



Principles for Responsible Banking

2024

Skipton Building Society and Skipton International
Joint Progress Statement Report

Skipton Building Society and Skipton International Principles for Responsible Banking 2024

Skipton Building Society (the Society) and its Channel Island based subsidiary, Skipton International Limited (Skipton International), each became signatories to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking (the 'Principles') in 2021. The Principles form a sustainable banking framework for integration into banks' strategies and across their portfolio of activities, aligned to the UN Sustainable Development Goals and international agreements such as the Paris Climate Agreement.

In previous years, the Society and Skipton International have each published separate self-assessment reports, which are available on their respective websites. This year will be the first joint self-assessment report and reflects the changes to the templates and guidance from the UNEP FI in November 2024.

Over the coming pages we present information, using the summary templates provided by the UNEP FI, against the six Principles: alignment, impact and target setting, clients and customers, stakeholders, governance and culture, and transparency and accountability.

Links to further relevant information have been provided throughout the report, including the websites of the Society and Skipton International, the 2024 Group Annual Report and Accounts, the 2024 Group Sustainability Report and the Group Climate-related Financial Disclosures.



Key / The following naming references are used within this document:
[ARA Group Annual Report and Accounts](#) [GSR Group Sustainability Report](#) [CRFD Climate-related Financial Disclosures](#)

Principle 1: Alignment

The Society and Skipton International are part of the Skipton Group (the 'Group'). The Group is made up of five different businesses, with sustainability built into its shared strategic purpose – to help more people have a home, help people save for life ahead and support long-term financial wellbeing.

UN Sustainable Development Goals

We've identified the relevant Sustainable Development Goals (SDGs), where we believe we can have the greatest positive impact and where they support our strategy and purpose. Our strategy for making positive change aligns most closely with the following SDGs:

- Goal 8 – Decent Work and Economic Growth
- Goal 10 – Reduced Inequalities
- Goal 11 – Sustainable Cities and Communities
- Goal 13 – Climate Action
- Goal 16 – Peace, Justice and Strong Institutions

Working towards net zero

During 2024, we have developed a Group-wide net zero approach – to reduce greenhouse gas (GHG) emissions, in line with the 2015 Paris Agreement and the UK's net zero target by 2050, or earlier. In practice, this approach means the development of plans and near-term targets for our Group scope 1 and 2, and relevant scope 3 value chain emissions. For our scope 3 financed emissions, we have an ambition to reduce the financed emissions intensity (kgCO₂e/m²) of our residential mortgage portfolio, in line with net zero by 2050, and will track our progress each year against this pathway.

We measure our emissions across scope 1, 2 and 3. Please see the Society and Skipton International specific emissions reporting in [Appendix 1](#).

Links & references

ARA Our Group Business Model *pages 13-14*

ARA Our Strategic Priorities *page 15*

ARA The SDG's we are aligning with *page 32*

ARA Summary climate-related disclosures *pages 34-38*

GSR Working towards net zero *page 16*

Principle 2: Impact & Target Setting

Using the UNEP FI Consumer Banking identification module (v3), we identified 'availability, accessibility and affordability' related to finance and housing. In addition, in 2023, through our Group materiality assessment, some of the topics highlighted as relevant to the Society and Skipton International were: decent and affordable homes, financial inclusion, greening UK homes and supporting a circular economy.

Within these macro impact areas, and put in context of the UK's needs and the Group's purpose, priorities and the wider Group's materiality assessment, we concluded on three areas of most significant impact. The Society and Skipton International have ambitions aligned to the Group's corporate plan to address the impact areas. We are continuing to align our targets with the requirements in the PRB guidelines.

Help identify ways to support the transition to decarbonise UK homes (supporting SDGs 11 and 13)

Emissions from households are a significant contributor to the UK's carbon footprint. We are playing a positive role in raising awareness and supporting our members to improve the energy efficiency of their homes, as the UK transitions to achieving net zero by 2050.

Our businesses have collaborated to establish a Group-wide net zero ambition and are focused on developing our execution plan and near-term targets to achieve our net zero ambition by 2050, or earlier.

Help more people have a home (supporting SDGs 8 and 10)

A key strategic priority is to help more people have a home. We want to help deliver societal change and broaden housing equality, by enabling more first-time buyers to get on to the property ladder, in particular those without access to intergenerational and familial wealth. Our plans are to explore further ways to support new and existing borrowers with their lending needs. This includes helping them with affordability challenges, transitioning to a higher rate environment and enabling first-time buyers to achieve their home ownership ambitions.

Our aim is to complete 50% of our new lending to first-time buyers by 2028. We track and report our progress monthly and publish the figures in the ARA. In 2024, 44% of new lending was to first-time buyers.

Support long-term financial wellbeing (supporting SDGs 8 and 10)

This year, in line with the UN PRB's guidance of identifying most significant impact areas, we have added supporting long-term financial wellbeing, recognising its alignment with one of our key strategic priorities, to make money work harder.

We continue to broaden access to advice, through education, tools and our expert colleagues, enabling simplification of our advice journeys and raising awareness of our propositions for our members. The Society's aim is to increase advice conversations by over 100,000 by 2029, ensuring accessibility to all and delivering meaningful value back to our members through this ambition.

As part of the Society's commitment to providing free advice to all of our members, in 2024, we saw our skilled colleagues have over 39,000 advice conversations with members to help make their money work harder and support their long-term financial wellbeing.

Links & references

GSR Materiality assessment *page 9*

ARA Our Strategic Priorities *page 15*

GSR Working towards net zero *page 16*

ARA Helping People Have a Home *page 16*

GSR Supporting better financial wellbeing *page 26*

Principle 3: Clients & Customers

The Society is member-owned, and with Skipton International being a subsidiary of a mutual, it means they share the Group's responsibility to its members to ensure long-term financial sustainability.

We are working with our members and customers in a range of ways to encourage sustainable practices:

Fair customer experiences and outcomes

We are committed to providing good customer experiences and outcomes, ensuring that individual circumstances are always considered. To support this, the Society ensures all Society colleagues receive annual training to recognise signs of actual or potential vulnerability. Skipton International also enrol their colleagues in specialised annual training for supporting vulnerable customers.

In addition, the Society has a Vulnerable Customer Policy and Guidance Document in place, to ensure we provide good customer outcomes, regardless of their circumstances or characteristics of vulnerability.

Supporting our members

We want to support the drive for energy efficient homes; this includes the Society's Energy Performance Certificate (EPC) Plus scheme to Society members and colleagues, offering a free home energy performance assessment certificate and report to help them understand ways they could make their homes more energy efficient. The Society also offers an Additional Borrowing product to existing Society members to make energy efficient home improvements such as (but not limited to): solar panels, insulation, new windows and doors, and ground or air source heat pumps.

Investment options

The Society's financial advice division offer customers a range of passive third-party investment funds which excludes holding shares in specific industries such as production of arms, tobacco or thermal coal, or which fail to uphold one or more of the UN Global Compact principles. They also look to include companies that work to enhance sustainability, such as companies with lower carbon intensities.

Links & references

GSR Fair customer experiences and outcomes *page 31*

GSR Supporting our members *page 18*

GSR Investment options *page 26*

[Society corporate governance and policy](#)

[EPC Plus](#)

[Additional borrowing](#)

Principle 4: Stakeholders

Our main stakeholders are our members and customers, our people, suppliers, banking counterparties and regulators. We formally consult and engage in several ways on the topic of sustainability. This has included undertaking a materiality assessment in 2023, involving customer research, to better understand the views of our stakeholders on the topic of sustainability. We aim to carry out materiality assessments every three years, with the next one planned in 2026.

Specific examples of how we engage with stakeholders on sustainability include:

Universities

The Society partnered with Leeds Beckett University and University of Leeds as part of our residential property retrofit study. The study has helped the Group to develop a deeper understanding of the costs, behaviours and experiences faced when undertaking a retrofit and identify ways to support and promote access to retrofit to a wider cross-section of members and customers.

Progress Together

The Society has partnered with Progress Together (PT) to help drive improvements for colleagues from lower socio-economic backgrounds in financial services. We annually submit our social mobility colleague data to PT. They analyse the data to help us understand the representation across the organisation, provide recommendations on areas we need to improve on, and benchmark our progress across the financial sector.

Supplier relationships

The Society monitors all our business relationships with suppliers, on an ongoing basis, and use EcoVadis to assess suppliers' sustainability credentials. This ongoing work will help us gain a deeper understanding of their sustainability goals and progress, and efforts we can take to drive high standards of sustainability throughout our supply chain, based on the information EcoVadis provides us with.

Charity partners

The Group remains committed to donate 1% of its pre-tax profit to charity each year and the Group have developed targeted strategic partnerships with charities whose goals and purposes align closely to our own. The Society's members and colleagues have a say in which strategic charity partner we donate a proportion of our profits to. At our Annual General Meeting (AGM) in June 2024, members voted to support Age UK with our 2023 donation to help people have a home, and Society colleagues voted to support National Energy Action, aligned to championing warm and efficient homes.

Industry bodies

The Society regularly works with industry-focused organisations to give us an opportunity to connect with industry peers on relevant sustainability topics, such as retrofit finance and proposition.

Links & references

GSR Engaging with key stakeholders *page 8*

GSR Materiality Assessment *page 9*

GSR The Big Retrofit *page 17*

GSR Group headline sponsors of the 2024 WISE conference *page 32*

GSR Purchasing goods and services *page 14*

[Our Suppliers](#)

[Charitable Giving](#)

Principle 5: Governance & Culture

We implement the Principles through the Group's purpose-led strategy.

Governance

The governance model for oversight and management of sustainability, including climate-related matters, continues to be embedded within the Group's governance framework.

The Society's Board has ultimate responsibility for approval of the long-term strategy of the Society and its subsidiary companies, including sustainability and climate-related matters across the Group. The Society's Board is supported by its committees, as well as its Group executive and management committees, to oversee and manage Group sustainability matters.

During 2024, we continued to evolve our Group governance around the management of sustainability and have established the Group Sustainability Committee (Group SusCo) which has a reporting line into the Group Executive Committee. The Group SusCo, chaired by the Group Secretary and General Counsel, provides a central point of formal governance and communication for executive oversight and monitoring of the delivery of the Group's approach to sustainability (including its approach to achieving net zero).

In addition, Skipton International introduced 'tier two' governance Committees which report to the Skipton International Executive Risk Committee and Executive Committee. This framework includes the launch of the Product Proposition and Sustainability Committee, which is responsible for Skipton International's approach to sustainability.

Remuneration linked to sustainability

Environmental, Social and Governance (ESG) performance is linked to remuneration through the Single Variable Pay Arrangement (SVPA). This is the discretionary annual bonus plan in which the Society's executive directors and selected members of the Group Executive Committee participate.

Culture of responsible banking

The Society and Skipton International's boards and executive committees drive, encourage and challenge our colleagues to deliver responsible products and services.

At the Society, our performance and development programmes offer both mandatory and voluntary training modules available to all colleagues. These cover topics such as equality and diversity, vulnerable customer awareness and sustainability. The training is integrated into team discussions and linked to the assessment and reward of colleague performance.

The Society and Skipton International actively encourage colleagues to engage with their communities through volunteering. Additionally, the Society has 11 colleague-led employee resource groups such as the Accessibility Alliance, Social Mobility Taskforce and the Pride Alliance, providing opportunities for colleagues to get involved and contribute.

Links & references

GSR Sustainability Governance *page 37*

CRFD Governance of climate-related financial risks and opportunities *pages 5-6*

ARA SVPA Measures *page 118*

GSR Training and development *pages 31 and 33*

GSR Volunteering *page 29*

GSR Employee resource groups *page 32*

[Skipton International – About Us](#)

Principle 6: Transparency & Accountability

The Group is currently in the process of evaluating the emissions baseline figures as part of our net zero reporting. This has involved a review to improve the accuracy and consistency of our data. In addition, we are actively exploring opportunities for external assurance to support our sustainability reporting and disclosures. By seeking independent verification, we aim to enhance the robustness of our reporting practices and align with best practices in sustainability governance.

We continue to align our sustainability approach and reporting to global and UK frameworks. This includes applying the principles of the GHG Protocol methodology for reporting our GHG emissions and estimating our financed emissions using GHG Protocol Partnership for Carbon Accounting Financials (PCAF) methodology. As global and UK frameworks develop, we will continue to evolve our approach to sustainability reporting.

Links & references

GSR Disclaimers *page 41*

Appendix 1:

Society and Skipton International GHG emissions.

Society GHG emissions and data			
Scope 1 and 2 (notes 2,3 and 4)	Metric detail	2024	2023
Total scope 1 and 2 emissions (location-based)	tCO ₂ e	1,351	1,441
Total scope 1 and 2 emissions (market-based)	tCO ₂ e	705	648
Scope 3: estimated LTV attributed financed emissions - mortgage lending from residential and commercial mortgage portfolio	Category 15 financed emissions (tCO ₂ e)	248,870	223,327
Notes: 1. Further information on our Group scope 1, 2 and 3 emissions, as well as our climate data limitations, can be found in the 2024 Group Sustainability Report. 2. For scope 1 and 2, where actuals data was not available, consumption was estimated using average consumption or proxy data. 2023 data has been restated due to improved data. 3. For market-based emissions where consumption was not on a renewable electricity tariff backed by a REGO certificate or the status was unknown, a residual or location-based factor has been applied. Our renewable gas certificates (RGGOs) are not currently used to count towards any scope 1 emission reductions for either the market- or location-based method. 4. The estimated scope 3 financed emissions have been calculated based on an annual 30 September snapshot basis, using the GHG Protocol Partnership for Carbon Accounting Financials (PCAF 2019) standard and using PCAF's emission factors. The financed emissions data for 2023 data has been restated due to application of an improved methodology for modelled EPCs and floor area data. The LTV attribution ratio applied in this method is based on an original valuation.			

Skipton International GHG emissions data			
Scope 1 and 2 (notes 2,3 and 4)	Metric detail	2024	2023
Total scope 1 and 2 emissions (location-based)	tCO ₂ e	9.6	7.5
Total scope 1 and 2 emissions (market-based) (note 5)	tCO ₂ e	9.6	7.5
Scope 3: estimated LTV attributed financed emissions - mortgage lending from residential mortgage portfolio	Category 15 financed emissions (tCO ₂ e)	18,247	17,775
Notes: 1. Further information on our Group scope 1, 2 and 3 emissions, as well as our climate data limitations, can be found in the 2024 Group Sustainability Report. 2. For scope 1 and 2, where actuals data was not available, consumption was estimated using average consumption or proxy data. 2023 data has been restated due to improved data. 3. For market-based emissions where consumption was not on a renewable electricity tariff backed by a REGO certificate or the status was unknown, a residual or location-based factor has been applied. Our renewable gas certificates (RGGOs) are not currently used to count towards any scope 1 emission reductions for either the market- or location-based method. 4. The estimated scope 3 financed emissions have been calculated based on an annual 30 September snapshot basis, using the GHG Protocol Partnership for Carbon Accounting Financials (PCAF 2019) standard and using PCAF's emission factors. The financed emissions data for 2023 data has been restated due to application of an improved methodology for modelled EPCs and floor area data. The LTV attribution ratio applied in this method is based on an original valuation. 5. Due to a single electricity provider in Guernsey and Jersey, where SIL is based, the supplier-specific emissions factor is also the average emissions factor of the local grid. Therefore, the same factor is used for both the location-based and market-based calculation.			



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