business Travel	2.7	0.01%
	Employee Commuting	35.7	0.16%
	Investments	20,240.8	92.07%
	Total Scope 1 emissions (tCO ₂ e)	0.2	0.00%
Total Scope 2 emissions (tCO ₂ e)	13.6	0.06%	
Total Scope 3 emissions (tCO ₂ e)	21,971.1	99.94%	
Total emissions (tCO ₂ e)	21,984.9		

The 2021 inventory shows that the majority of our emissions are considered to be Scope 3 emissions from the impact of their operations, both upstream and downstream, in the value chain. The majority of these emissions resulted from investments, which are the emissions from the residential mortgages for customers purchasing homes in the UK and Channel Islands.

The other largest contributor to the GHG inventory was the emissions associated with the purchased goods and services. These key business operations account for over 99% of all GHG emissions in 2021. In contrast, emissions from Scopes 1 and 2 emissions, which are primarily the use of electricity at our Guernsey and Jersey premises. This accounts for 0.06% of total GHG emissions.

Through 2023, we will undertake a series of workshops to identify best next steps to have the most material impact on carbon reduction across their entire value chain of emissions. These will also feed into the Skipton Building Society science-based target setting.

Using data provided by Skipton, Envantage screened Skipton's financed emissions from the year 1 January 2021 to 31 December 2021. As with the Society, both the GHG Protocol Corporate Standard and PCAF methodologies were used.

Skipton – 2021 Intensity Metrics for mortgage book emissions

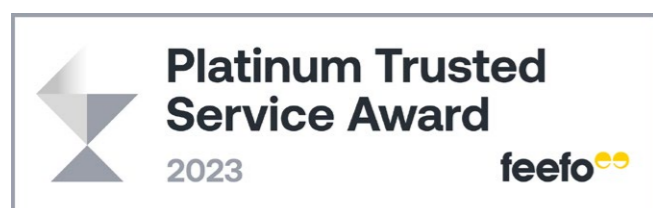
Metrics	Jersey	Guernsey	UK	Total
Total emissions (tCO ₂ e)	9,051.00	6,159.00	5,030.00	20,241.00
Intensity Metrics				
Physical Intensity (kCO ₂ e/#)	4.46	4.46	1.70	3.18
Economic Intensity (tCO ₂ e/£m)	15.39	25.86	6.75	12.88
Physical Intensity (kCO ₂ e/m ²)	45.02	43.27	20.62	34.46
PCAF Data Score	5.00	5.00	3.46	4.62

We will always consider the interests of all stakeholders.

Feefo Platinum Trusted Service Provider Award

In 2022, Skipton was awarded the Feefo Platinum Trusted Service award for the second consecutive year – 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, companies must have been awarded a Gold Trusted Service Award for the past three consecutive years.



94% of Skipton's customers in 2022 who gave feedback rated the service as 'good' or 'excellent', giving Skipton an average rating of 4.7 / 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 done 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 2022, Skipton worked alongside the Guernsey Employment Trust, providing disability awareness training for staff.



"Very professional and excellent communication From start to finish. Highly recommended after dealing with other lenders who do not come close to Skipton." - Customer feedback from Feefo

Mortgage Introducer

This year Skipton International won the Top Mortgage Employer Award through the Mortgage Introducer Awards launched by Mortgage Introducer magazine for the first time this year.

A top employer can encompass many things, including good benefits, resources and management, but to uncover the roots of what truly makes an organisation a wonderful place to work, it is the foundation we have to look to: its people.



Progress overview

2 School Leavers joined Skipton's new Talent Management Scheme in Q4 2022 to represent Skipton's commitment to assisting towards the development of young adults in the finance sector.

At the end of 2022, Skipton retained it's Feefo platinum trusted service provider status showing that we hold the needs of our customers highly throughout the company by accumulating scores from products and service at 4.7%.

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.

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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.

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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**

