



# Group Sustainability Report

2024



# Introduction

2024 was a very important year in embedding the Skipton Group’s approach to sustainability. A year ago, we vowed to put sustainability at the heart of our purpose. From identifying the key priorities where we can have a bigger impact. To strengthening our Group governance, so we can challenge ourselves to deliver meaningful and tangible sustainability impact.

Skipton Group is made up of many different organisations, with a shared strategic purpose of helping more people have a home, help people save for life ahead and supporting long-term financial wellbeing. The range of expertise across our organisations gives us the opportunity to make a bigger difference.

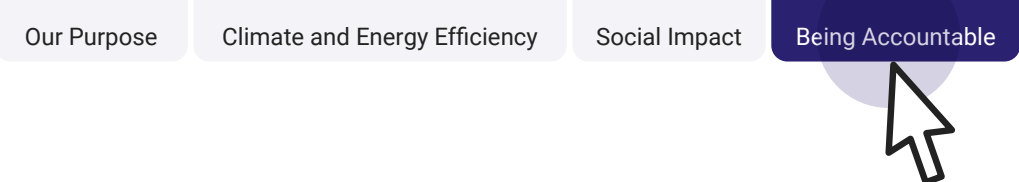
We’re using the financial strength of our business to strive to support these aims. For example, we’re committed to donating 1% of annual Skipton Group profit before tax to charitable causes that align to our purpose. We’ve also established a Group ambition to reduce greenhouse gas (GHG) emissions in line with net zero, by 2050 or earlier.

As we work closely together across the Group, we’ve learned that a true sustainability-led strategy is not about sentiment alone. It’s about developing detailed plans. We’re digging deeper to understand our impact on the climate – from our operations, supply chains, and the emissions we finance through the mortgages we provide to members. We are strengthening those foundations now. Establishing Group plans that we can track and govern, to reduce our overall impact from a climate perspective.

Our Group Sustainability Report for 2024 outlines the goals we’ve set and how we’re measuring up against them. The ways we’re improving our diversity of thought and, with it, our decision-making. The level of governance we’re establishing to hold ourselves accountable. And how we’re making sustainability a cornerstone of our long-term strategy.

*For information on our climate-related disclosures and further details around our broader business performance, please see our 2024 Annual Report and Accounts and 2024 Climate-related Financial Disclosures.*

By clicking on the tabs at the top of each page, you can quickly and easily navigate to the beginning of each key section within this report. Please see page 43 for report references and footnotes.



<b>Our Purpose</b>	
Putting sustainability at the heart of the Skipton Group	4
About the Skipton Group	6
Engaging with key stakeholders	8
<b>Climate and Energy Efficiency</b>	
Managing our impact	12
Emissions we can influence	14
Enabling home energy efficiency	16
Supporting our customers	18
<b>Social Impact</b>	
Supporting the change to meet social challenges	21
Supporting our communities	29
Supporting our customers	30
Supporting our people	32
<b>Being Accountable</b>	
Governance	35
Ethics and whistleblowing	39
Data protection	40
Glossary	42

# Our Purpose

Our core purpose is to help more people have a home, help people save for life ahead and support long-term financial wellbeing. We know that the role we play matters now more than ever.





## Putting sustainability at the heart of the Skipton Group

2024 underlined why sustainability absolutely matters. It was the first year the planet's average temperature went above 1.5°C<sup>1</sup>. We saw more extreme weather, including flooding in the UK. From a social responsibility perspective, there were riots in our streets, increasing levels of inequality, increased tax burdens, and a further deterioration in social care.

I firmly believe that at Skipton Group, we have an important role to play in keeping sustainability issues front and centre. Like many organisations, we've had positive intent in our sustainable activities over the past 5-10 years. But truthfully, we haven't been planful enough – and understand there is much more to do.

It's why sustainability has become an intrinsic part of all of our businesses and their activities. We have a long-term plan that, by its nature, has to be sustainable – both from a financial and an impact perspective. It's a plan focused on making sure what we do isn't making the world worse. It's about being clear on our purpose, where we believe we can have a genuine, positive impact.

Our strategy is guided by social causes. Helping more people into sustainable homes. And helping people have better access to advice and financial education. Over 2024, we've sharpened our strategy and started to execute against it. For example, we've helped more than 20,000 people – the most ever – into first homes, and we're having more advice and education conversations with customers.

We're harnessing the breadth of the Skipton Group, and the wide range of perspectives our businesses bring, to influence meaningful change. This includes talking actively and sharing ideas with the UK government about its aims of increasing the size of the mutual sector<sup>2</sup>. I think mutuals by their nature and ownership structure can do more positive good in sustainability.

Another sustainability area where we want to make a meaningful difference is retrofitting. I'm determined to build a proposition that helps members and customers make their homes energy efficient. We've made a start, offering free EPC Plus reports to Society members. But when it comes to the next steps of actually retrofitting a home, we've found there are too many barriers and too much complexity.

So we paused – and chose to do a retrofit for ourselves. Become better educated on the pitfalls, costs, and benefits. We didn't do it on a pristine home in a lab. We did it in a real house, on a real street, in the real town of Skipton. And we worked with real expertise to guide us along the way.

Over 2025, we plan to share the lessons we've learned to help members, government and industry experts – so retrofitting can become a more realistic option for the millions of homeowners who need to consider it. The findings will also help us build a proposition that can solve the real world problem of making homes more energy efficient.

This, to me, is a great example of how Skipton Group can come together to make a difference. But we're only at the foothills. I believe we can do much more about financial education, advice, inclusion, and enabling homeownership for many more people.

To do this, we need to make sure we're sustainable as a commercial enterprise. We've shown we can make fair profit, which we reinvest into our business to further improve our footprint, technology, capabilities, and processes. It also helps us to achieve the societal outcomes we've set out. Along the way, we need to measure our environmental impact very precisely – and cost up plans to reduce it. This includes our direct scope 1 and scope 2 emissions. We need to hold ourselves to account for improving our impact, year on year.

We've continued to establish greater sustainability governance across the Skipton Group. We don't run this business via a small committee. We run it for the good of all our members, with the input of all our colleagues. We're improving the diversity of thought to enhance the precision and the quality of our decision-making across the organisation. That's what good governance can give us.

I'm confident that – no matter what the external world throws at us – our plans will continue to have sustainability at the heart of them. Against a backdrop of rising populism, and where ideas around sustainability are in some circles being diminished, I'm very proud of the substance we're putting behind our sustainability strategy.

The seriousness of climate change and current societal challenges demands nothing less.

*S Haire*

Stuart Haire  
Group Chief Executive

## Our purpose

Collectively across our Skipton Group we have one purpose – to help more people have a home, help people save for life ahead and support long-term financial wellbeing, and as we navigate societal shifts, this is as relevant today as it has been since Skipton Building Society was founded back in 1853.

Today, given the financial challenges so many people are facing, the role we play in society has never felt more important. Throughout 2024, our three key strategic priorities kept us focused on purposeful change to help give more aspiring homeowners the chance to own their own home, to provide better access to financial advice and to make membership matter more. Included within our strategic priorities are our environmental responsibilities, and we're specifically dedicated to helping homeowners improve the energy efficiency of their homes.

### *We are here because of – and for – our members*

We are member-owned, and we have a responsibility to our members to remain financially sustainable, generating profit to invest back into our businesses for the future benefit of members.

This means we reinvest our profits to support sustainable growth, to modernise and remain relevant with new capabilities and propositions, and to preserve a strong capital position, supporting and protecting our members, customers and creditors today and in the future.

*To help us deliver our purpose, we have three strategic priorities:*



### **Helping More People Have a Home**

We will continue to strive to make homeownership a reality for more people, with a strong focus on first-time buyers.



### **Making Money Work Harder**

We will invest more to ensure our members receive above-market average interest rates for their savings and have access to free financial advice to help them plan their financial futures.



### **Making Membership Matter**

Our members will see and feel the value of Skipton membership, being rewarded for their loyalty and tenure and having more of a voice in the running of their Society.

## About the Skipton Group

The Skipton Group primarily comprises of:

- Home Financing and Money businesses within the Society;
- Mortgage lending and deposit taking by Skipton International; and
- Buying and selling of homes through Connells Group.

These three key business lines support delivery of purpose, to help more people have a home, help people save for life ahead and support long-term financial wellbeing.

Alongside our primary businesses and supporting a thriving business model, the Group also includes Other Business Lines.

**In total, the Skipton Group has consolidated total assets of over £39bn, over 1.2 million members and a c.10% share of the UK estate agency market (based on available properties).**

### Skipton Building Society (the Society)

Skipton Building Society is the UK's fourth largest building society, offering mortgages, savings and financial advice, with a national presence through our network of 82 branches. The Society is authorised by the Prudential Regulation Authority (PRA) and regulated by the Financial Conduct Authority (FCA) and the PRA.

### Skipton International

Skipton International carries out mortgage lending in the Channel Islands and buy-to-let lending in the UK, and accepts deposits in Guernsey from an international customer base. Skipton International is licensed under the Banking Supervision (Bailiwick of Guernsey) Law 2020, as amended, and regulated by the Guernsey Financial Services Commission.

### Connells Group

Connells Group is the UK's largest high street estate agency and property services group with a c.10% market share in its estate agency arm. Across over 80 brands and its network of over 1,200 branches nationwide, Connells Group combines residential sales and lettings with a range of consumer and corporate services. This includes land, mortgage services, conveyancing, auctions, surveying and valuations, commercial property services through Lambert Smith Hampton, Energy Performance Certificate (EPC) provision and asset management.

### Other Business Lines

We have other smaller business interests that are not separately reportable, primarily concerned with income generation and enabling capability to support delivery of our Group purpose. These include:

- Skipton Business Finance (SBF) – providing invoice financing and bad debt protections to small and medium-sized enterprises.
- Jade Software Corporation (Jade) – based in New Zealand, specialising in digital and large IT enterprise solutions globally. Jade provides the Society's core database and software development language.



## Our Group Business Areas

A look at the Group's primary business areas – that helped us support our members and customers in 2024.



### Financing homes

*We provide residential and buy-to-let mortgage lending.*

- Group mortgage balances of £30.9bn.
- The Society helped 41,658 customers secure a mortgage, including supporting over 20,000 first-time buyers to take their first step onto the property ladder.
- In 2024, we completed 1,591 free EPC Plus Reports for our members.
- The commercial lending portfolio stands at £114m. It has been closed to new business since 2008.



### Savings and advice

*We provide retail savings products, financial advice and free savings reviews.*

- Savings balances in our Society money business of £28.3bn and £2.4bn in Skipton International's savings book.
- We provided financial advice to 5,385 customers.
- £4.7bn Funds Under Management.
- We provide partnership products, including home and life insurance.
- We sold 1,267 home policies and 610 life policies.



### Arranging the buying/selling of homes

*We facilitate buying, selling and renting homes and a range of property services.*

- We helped around one in 10 people who bought/sold a home.
- We exchanged contracts on 78,955 properties, including over 6,600 new homes.
- 126,590 letting properties under management.
- We provide energy reports and energy efficiency advice to clients.

Smaller business interests include providing working capital facilities to SMEs and a software solutions provider. In 2024, there were 871 SME clients, with £190m total drawn funds.

## Engaging with key stakeholders

By regularly engaging with key stakeholders, we're able to develop and adapt our purpose and sustainability approach. Examples of our stakeholder engagement can be found in the [Annual Report and Accounts](#) (pages 81-83) and below.

Key stakeholders	Who are they?	Why do they matter to us?	Examples of the Group's engagement in 2024
<b>Members and customers*</b>	The Society's membership is mainly made up of its savers and borrowers. Our customers are those who buy products or services from one or more Skipton Group businesses.	With no shareholders, we're focused on the needs of our members. We reinvest our profits into the business for their benefit.	Skipton International tracks customer satisfaction through an independent feedback provider (Feefo), earning a score of 4.7/5 stars for our service in 2024.
<b>Our people*</b>	Anyone who is employed by a Skipton Group business.	We owe the success of our businesses to our colleagues, who work hard to support our members and customers.	We use team meetings, surveys, employer review websites, listening sessions and independent assessments to continually listen to our colleagues' views across the Group.
<b>Suppliers*</b>	Organisations which supply Skipton Group businesses with products or services.	Strong working relationships with suppliers means we can run our business effectively and continue to provide products and services to our members and customers.	The Society closely monitors all its business relationships with suppliers on an ongoing basis. This includes using EcoVadis, a sustainability assessment tool. Society suppliers also annually assess our performance by completing an online anonymous questionnaire.
<b>Banking counterparties*</b>	Institutional investors which hold investments, such as bonds, in Skipton Building Society.	Alongside our saving customers, investors provide the funding we need to run our business. This is so we can continue lending to help people to buy homes.	Senior executives and our Treasury team hold regular meetings with banks and debt investors to update them on the Group's performance at key intervals and respond to any questions.
<b>Regulators*</b>	Our regulators including the Financial Conduct Authority (FCA), Prudential Regulation Authority (PRA) and the Guernsey Financial Services Commission.	Regulators set the laws and rules which we follow and strictly adhere to.	Fostering a positive relationship with our regulators is a key priority for the Board and senior management team, who provide relevant reports and updates to them to maintain ongoing confidence in their strategy and operations.
<b>Mortgage brokers</b>	Businesses or individuals who help arrange mortgages between members, customers and the Society and Skipton International.	Our brokers provide the Society and Skipton International with business and help our members and customers to select the right mortgage options for their circumstances.	One of our National Account leaders coordinates a working group with the industry trade body, Association of Mortgage Intermediaries (aimed at building mortgage brokers' knowledge in sustainability, green finance and retrofitting).
<b>Industry bodies</b>	Industry-focused organisations who progress conversations on behalf of their members regarding political, regulatory and consumer engagement issues.	They give us an opportunity to connect with industry peers on relevant housing and financial topics.	Society colleagues presented at the BSA's Mortgage Meet Up to share thought leadership and engage with peers on the topics of retrofit finance and proposition.
<b>Communities and Non-Governmental Organisations (NGOs)</b>	Those who live in proximity to our offices and branches and the Non-Governmental Organisations who support them.	Our communities are where our members, customers, colleagues and suppliers live and work. It's in our mutual interest for them to thrive. This can be achieved in partnership with NGOs.	Jade continues to work with Mind the Gap. This is a New Zealand NGO which supports businesses to voluntarily publish their gender pay gap (not a New Zealand requirement).

\* Our sustainability stakeholders were identified by the Society's board of directors (the Board).  
Group Sustainability Report 2024



## Understanding the sustainability issues that matter most to our stakeholders

The views of our members, along with other stakeholders, will always play an integral role in everything we do.

That's why we carry out a materiality assessment every three years – to gain a better insight into the sustainability issues that matter most to our stakeholders and understand any issues that impact the long-term success of our Group. This assessment is used to inform our overall priorities, as we work to align our Group sustainability plans with our purpose. In our last materiality assessment, carried out in 2023:

- We engaged with over 1,500 members and customers, 300 colleagues, 30 brokers, 10 of our key investors, our executive committee and risk experts across the Skipton Group. And overall, 19 key issues were identified across the Group.
- We found that stakeholders placed significant focus on factors such as maintaining our business resilience as well as employment conditions, pay, and diversity of our colleagues.
- We also noticed a strong sentiment towards issues relating to the products and services we provide, and how customers are supported and treated. This includes areas like responsible lending and lettings, financial wellbeing support, and provision of decent and affordable homes.

We followed double materiality principles, so considering both how the Skipton Group could be impacted by sustainability issues and how our activities can impact society and the environment.

For further information on the materiality methodology used in our assessment, please see the [2023 Group Sustainability Report Appendix](#).



## How we're playing a part in sustainability

In September 2015, the Member States of the United Nations adopted the Sustainable Development Goals (SDGs) framework. This is a global set of 17 goals, for 2030, which focus on addressing “the global challenges we face, including those related to poverty, inequality, climate change, environmental degradation, peace and justice”.

Recognising the Skipton Group’s responsibilities, sustainability has become a big part of our purpose-led strategy. We believe there’s a fantastic opportunity to actively support five of the SDGs through our core activities and growing sustainability agenda . Our approach is also underpinned by an alignment with the UN Principles for Responsible Banking, to which our banking businesses, the Society and Skipton International, are signatories. In 2025, we will publish for the first time, a joint Principles for Responsible Banking Self-Assessment Report for the Society and Skipton International, rather than separate disclosures reported in the prior two years for each business. The joint report will be published on our website later in 2025.



### Goal 8 Decent Work and Economic Growth:

*“Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all”*

As a leading lender and operating one of the largest networks of high street estate agencies, we’re well placed to help widen access to financial services and the housing market, supporting both renters and homeowners.



### Goal 10 Reduced Inequalities:

*“Reduce inequality within and among countries”*

With over 18,000 people working across the Group, we recognise there’s a significant opportunity to champion diversity and inclusion across our businesses.



### Goal 11 Sustainable Cities and Communities:

*“Make cities and human settlements inclusive, safe, resilient and sustainable”*

We can use our skills and know-how to help members and customers make their homes more sustainable.



### Goal 13 Climate Action:

*“Take urgent action to combat climate change and its impacts”*

We’re committed to reduce our carbon footprint, and the emissions related to our lending and supply chain.



### Goal 16 Peace, Justice and Strong Institutions:

*“Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels”*

Financial sustainability underpins our decision making, in turn creating mutual value for members, customers, colleagues and communities.

# Climate and Energy Efficiency

It's no secret that climate change is a serious threat to the future. But by working together, we have the chance to make a difference. Here's what we're doing to reduce our own impact on the planet – and support members, too.



## Together, we have a chance to make a difference

The devastating effects of climate change are happening right now, including the extreme weather conditions we're seeing.

Without urgent action, the impacts will become even more damaging in the future. So, in the fight against climate change, the UK has made a commitment: to reach net zero by 2050.

As a Group, we not only recognise the importance of reducing the impact our own operations have on the environment. We want to raise awareness and support members in decarbonising their homes – with emissions from households being a key contributor to the UK's carbon footprint.

*The UK housing stock is estimated to be responsible for around 17% of national emissions<sup>3</sup>.*

*The average EPC rating for a home in England/Wales is band D<sup>4</sup>.*

*Since 2010, the amount of homes in England with an EPC rating of C and above has risen from 12% to almost 48%<sup>5</sup>.*

## Our footprint

We're aware of the footprint we create as a Group – with 18,000 employees operating throughout our offices and over 1,200 branches, as well as our 2,500 fleet vehicles.

Most of our operations are based in the UK, with smaller facilities and offices at locations including Australia, Guernsey, Jersey and New Zealand.

We measure our greenhouse gas (GHG) footprint across the whole Group value chain (scope 1, 2 and 3 activities). In 2024, we have improved the granularity and consistency of reporting across the Group. By understanding more about the climate impact, we can establish measures to help reduce future emissions.

### Managing our impact (scope 1 and 2)

The majority of our own impacts are from office-based and branch operations.

**Our scope 1 emissions** – are from fuel use for heating and hot water production in our offices, combustion engine vehicles owned and operated by the Group companies and fugitive emissions from refrigerant added to air conditioning and refrigeration equipment.

**Our scope 2 emissions** – include the purchase of electricity to power and cool our office and branch facilities, and for use in electric vehicles.

In 2024, we have reported our Group scope 1 and 2 emissions using both a location-based and market-based method. This allows us to better reflect the energy supply contracts we have in place.

Our scope 1 and 2 location-based emissions have reduced 11% from 2023 and our energy consumption is down 9%. Our market-based emissions have reduced 47% due to increased purchasing of electricity from renewable sources, now at 86% (2023: 55%).

Work to lower energy used across our offices and branches has continued throughout 2024, switching to more energy-efficient LED lighting and smart electricity and gas meters.

Group GHG emissions and energy data				
Scope 1 and 2 (notes 1 and 2)	Metric detail	2024	2023	2022
Scope 1 – offices, branches and company vehicles	tCO <sub>2</sub> e	3,380	4,023	4,848
Scope 2 (location-based) electricity	tCO <sub>2</sub> e	5,343	5,772	5,462
Scope 2 (market-based) electricity	tCO <sub>2</sub> e	1,231	4,618	5,507
Total scope 1 and 2 energy usage	kWh	42,501,013	46,851,915	50,350,561
Total scope 1 and 2 emissions (location-based)	tCO <sub>2</sub> e	8,723	9,794	10,310
Scope 1 and 2 emissions from UK operations	%	99%	99%	99%
Total scope 1 and 2 emissions (market-based)	tCO <sub>2</sub> e	4,611	8,640	10,486
Scope 1 and 2 location-based emissions intensity ratio	tCO <sub>2</sub> e / £m turnover	5.39	6.30	6.84

#### Notes:

- 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.
- 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.

## Fleet

Connells Group have the largest fleet in the Group, comprising approximately 2,400 vehicles. To reduce their emissions over the next five years, they have a plan to replace high-emission vehicles with lower emission alternatives, including hybrid and electric options. At the end of 2024, over 20% of vehicles were hybrid or electric (2023:15%). We have reduced our Skipton Group fleet emissions by 4% .

## Sourcing renewable energy

To reduce our emissions, we aim to purchase renewable electricity tariffs where practical, with a renewable energy of guarantee of origin (REGO), for our Group operations. In 2024, we have increased the proportion of purchased renewable electricity to 86% (2023: 55%). This increase in renewable electricity is reflected in the reduction of our market-based scope 2 emissions.

The Society also purchases a green gas tariff, with renewable gas certification (RGGO). Our renewable gas certificates are not currently used to count towards any scope 1 emission reductions. Accounting for the renewable gas would result in a 459 tCO<sub>2e</sub> reduction in 2024.

## Waste, water and recycling

At the Society, we monitor our waste and water usage, where we continue to divert over 99% of our waste from landfill. In 2024, the Society reduced the consumption of disposable cups and containers by 37% from 2023. This was the result of a reusable cup scheme where all colleagues were provided with a reusable cup, supported by the colleague café and restaurant, where charges for disposable cups were introduced. This was further supplemented with charges to cover the cost of reusable takeaway containers. This scheme, as well as improvements to food waste disposal, have contributed to a reduction in total waste in 2024 by 32% from 2023 at head office.

The percentage of waste recycled reduced this year, from 81% in 2023 to 69% in 2024. This decrease is likely due to the total waste reduction from our reusable cups and container scheme resulting in less recyclables being disposed. We will continue to work with our waste contractor to consider further improvements to our recycling facilities.

Water usage at the Society head office has decreased by 9% in 2024, from 2023. We harvest our rainwater and have installed auto sensors for taps to improve water efficiency.



Society waste and water	Metric detail	2024	2023	2022
Waste diverted from landfill	%	99.4%	99.4%	99.6%
Waste recycled	%	69%	81%	72%
Total waste	kg	160,949	235,693	246,000
Water usage at head office	cubic metres	5,785	6,361	6,042

Changes to workplace recycling regulations in Wales, effective from 6 April 2024, require the separation of dry mixed recycling (DMR). The Society and Connells Group proactively implemented appropriate measures ahead of the deadline.

Jade also has comprehensive e-waste recycling for IT equipment.

## Emissions we can influence (scope 3)

Scope 3 emissions tend to form a large part of any organisation’s total emissions. For us as a Group, our scope 3 emissions include those generated from our mortgage lending activity (financed emissions) and from those generated through our value chain activity. Skipton Group does not invest in any corporate bonds, and we have no listed equity.

Collecting data on scope 3 emissions can be particularly challenging as we are required to obtain information from third parties, which may not have such well-established data collection or reporting processes and rely on information which is outside of our direct control.

### Estimates of scope 3 value chain emissions

The Group's estimation of scope 3 value chain emissions includes the following upstream GHG Protocol categories: Purchased goods and services (1), Fuel- and energy-related activities (3), Waste generated in operations (5), Business travel (6), and Employee commuting (7).

Categories not relevant or significant to the overall Group scope 3 footprint are not included (2, 4 and 8-14). Please note that scope 3 value chain emissions have in part been calculated using financial spend data.

Scope 3 upstream value chain (note 1)	Metric detail	2024	2023
Emissions from categories 1, 3, 5, 6 and 7	tCO <sub>2</sub> e	62,729	53,629

**Notes:**

1. 2023 data has been restated due to corrections in the data methodology.

### Purchasing goods and services

In 2024, we estimated the emissions from our purchased goods and services across the Group, using spend data. Purchased goods and services accounts for the largest proportion of the Skipton Group’s upstream value chain emissions, at 70%.

The Society works in partnership and closely monitors relationships with key suppliers. Our suppliers are requested to agree with the Society’s Code of Conduct as part of our onboarding process. This includes a commitment to the SDGs Goal 13: Climate Action, where suppliers should make efforts to reduce greenhouse gas emissions.

As part of our ongoing assessments to ensure supplier’s service is of an acceptable Standard, the Society are working with EcoVadis, a sustainability ratings provider, to assess sustainability practices in our supply chain.

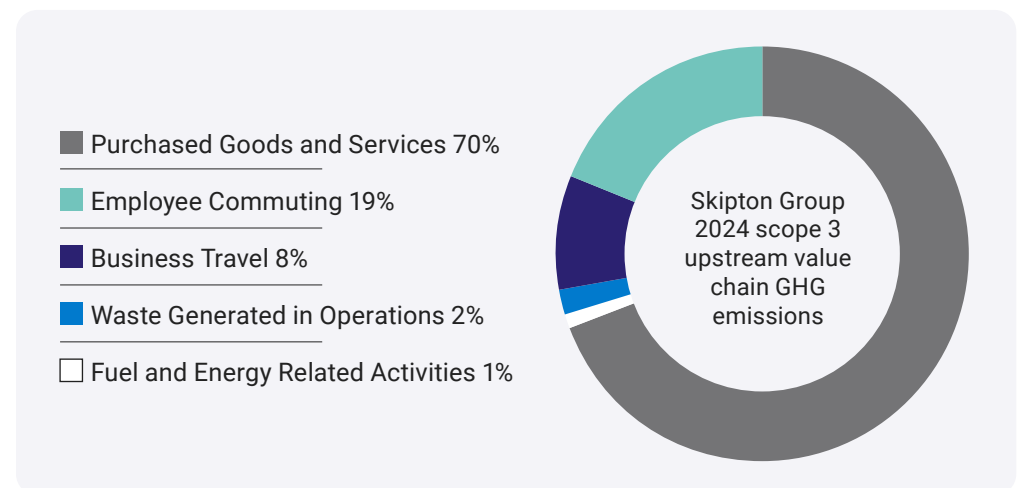
In 2025, we plan to work more closely with our most critical suppliers through development of a supplier engagement plan. This work will initially focus on the Society’s suppliers and later expand out to the other Group companies. We appreciate that this will require supplier participation and there is a risk that some suppliers may not participate. The data we collect from this will therefore be limited.

### Employee commuting and business travel

Employee commuting and business travel equates to the second and third largest scope 3 value chain emissions in 2024 at 19% and 8% respectively.

The Society continue to provide 20 electric vehicle (EV) chargers in the head office main colleague car park. We also offer four fast EV chargers for visitors in the head office visitor car park. We continue to see an increase in the demand for EV chargers at head office, where the electricity delivered increased by 40% in 2024, compared with 2023. In addition, Connells Group continue to offer free EV charging at some office sites for colleagues and visitors, for their electric or hybrid vehicles, whether company cars or privately owned.

The Society and Skipton Business Finance (SBF) offer a colleague benefit for employees to lease an electric or hybrid car via a salary sacrifice scheme. This could further help colleagues to reduce the emissions from their commuting and personal vehicle use. Connells Group offer a low emission vehicle (ULEV) car leasing scheme in association with Novalease that enables colleagues access to lease an electric or plug in hybrid car. This helps to support the reduction of emissions from business vehicle use. In addition, the Society, SBF and some of the Connells Group companies continue to offer the cycle to work scheme benefit.



### Scope 3 financed emissions

A key area of focus for us as a Group is understanding the financed emissions we generate through our Group residential and legacy commercial mortgage book lending (the Society and SIL).

To estimate financed emissions, we base our calculations on the GHG Protocol Partnership for Carbon Accounting Financials (PCAF) methodology, where we estimate CO<sub>2</sub>e emissions using EPC data, where available. 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, an attribution of emissions for each mortgaged property is calculated based on the property's remaining loan-to-value (LTV – calculated based on the ratio of the outstanding balance compared to the property value at loan origination). This is considered alongside actual EPC data or, if not available, modelled EPC data is used.

Scope 3 is 97% of total emissions, with the majority, 81%, from our mortgage lending financed emissions. For full details on our financed emissions reporting, please see our 2024 Climate-related Financial Disclosures.

In line with our overall approach to net zero, we are tracking our financed emissions intensity (kgCO<sub>2</sub>e/m<sup>2</sup>) of our residential mortgage lending. In 2024, our emissions intensity slightly increased, due to a slight increase in the LTV attribution factor.

Scope 3 financed emissions - Group residential mortgages (note 1)	Metric detail	2024	2023
Emissions intensity	kgCO <sub>2</sub> e/m <sup>2</sup>	13.46	12.67
Residential financed emissions based on LTV	tCO <sub>2</sub> e	258,888	231,052

**Notes:**

1. 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.

The total residential financed emissions have risen by 12%, due to an overall growth in the residential mortgage book value. As at September 2024, 81% of properties in the residential mortgage book had an EPC, accounting for 65% of the emissions. The remaining 19% of properties account for 35% of the GHG emissions.

We are continuously improving the accuracy of our estimated financed emissions data. After increasing the amount of actual EPC data and reviewing the use of modelled EPC and floor area data, we have restated our financed emissions data for 2023. Improving access to accurate data will help the Skipton Group to further understand the action we can take to influence decarbonisation.

Supporting our members to take steps to decarbonise their homes remains a priority and we continue to explore propositions to help, although customers are not required to implement energy efficiency improvements at the properties they own. Equally, we recognise action will also be driven by customer demand and consistent input from policy makers.

### Invoice financing

Our invoice financing business, SBF, supports UK small businesses by providing working capital to a variety of industry sectors. These include transport and distribution, manufacturing, recruitment, and commercial services provision.

SBF have estimated their financed emissions. There is currently no accepted methodology for invoice factoring, so an approach based on the outstanding invoice amount and an emissions factor based on scope 3 purchasing goods and services, has been used as a proxy.

In 2024 the estimated financed emissions from invoice factoring was 30,233 tCO<sub>2</sub>e.

## Working towards net zero

As a Group we aim to reduce the impact our operations have on the environment – so that we can play our part in achieving the UK’s net zero target by 2050.

During 2024, we have developed a Group-wide net zero approach – which has been approved by the Board – to reduce GHG emissions, in line with net zero 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 (kgCO<sub>2</sub>e/m<sup>2</sup>) of our residential mortgage portfolio, in line with net zero by 2050, and will track our progress each year against this pathway.

We recognise, to reach our net zero targets, there are many factors and uncertainties beyond our control. They require the involvement of others, including policy makers, governments, suppliers, and customers. Whilst we appreciate that these may impact our ability to meet our climate-related targets, or make them more challenging, and there is a risk that all or some of them will not be achieved, we continue to focus our efforts on transitioning the factors within our control.

### Enabling home energy efficiency

Ongoing higher energy costs – combined with the UK’s poorly insulated housing stock – are putting a huge financial strain on many households, hitting those on the lowest incomes the most.

Because of this, it’s vital that we improve the energy efficiency of housing across the UK. Needing less energy to heat a home will ultimately make them cheaper to run and more comfortable to live in. And given the UK’s pledge to reach net zero, creating more sustainable homes could play a critical role in helping the government achieve this mission.





## The Big Retrofit

The government wants to drive a property revolution over the next 25 years, but are households prepared?

With housing accounting for 17% of national emissions, the homes we live in have a huge role to play in the UK's legally binding objective of achieving net zero by 2050<sup>6</sup>. That means making significant changes to existing properties to make them more energy efficient and reduce the carbon dioxide emissions from heating and powering them – an approach known as retrofitting.

An estimated 29 million UK homes need retrofitting to reach the net zero target<sup>7</sup> – meaning it's something a lot of us need to start considering. And though the recent rising of energy bills have helped to prompt 43% of homeowners into planning to make energy efficient improvements to their property, there remain fundamental barriers. 72% believe retrofitting is expensive. 61% feel it's difficult and inconvenient. One in three people who don't currently plan to take retrofit measures cited concerns over its effectiveness<sup>8</sup>.

In short, there is confusion and doubt over retrofitting. There are considerable barriers over cost. And a ticking clock to reach net zero by 2050. To get all 29 million UK homes updated in time means 800,000 properties a month need to be retrofitted<sup>9</sup>.

Some of the organisations that make up Skipton Group have come together for a special project to better understand what retrofitting means. The aim is to experience it for ourselves, share what we learn with our members, and support the wider, national conversation that needs to happen.

So over 2024, we retrofitted a property we owned, a stone's throw from our Skipton Building Society head office, on Regent Road. A mid-size, 1930s detached home. It had an EPC (Energy Performance Certificate) rating of 'D', which is right in line with the UK average.

Skipton Group organisations, Connells Survey & Valuation, Harvey Donaldson & Gibson (HDG) and Vibrant Energy Matters, worked closely with the Society – alongside wider industry specialists – to transform the house by introducing a range of retrofit measures. These included installing an air source heat pump, solar panels, battery storage, triple glazing and cavity wall installation. We've documented our progress every step of the way, to help people better understand what it means to retrofit a home.

The Big Retrofit resulted in the Regent Road home's EPC rating climbing to 'B'. Working with Leeds Beckett and Leeds universities, the before and after testing found evidence that the measures have improved the property's energy efficiency and reduced its carbon footprint.

Annie Heaton, Skipton Group Sustainable Homes Senior Lead, explains, "The Big Retrofit was a hugely valuable learning experience for us. We're now committed to sharing full learnings and outputs during 2025, including the costs involved. It will also help us to shape the Society's overall sustainable housing strategy, and the ways we could help our members with one of the biggest housing challenges of our time.

"With millions of homeowners needing to consider retrofitting in the coming years, we hope this project can help people make informed decisions on upgrading their homes to be more energy efficient."

To find out more, [www.skipton.co.uk/retrofitting-regent-road](http://www.skipton.co.uk/retrofitting-regent-road), follow us on Instagram @thebigretrofit or visit our YouTube channel '[The Big Retrofit](#)'.



## Retrofitting projects progressing at pace across Scotland

Reducing carbon emissions in homes represents one of the biggest sustainability challenges facing Scotland in the coming years. To help Scotland reach its 2045 net zero target<sup>10</sup>, it will have to upgrade and retrofit approximately 2.6 million homes – that’s potentially 113,000 homes each year<sup>11</sup>.

During 2024, Scotland recorded its coldest early winter temperatures since 1998<sup>12</sup>. This further highlights the critical importance retrofitting homes will be to the nation in a bid to make properties more energy efficient and sustainable.

Harvey Donaldson & Gibson (HDG) one of the largest specialist residential surveyors in Scotland and part of the Connells Group, has made it their mission to improve homes across Scotland. With four main projects making excellent progress throughout 2024.

- As part of the Renfrewshire Council housing regeneration scheme, HDG provided their extensive retrofit assessment services on an exciting four-year project. Helping to improve local neighbourhoods by improving energy efficiency and reducing carbon levels for around 3,500 homes.
- North Lanarkshire Council targeted key improvements for both social and private housing by using local authority funding over the next two years. This will mean up to 1,200 properties will be assessed by HDG.
- Dundee City Council targeted timber framed and clad properties in two areas of Dundee. These required retrofitting assessments by HDG, with insulation measures put in place to create warmer and reduced carbon emissions homes. With 350 properties already completed to date.
- The Loreburn Housing Association’s retrofit assessments for homes in the southwest of Scotland, have focused on low carbon heating systems in off-grid properties. This has meant the ongoing installation of solar and air source heat pumps to help improve energy efficiency.

Buildings are responsible for nearly 40% of Scotland’s carbon emissions, with three out of 10 social and private houses not meeting quality standards due to a lack of energy efficiency<sup>13</sup>. So, retrofitting properties is only going to get even more important.

***“In Scotland, the energy we use at home makes up 13% of the country’s greenhouse gas emissions and around 30% of the total energy consumption<sup>14</sup>. As a result, retrofitting is one of the most significant contributions we can make for future generations.”***

*Jonathan Annan / Director – Harvey Donaldson & Gibson*

## Supporting our customers

We continue to support our members, customers and clients to help decarbonise their properties.

In partnership with Vibrant Energy (a Connells Group company) we offer a free EPC Plus report to members, with recommendations for energy efficient improvement opportunities and funding options where available.

The private rental sector plays a significant role in the UK housing mix, so we’ve extended this free offer to our Society buy-to-let landlord customers, available for up to 10 properties in a portfolio. We continue to work closely with landlords to help them finance the cost of improvements so that rental properties remain accessible and affordable. Please see our [website](#) for further details.

In addition, our additional borrowing products are available for existing members looking to make energy efficient home improvements.



## Helping businesses make their buildings more sustainable

The UK's commercial property sector is responsible for generating the highest energy consumption per square metre in Europe<sup>15</sup>. Given the government's 2050 net zero target, in Autumn the former Bank of England governor Mark Carney warned that a number of commercial buildings could become "stranded assets"<sup>16</sup>.

The need for action is clear, which is where businesses like Lambert Smith Hampton (LSH) – part of Connells Group – play an important role in enabling businesses to adapt their buildings. LSH advises on £16 billion of properties each year. This includes helping clients implement sustainability technology and support, designed to reduce emissions and costs.

There are many great examples of LSH's positive influence. Take the premises of one Reading-based business. It operated a closed water system that was feeling the effects of rising costs for chemicals and maintenance. There were also concerns over the environmental impact of the water system and its ability to meet Control Of Substances Hazardous To Health (COSHH) regulations. LSH introduced a chemical-free water system, using ionisation and electrochemistry. This resulted in significant cost savings, and importantly a lower carbon footprint with no harmful waste (it's now COSHH free).

In fact, this initiative made such a positive difference, LSH won a Green Apple Award for Environmental Best Practice. Established in 1994, the Green Apple Awards recognise, reward and promote environmental best practice around the world<sup>17</sup>.

One of the key services LSH provides is setting up energy action plans for buildings, to boost their energy efficiency. This includes installing 4D monitoring technology. 4D helps businesses track their energy consumption and identify areas for improvement to reduce their carbon footprint.

Another area where LSH supports commercial clients is assisting them collecting, analysing, and reporting data to meet Global Real Estate Sustainability Benchmark (GRESB) requirements. A GRESB is important because it provides environmental, social and governance (ESG) data to financial markets and helps businesses understand their ESG performance. In one example, LSH has helped an organisation increase its overall GRESB year on year since 2021, reaching 82/100 in 2024. This rating takes it well above the 74/100 average of its sector peers.

## Limitations on data reviewed

The following notes on data assumptions apply:

- The following third parties provide energy consumption data and independently calculate scope 1 and 2 emissions across the Group: Envantage and Catalyst Digital Energy, for the period from 1 January to 31 December 2024. Whilst reasonable steps have been taken to ensure that the information provided is correct, their information may be incomplete, inaccurate or may have become out of date.
- GHG emissions reporting is based on the principles of the GHG Protocol methodology.
- Envantage and The Energy Saving Trust (EST) independently calculate our scope 3 value chain emissions.
- Envantage independently calculate the Society and Skipton International's financed emissions from their mortgage portfolios, based on the GHG Protocol PCAF standard and applying the PCAF emission factors.
- Envantage has applied the DESNZ conversion factors.
- Where metered or invoiced data was unavailable, consumption of electricity or natural gas for missing periods was estimated or proxy data used.
- The availability of accurate, verifiable, reliable, consistent and comparable climate data is crucial to our climate journey, including modelling our carbon emissions, setting our strategy, metrics and targets and monitoring progress. It is important to recognise the current limitations in the climate data available to inform these decisions and processes, and therefore our reliance on several assumptions, judgements and projections as a result.
- We plan to continue to review available data sources and enhance our methodology and processes to improve the robustness of our sustainability reporting over time, aligned with emerging developments.

# Social Impact

As a mutual, Skipton Building Society doesn't have shareholders and so doesn't pay out dividends. This allows us to reinvest Skipton Group profits in a way that enables us to do more for our members, their financial needs, and causes that are important to them.



## Supporting the change to meet social challenges

As one of the biggest players in the UK housing market, we want to help tackle the current challenges impacting our members, customers and the wider public. That's why we continue to develop innovative products designed to support people in buying a home and saving for their future. We also want to help members and customers feel more secure over their finances – and recognise that there are even more ways we can provide great access to financial products.

Our support to the wider society and making a real difference to our local communities continues to be a core priority of membership. The Skipton Group remains committed to donating 1% of its pre-tax profit to charity each year and we have developed targeted strategic partnerships with charities whose goals and purposes align closely to our own:

- Helping people have a home.
- Championing warm and efficient homes.
- Supporting better financial wellbeing.

We want our members and colleagues to have their say in which strategic charity partner we donate a proportion of our profits to. At our AGM in April 2024, our members voted to support Age UK (see page 23 for further detail) with our 2024 donation and our colleagues voted to support National Energy Action, aligned to helping people have a home (see page 24 for further detail).

## Helping people have a home

We recognise the challenges first-time buyers are facing right now – and want to be a leading support across the industry. We want to help drive societal change and broaden housing equality, by supporting more first-time buyers to get on to the property ladder, in particular those without access to intergenerational and familial wealth.

### Our Track Record mortgage

Following the successful launch last year, we continue to evolve and enhance our Track Record Mortgage (first-time buyer product which requires a low or no deposit). It provides an option for aspiring first-time buyers, especially aimed at people trapped in the rental cycles who want to achieve their homeownership dreams. Since launch, we have helped 613 (December 2023: 199) first-time buyers through this product alone. Our enhancements throughout 2024 demonstrate our commitment to help as many aspiring homeowners as possible.



## Skipton Group Home Affordability Index

Aspiring first-time buyers are facing the toughest conditions in 70 years<sup>18</sup>. It's an issue we're all too aware of, given many of the organisations that make up the Skipton Group support people through different stages of the home ownership journey.

In 2024, we began to bring these insights together, launching the very first Skipton Group Home Affordability Index.

The Skipton Group Home Affordability Index assesses both buying affordability and living affordability across Great Britain. Split by region, it allows you to look up the cost of renting, buying a first home, and moving up the property ladder where you live. As well as checking how your region compares to the rest of Great Britain.

The inaugural Index findings were stark. Only 1 in 8 potential first-time buyers can purchase the average first-time buyer home in their area. Almost 80% of potential first-time buyers don't have enough savings to afford the deposit needed to get on the property ladder where they live. And nearly 4 in 10 renters are spending 45% or more of their income on essential housing costs (which limits their ability to save for a deposit).

Last July, we began to publicly highlight the Index and the challenges so many people are facing – generating a great deal of national media coverage. In 2025, we're also engaging with the government and policymakers to campaign for meaningful change. Because this situation cannot go on.

With Skipton Group helping around one in 10 people who bought/sold a home, we recognise we have a big part to play too. In 2024, the Society launched a new first-time buyer mortgage range, which includes cashback/no completion fees on selected products, free standard property valuations, and discounted home surveys provided by Connells. The aim is to knock down some of the barriers first-time buyers are facing.

Working closely with Oxford Economics – and bringing together key data from businesses across the Skipton Group – we will continue to share the latest findings from the Skipton Group Home Affordability Index. We believe everyone should have somewhere to call home – and we're harnessing the power and influence of the Skipton Group to help more people.

## Make Your Move

To help borrowers unlock fundamental education and navigate the process to achieving home ownership, we have teamed up with Channel 4 to produce the "Make Your Move" series and with Move IQ to produce a YouTube Series.

### Make Your Move - to greater financial education

From time to time, we all face some major financial milestones in life – and we don't always know what to do for the best. Research shows 63% of UK adults don't believe they can determine what happens in their lives when it comes to money<sup>19</sup>.

As the UK's fourth largest building society, we believe we have an important role in providing financial education to people who need support. And in 2024, we embarked on a brand new partnership with Channel 4 and Mail Metro Media to offer help and advice to people facing big financial decisions.

Presented by rising TV star Tayo Oguntonade, Make Your Move is a mini advice series, where we spoke to real life couples and helped them to make considered financial decisions. Episodes included helping Bec and Sam find out if they could buy a first home, supporting Dawn and Leon in considering whether to downsize their home, and guiding Andy and Sarah in working out if they could afford a bigger home to enjoy with their children.

The mini-episodes – available on Channel 4's popular YouTube channel and All4 Streaming service – saw Tayo and specialists from Skipton Building Society assess each couple's unique situation, and offer tips and advice on what they could do to achieve their goals.

Make Your Move was a big hit, with the online episodes attracting a combined 1.1 million views, plus accompanying articles in the Mail and Metro seen by an audience of over 5 million.

*As one YouTube commentator put it, "We need more content like this because this is reality for a lot of the UK right now."*

## Helping people have a home: A Place to Call Home with Age UK

In 2024, we asked our members to help us donate some of Skipton Group's profits to support charitable causes who have a focus on helping people have a home. So we ran a vote of three very worthwhile charities, pledging to donate £2 million to the chosen charity over the next three years.

More than 52,000 members voted, with Age UK emerging the clear winner. Age UK is the nation's leading charity for older people. Through a network of local and national services, Age UK provide a wide range of support and advice for older people and those close to them on topics such as housing, money, care, health and much more.

1.9 million older people in the UK live in poverty<sup>20</sup>, often struggling to afford basics such as adequate food and heating, and this number has been steadily creeping up over recent years. Over 65s are dealing with the considerable challenges of loneliness, poor health or an unmet need for care. As the cost-of-living crisis continues – and benefits like the Winter Fuel Payment being scaled back – it has become increasingly difficult for older people to get the financial and emotional support they need.

As one of our three charity partners, Age UK is being provided with funding. It plans to use this to support older people to have A Place To Call Home. This programme is allowing 11 local Age UKs in areas of high Index of Multiple Deprivation to deliver holistic advice sessions, supporting older people to live well and independently in safe, secure, and warm homes. The programme aims to deliver holistic support to 5,500 older people, identifying £11 million in unclaimed benefits to help them cover essential expenses such as food, heating, care needs and home repairs. In the first three months of the programme, 366 people received holistic support across the 11 local Age UKs, with 57% receiving support face to face (including 46% receiving a home visit).

We've also helped to fund Age UK's national Advice Line, which offers specialist information and advice to older people 365 days a year. The Advice Line is a free, confidential, national phone service for older people and those close to them, providing support with benefits, money worries, care needs, health concerns and loneliness and isolation. We've funded 14,000 calls from older people, family members, and carers to the Advice Line, which were delivered in September and October 2024.

The Advice Line donation is unrestricted. What this means is Age UK receive flexible funding that can be used to cover the costs of delivering any part of their charitable purpose. For example, management costs or overheads which are essential to the overall functioning of the organisation.

The final part of the funding we've provided to Age UK is going towards funding their annual cost-of-living research. This important research will further understand the real-time housing needs and other financial concerns of older people during the ongoing cost-of-living crisis. The findings will help to inform Age UK's service delivery, and they will use it to influence government and private sector policy and practice.



### **"I feel like someone is on our side"**

The funding our members have voted to provide Age UK with is already making a huge difference. Married couple, Lorraine (83) and Paul (82), both have significant health issues which impact their day-to-day life and how they are able to manage in their home. They were also feeling isolated from being housebound.

During a holistic advice session, Age UK were able to identify that Paul and Lorraine are eligible for support in their home, including Attendance Allowance and specialist equipment to help with their mobility issues. They were also able to recommend befriending services in the community that offer the couple more social contact.

Lorraine says, *"They [Age UK] have gone above and beyond to support us in every aspect of our life at home."* Paul adds, *"I feel like someone is on our side rather than telling us how to live".*

Another person supported by the programme is Jess, who is widowed and has a number of health issues. She called because her washing machine was broken, and her daughter (who is her carer) had to go to the laundrette twice a day, which was costing over £70 a week. Age UK were able to advise her she was eligible for a grant of £250 for a new washing machine.

Jess explains, *"I really appreciate the things you have done for me. I didn't know where to go for help. I can't read and write and can't use the computer. I am not spending money at the laundrette so I have more income to manage my other bills."*

### **Making a difference**

- Benefits advice for older people has been the main area this funding has gone to so far, with 57% of the holistic advice sessions and 27% of the Advice Line calls being for support with benefits.
- Since launch in October 2024, a total of £1,100,360.56 in annual benefits that can be claimed have been identified in the first three months of delivering the holistic advice sessions, with an average annual benefit that can be claimed identified per person of £3,006.45.
- Through the Advice Line calls delivered in September and October 2024, 1,924 older people were provided advice on options for care within the home. And 873 older people were given information on their rights and housing options.



## Championing warm and efficient homes: Creating Community Retrofit Hubs with National Energy Action

We continue to observe significant economic challenges for our members, customers, colleagues and wider stakeholders. Ongoing higher energy costs, combined with the UK's poorly insulated housing stock, put a significant strain on the finances of many households, hitting those on the lowest incomes the hardest. That's why we will play our part to support members and customers with retrofitting and making their homes more energy efficient, in line with national net zero targets (see the Energy and Efficiency section on page 11 for further details).

In 2024, our colleagues voted for us to partner with National Energy Action (NEA). NEA is the national charity working to end fuel poverty in England, Wales and Northern Ireland. They offer advice and support to fuel-poor households, as well as advocating for policy and regulation to protect the most vulnerable.

Through our £1.2 million commitment, we will fund three Community Retrofit Hubs – one in Burnley, another in the Sheffield area, and the third opening in 2025. Burnley and Sheffield were chosen due to the level of deprivation and high amounts of people living in fuel poverty in the area.

These hubs will aim to:

- Build awareness of retrofit and its benefits, while making retrofit activity more accessible and easily understood.
- Directly support householders through the process of retrofit in their own homes, helping people to reduce bills, and have better warmth and comfort, and improved wellbeing.
- Raise awareness of the challenges faced by households in accessing support to make their homes more energy efficient. Findings from the project will be used to influence government strategies, budgets, legislation and scheme design.

The project aims to help local people reduce their heating bills, create healthier homes, and be ready for the transition to net zero, especially for those living in fuel poverty. We believe this project fills an important space in the retrofit landscape, and that its implementation and execution will be of great interest to practitioners, academics and policy makers.

### Early impact

The Community Retrofit Hubs in Burnley and Sheffield opened in October 2024. Each Hub has a dedicated team of NEA colleagues fully trained and in place to run the projects. Their first step has been to undertake a review of the local area. From the make-up of housing stock to what, if any, existing networks and services are already in place.

Each team also began to connect with local stakeholders to raise awareness of the Hub and its community aims. This includes engaging with local authorities to apply for funding through the Government's Warm Homes Local Grant, which could provide valuable funding for low-income householders to access energy retrofit measures. Another priority has been to build connections with local energy efficiency suppliers and installers.

It's early days, but the teams have started to discuss energy efficient options and the support available with interested householders.

Beyond these local communities, NEA is devising a plan to engage with politicians and policymakers to support and influence the wider retrofit conversation. They are aiming to feed into the Labour government's Warm Homes Plan.

They've already started to make their mark. In early January 2025, NEA hosted a parliamentary event to showcase their retrofit work, where over 30 MPs attended. They also fed into Labour's Autumn Budget, helping to steer a government commitment to allocate £3bn to retrofit.





## “The service is vital”

The two Community Retrofit Hubs we have funded are already starting to have an impact. For example, the Burnley team hosted a drop-in session to provide guidance and information for people looking to make their homes more energy efficient.

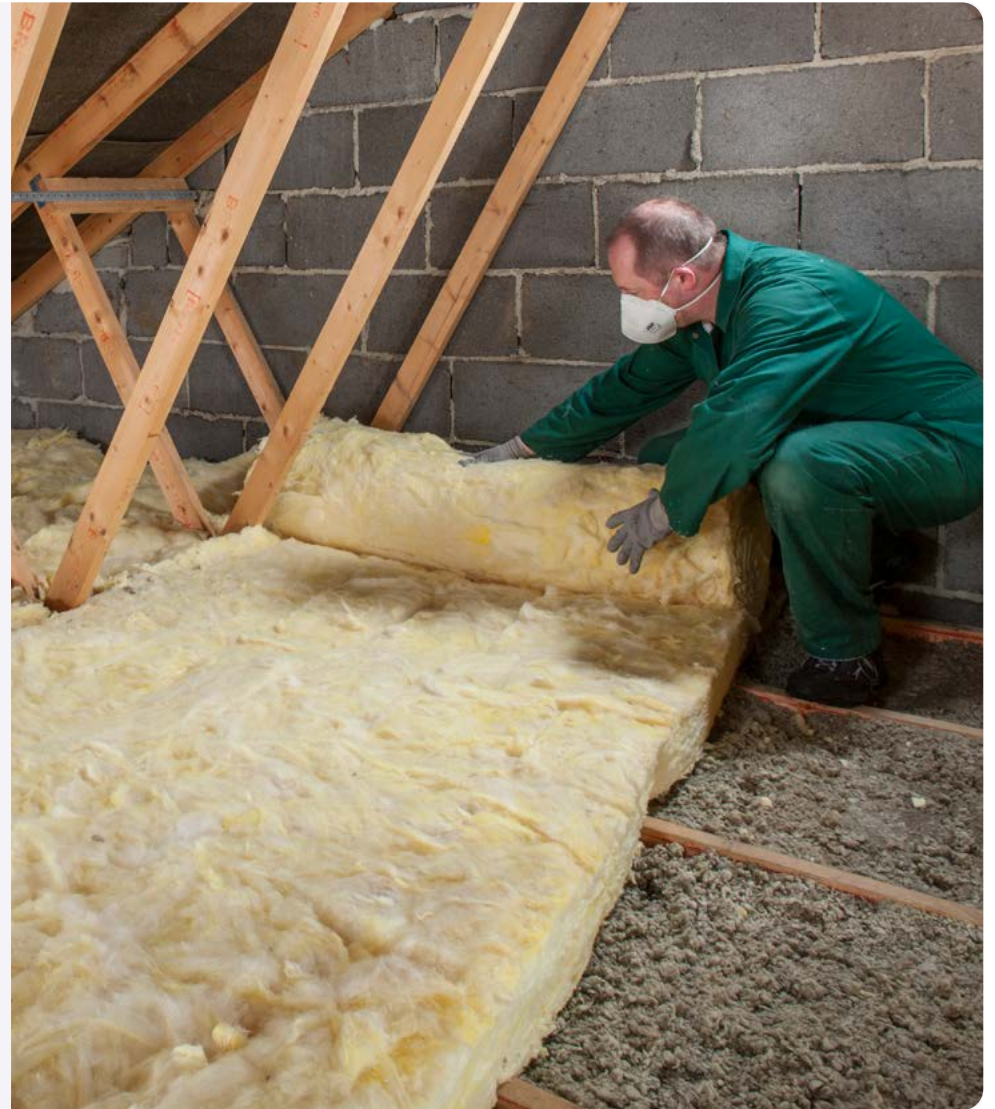
One of the people they spoke to assumed they wouldn't qualify for any grants. They were unsure about retrofitting due to a poor experience a family member had with their own property. NEA was able to explore their individual situation and give them the positive news they would qualify for a grant. They talked about the retrofit measures available and how they work, answering questions and addressing concerns. The person asked for more information on the schemes available and is now considering their options.

*A stakeholder at Burnley council says of the new Retrofit Hub, “The service is vital with Burnley being one of the most deprived areas in the UK. This initiative demonstrates NEA’s commitment to reducing fuel poverty, improving lives, and enabling communities to thrive in a sustainable future.”*

In Sheffield, similar sessions are held regularly. One person wanted to find out if they are eligible for grant funding. English was not their first language, so they were uncomfortable filling out forms and going through the process on their own.

NEA went through the funding schemes that might be available. They also helped the person complete an application related to a retrofit measure that appealed to them. They will continue to be there to help this person every step of the way.

*A key stakeholder at Sheffield City council adds, “We are delighted to have the NEA Retrofit Hub in Sheffield. This innovative service will complement and add real value to the city’s existing Warm Homes Sheffield offer, and fulfil an important gap of more dedicated, expert, in-person, end-to-end support. The project will derive significant learning to help accelerate and improve housing retrofit.”*



## Supporting better financial wellbeing

### Conversations worth having

As well as savings products, we provide no obligation money advice to our members and customers. In 2024, we focused on making it easier for members and customers to access advice on their savings and investment goals by providing personalised recommendations.

### Helping people feel financially prepared for the future

The cost-of-living crisis has taken its toll on many people's financial confidence, with one in three UK adults saying they suffer daily anxiety about their finances<sup>21</sup>.

With over 20 million UK adults saying they don't feel confident about managing their money<sup>22</sup>, the Society is aiming to help more people feel prepared for the future. We have a wide range of products and services to support members with their money at each stage of their life, from saving for personal goals, planning for retirement or thinking about their legacy.

In 2024, the Society started offering a new service called 'My Money Review' in all its branches. It's a friendly, face-to-face conversation with a knowledgeable colleague (also available online and over the phone) where customers can openly discuss their finances, ask questions and get personal recommendations to help them with their money. At the end of the chat, the customer receives a summary of their conversation to consider. A meeting with one of the Society's financial advisers can also be set up if they need help to plan their long-term financial future.

This new service has received great feedback, with 97% of customers who have had a review saying they're satisfied with the service.

### Member exclusive savings products

As part of our commitment to giving value back to our members, we offer various savings products with preferential rates specifically for our members. So far, members have opened over 105,000 member accounts, offering them the chance to get even more from their money.

### Offering a free Pension Health Check

The Society commissioned research that revealed the difference between men and women's pensions pots, with men reporting the prospect of a much more comfortable retirement than women, known as the gender pension gap. The Society offers a free Pension Health Check to its members, to help them see if they are on track for the retirement they want.

### Investment options

We also recognise many financial advice customers want the option to invest in ways that are aligned to their values. To better support them, we provide a set of third-party investment options which integrate environmental, social and governance criteria. These screen out certain products or industries, such as those which produce tobacco, controversial weapons, and thermal coal.



## Helping to school parents on the importance of good financial advice

Money is one of the most important topics a parent can have with a child. As the more children learn from parents, the more chance they have of making better decisions with their money in the future.

In 2024, at Skipton Building Society, we conducted a survey of 2,000 parents with children aged between 10 and 20 to better understand financial confidence amongst parents. It asked questions that focused on what level of confidence parents had when talking with their child about the different aspects of money.

The results revealed that a third of parents are avoiding having conversations about money with their kids – because they don't want them to make the same mistakes they did.

- 85% worry they will give their offspring bad financial advice.
- 76% of parents wish they had received more financial education as a child.
- Many lack confidence to give advice on investing (29%), budgeting (25%) and credit scores (23%).
- Encouragingly, 51% did want to give their children the best footing in life financially, but felt like they weren't qualified to give them what they need.

We used these survey findings to raise awareness and offer tips to parents so they can start having better conversations with their children.

Furthermore in 2024, Skipton Business Finance's (SBF) charity partner, WizeUp Financial Education delivered a workshop at Abbey School in Rotherham. This focused on providing tailored financial education for children with special educational needs and disabilities (SEND).

With support from SBF, the workshop offered students practical financial knowledge and problem-solving skills, as part of SBF's aim to highlight the importance of inclusivity in financial education.



***"By seeking proper financial advice, parents can make informed decisions and pass down valuable knowledge to their children. This not only helps families navigate challenges together, but also empowers the next generation to build a stronger, more secure financial future."***

*Helen McGinty / Head of FA Distribution - Skipton Building Society*



## Supporting better financial wellbeing: Mental Health and Money Advice service with Mental Health UK

The last five years have proven very challenging for the nation's mental health. We experienced the global Covid pandemic, where one in three adults and young people said their mental health got much worse<sup>23</sup>. Then there was the cost-of-living crisis, during which 23% of adults said their mental wellbeing was the worst it had ever been because of money worries<sup>24</sup>.

Over this extremely challenging five-year period, Skipton Building Society has supported the important work of Mental Health UK. The only mental health charity operating UK-wide, Mental Health UK offers a range of tools and support services to help people with mental health problems.

The partnership between Mental Health UK and Skipton has seen us donate over £1.1 million through various fundraising initiatives. This has allowed the charity to expand its award-winning Mental Health and Money Advice operation, which is the only UK-wide service to support people with both their mental health and money. This funding has allowed Mental Health UK to recruit more advisers so they can support more people. It's also helped them upskill colleagues and trial new ways of working, to improve the experience.

Between April 2024 and December 2024, our financial support allowed Mental Health UK to improve the mental and financial health of almost 500 people, who collectively achieved over £3 million in financial gains (including debts written off, grants accessed, and benefits received). Others are getting help managing their debts (collectively totalling £4 million).

We've worked closely with the Mental Health & Money Advice team to link into what they do. For example, Skipton colleagues have been trained up so they can refer members and customers, if we identified they would benefit from the service.

Hundreds of Skipton colleagues got behind our charity partner and raised money for Mental Health UK in a variety of ways – from organising car washes to completing skydives. Some £170,000 was raised through a range of initiatives.

Members have also played their part. In 2024, for example, we pledged to donate 50p to Mental Health UK for every member who voted at our Annual General Meeting (AGM). This raised a further £32,000 for the charity. At the 2025 AGM, members will vote for our next charity partner, focussed on supporting better financial wellbeing.

*"The partnership with Skipton has improved the financial and mental wellbeing of many people across the UK."*

Charlene Marks, Head of Mental Health & Money Advice.

### Jane's story

Jane lives with multiple physical and mental health conditions, which affect her everyday life. She told the Mental Health and Money Advice service these include complex PTSD, paranoia and regular psychotic episodes.

Jane was receiving in-patient mental health support when she was referred to the service. Her most pressing issue was getting assistance with a Personal Independence Payment (PIP) claim. The Mental Health and Money Advice service supported Jane with the PIP claim which was successful, getting the highest rates of PIP components.

Jane wanted to try and get some normality back into her life when leaving hospital as she was homeless. In 2024, the team assisted Jane in getting rehoused. She has now moved into private rented accommodation, and was extremely grateful for the support of the Mental Health and Money Advice service.

Jane added she was looking forward to Christmas for the first time in a long time, as she was able to accommodate her daughter, who was visiting her from America.

## Supporting our communities

Skipton Group have committed to donating 1% of annual profit before tax to charitable causes that align to our purpose. In addition, we also run several different schemes to continue our support for local causes in our communities. These have included:

### Donations

- Contributing £833,500 to the Skipton Building Society Charitable Foundation who distributed grants to charities across the UK.
- Community Giving provides members and customers the opportunity to vote for grassroots causes in their local area. In 2024, the Society donated a total of £164,000 (2023: £82,000) across 246 charities, which were voted for in each of the Society's 82 branches.
- All 11 of the Society's Employee Resource Groups received £5,000, which they donate to charities aligned to the network group's purpose.
- The Star Awards is our Society, peer-to-peer scheme designed to recognise colleagues for great work that demonstrated our behaviours. In 2024, five Star Award winners donated £10,000 each to a charity of their choice as part of the reward.
- Skipton International continue to financially support Citizen's Advice across the Channel Islands, to allow more islanders to receive advice and guidance when they need it. Citizen's Advice is a charity which has trained advisors who offer free and confidential advice on almost any subject of concern, including money worries. It deals with over 12,000 queries from islanders each year. Many islanders are struggling with financial concerns with the rising cost-of-living, increasing mortgage payments, access to affordable housing, and rising energy bills.
- Skipton International have an established Skipton Community Fund, focusing on Channel Island good causes.
- Skipton Business Finance (SBF) supported 30 community initiatives, amounting to a total of £10,000 in scheme grants.
- SBF was proud to support two incredible charities: Children Today and WizeUp Financial Education, with a combined donation of £4,032 – an increase of 10% on the previous year.
- Colleagues are able to nominate local Skipton schools in need of IT equipment. In total 180 laptops were donated to local schools.

### Fundraising

- Connells Group raised £61,454.73 to support their charity partner, Mind, in 2024.
- In 2024, Skipton Building Society contributed over £21,600 to 53 charities through matched funding. Matched funding is available to all colleagues who take part in a fundraising activity for a registered charity, and they can receive up to £1,000.

### Volunteering

All Society colleagues can take three days per year to participate in volunteering activities to deliver benefits to the communities in which we operate and SBF colleagues can take two days. Skipton International and Jade have established charity volunteering programmes and colleagues have the chance to take one day a year to volunteer for a charity of their choice.

### Disaster appeals

When a large-scale disaster happens, the Group funds charities to get aid to people who need it, fast. We are supporting the Disasters Emergency Committee (DEC) Middle East Humanitarian Appeal. For more information visit [dec.org.uk](https://dec.org.uk).



## Supporting our customers

### Protecting customers from financial crime

We take the security of our members and customers very seriously. Whether it's online, over the phone, in branch or in person, we're committed to helping customers protect themselves against fraud.

The "[Fraud and Security](#)" pages on [skipton.co.uk](#) provide ways to recognise financial scams and what members and customers should do if they think they've been affected. Our colleagues also receive regular updates on the latest industry scams, and have annual training to help them protect members, customers, themselves, and their families.

With new cyber threats emerging across the globe all the time, we're constantly improving our well-established financial crime, fraud monitoring and management processes. By remaining vigilant and keeping on top of the changing landscape, we can protect our members, customers and colleagues from financial crime.

### Protecting people from financial scams

The problem of financial scams is only getting worse. In 2024, the Financial Ombudsman Service reported that fraud and scam complaints had hit their highest ever level<sup>25</sup>. Separate research from Barclays found one in five UK adults fell victim to a scam in 2024<sup>26</sup>. 52% find the wide variety of tactics that scammers might use overwhelming. 32% feel less confident in their ability to spot them.

To help tackle this global problem, Skipton Group organisation Jade – who are based in New Zealand – provide a special software system that helps banks and building societies in the UK and beyond. Known as Jade ThirdEye, it allows organisations to screen customers and monitor transactions. Jade ThirdEye identifies patterns of illegal activity – such as fraudsters attempting to launder money or hide the proceeds of crime. It also flags up any signs that innocent people might be the target of a scam. This allows organisations to move swiftly and stop illegal activity.

Over 160 reporting entities worldwide are using Jade ThirdEye. This includes Skipton Building Society. Jade ThirdEye tracks customer transactions to look for unusual patterns of behaviour. It allows the Society to move quickly to investigate suspicious activity and act promptly – to look after members and customers, and their money, from scam attempts. Take the case of one Society member:

In late 2024, they received an email – supposedly from HMRC – claiming they were owed a tax rebate. The member assumed it was legitimate and provided the requested information. Shortly after, an unknown individual got in contact, claiming to work for

Jade Software, our software solutions provider, has developed software (Jade Third Eye) to detect and respond to fraud, money laundering and the financing of terrorism. Jade sells this product into the UK, Australia, and New Zealand. This software is trusted across financial services, including by many of the building societies in the UK and monitors hundreds of thousands of transactions daily.

### Tackling the rise of scams

Financial scams have sadly become commonplace in the UK. The Society believes it's incredibly important to educate and protect members and customers from the risks of scams. The Society provides free information on its website and through a special brochure. They cover different ways scammers might target you, the warning signs to look out for, and what to do if you are targeted.

Every Society colleague also completes annual fraud training. It helps them to look out for signs of suspicious activity and if any member or customer might be at risk of being scammed. A dedicated Financial Crime Team is on hand to investigate any concerns raised. Over 2024, these efforts stopped members and customers from losing a combined £808,045 in savings.

Skipton Building Society. This person told the member that an account they have elsewhere was compromised, so they should move funds between their accounts to "confuse the scammers". The member was also asked to transfer money from their Skipton account to two external accounts, with the assurance the funds would be returned later.

This is where Jade ThirdEye came in. As part of its routine transaction monitoring, Jade ThirdEye flagged up this transaction as unusual activity. The Society's Financial Crime Team was able to quickly investigate the situation, and place restrictions on the member's Skipton account to prevent further withdrawals. The team wrote to the member, asking them to contact Skipton to discuss the suspicious activity.

Further investigation confirmed the member had fallen victim to a scam. Because of this quick software intervention, the Society was able to make sure the member's money was returned. This story underlines the level of sophistication and range of tactics scammers employ. Innovations like Jade ThirdEye offer greater protection for consumers around the world. And it allows the Society to do more to look after members' finances.

*"We are very encouraged by the positive difference Jade ThirdEye is having in enabling us to monitor transactions and protect our members. Prevention is better than the cure – and by using Jade ThirdEye to spot suspicious activity, we can take quicker steps to reduce the risk of scams and other illegal activity."*

Stacey Blackwell, Head of Financial Crime, Skipton Building Society.

## Customer relations

In 2024, the Society continued to achieve high levels of net customer satisfaction, scoring 91%. And Skipton International received a Feefo Platinum Service Provider award for the sixth year running, the customer satisfaction score was 4.7/5.0 for 2024.

We always strive to get things right for our members and customers first time. But we recognise that on occasion, things can sometimes go wrong – and cause them to complain.

We aim to deal with these complaints efficiently and with empathy, putting right what has gone wrong. We aim to respond to complaints as quickly as possible, and more than half of our complaints in 2024 for mortgages and savings were responded to within 3 days (54.3%).

### Providing positive outcomes for all members and customers

We work hard to deliver good experiences and outcomes for all members and customers. It's always important that we consider each individual situation – and this includes members and customers who are vulnerable.

As such, colleagues are fully aware of this and are trained to recognise signs of actual or potential vulnerability – over 99% of Society employees completed training on Good Outcomes for Vulnerable Customers in 2024, and SBF and Skipton International enrol all their colleagues on vulnerable customer training. In addition, all customer facing leaders have completed tailored Vulnerable Customer Leader training. This focused on leader accountability in supporting colleagues, signposting support options we have available for members and customers and sharing case studies for guidance.

The Society also has policies and guidance (Vulnerable Customer Policy and Guidance Document) in place to help us provide good customer outcomes for all, regardless of their circumstances or characteristics of vulnerability. And we have a dedicated team who provide governance, support and guidance for colleagues.

Furthermore, in 2024, we launched our Broker podcasts to increase awareness around brokers acknowledging additional requirements of borrowers.

Being accessible to those with disabilities is incredibly important to us – with 23% of working age and 45% of pension age adults registered as disabled<sup>27</sup>.

- All Society branches have been audited with AccessAble, and detailed accessibility information for each branch is available online.
- Video appointments are available for anyone who cannot or does not want to visit a branch. These are available for all services – mortgage advice, financial advice and reviews.
- SignVideo is available for British Sign Language (BSL) users and BT Relay UK is available – allowing members and customers to type messages to a text relay assistant who speaks to the Society over the phone and types back to the member or customer. In the past 12 months we have translated over 398 minutes for BSL users.
- We are part of the Hidden Disabilities scheme for colleagues, members and customers. The Hidden Disabilities Sunflower is a way our colleagues, members and customers can voluntarily share that they have a disability or condition which may not be immediately apparent.
- In our branches we can now provide Signature Stamps for members and customers. Signature Stamps are physical stamps that create a copy of an individual's signature as they are no longer able to sign their name consistently – this could be a variety of reasons including arthritis or sight loss. We have provided over 90 signature stamps in 2024.

### Feedback on our Signature Stamps

"I was pleased and surprised when my husband was offered a signature stamp after he explained that due to his Parkinson's disease, his signature was altering significantly. Skipton always seems to go the extra mile." – Customer feedback taken from event survey.

"Customer was extremely grateful that this is something we are offering – he said it is going to make his life a lot easier in the future and will also help with his anxiety in regard to being unable to sign." – Colleague feedback from survey.

"This service is extremely valuable, my customer has a tremor and was struggling to sign her name on an application form for a new account, when I highlighted that I could help her by arranging to get a signature stamp for her to use in future, she was over the moon that we could offer this service. She has since collected her stamp and is delighted that when she comes to conduct her business, the requirement of her signature will no longer be an issue as she can just use her stamp. Brilliant service and it shows we are fully dedicated to our members to do the right thing for them." – Colleague feedback from survey.

## Supporting our people

### Diversity and inclusion

Our people are one of our core assets. In total, the Skipton Group employs over 18,000 colleagues, who play a key part in making this a growth organisation. We want them to consider it a great place to work, where they feel they can be the best version of themselves. And where we put high premium on the diversity and the blend of different skills, and backgrounds that people have.

The Board and senior management are committed to maintaining an inclusive culture, where we continue to invest in our colleagues' skills, personal and career development and well-being. Our colleagues are critical to our success. By maintaining a strong culture and empowering decision-making close to our members and customers, we can deliver on our purpose.

Females make up 54.3% of our Group. Whilst we've seen some encouraging signs across the organisation, there are still fewer women in the highest paying jobs, impacting the pay and bonus gap. Given the variation and different businesses across the Skipton Group, we appreciate there's more work we need to be doing to improve in this area. For further details, please see our Society Gender Pay Report. Connells Group publishes gender pay reports for its relevant businesses. Our subsidiary, Jade, in New Zealand, voluntarily report on gender pay, having worked together with Mind the Gap. We're continuing to work to balance our leadership pipeline to ensure we have female representation at all stages internally.

In line with our commitment to gender equality and our belief that diversity of thought results in a better society for our members and customers, the Society signed the Women in Finance Charter in 2019 and agreed to a number of pledges that we can measure over time. Progress reports against these pledges are included in our Society Gender Pay Report, published annually in April.

Skipton Group were the headline sponsors of the 2024 WISE conference as part of our commitment to fostering innovation and inclusion in the IT and engineering sectors. Our growth strategy depends on recruiting, retaining, and developing a diverse workforce, which is essential to driving creativity, solving complex challenges, and delivering the best outcomes for our members and customers. As the UK faces a skills shortage in IT, we are determined to play our part in expanding the talent pool and supporting the workforce of the future. This sponsorship reflects our passion to make a positive impact on the communities we serve and reinforces our dedication to building an inclusive environment for all.

Inclusion and wellbeing are prioritised throughout the year, and during the month of June, and a fortnight in October, the Society held events raising awareness on various topics including menopause, neurodiversity, and social mobility. The Society continues to support 11 Employee Resource Groups, each of which have an executive sponsor, a budget, protected time, and training. Our Armed Forces network has worked to achieve the Armed Forces Covenant Silver status and our LGBTQ+ network have supported with the introduction of Gender-neutral toilets in the Society Head Office building and a Transitioning at Work policy.

In 2023, Connells Group established new diversity and inclusion networks for gender, ethnicity and LGBTQI+. The LGBTQI+ and Society Pride Alliance networks are open to all colleagues and provide a safe space where members of the LGBTQI+ community and allies can support each other and discuss the issues that matter. In 2024, the networks continued to work on diversity and inclusion activities, with the networks focusing on: internal and external visibility, evolving their recruitment tool, updating and implementing annual effective diversity awareness training and developing their 'Understanding Diversity' sessions.

Following the success of the 2023 Pathways Programme in the Connells Group, a scheme providing management and leadership development with a primary focus on under-represented groups, wave two of the programme was launched in October 2024. Over 200 Connells Group colleagues have been nominated and are currently participating in one of three Pathway Programmes.

Skipton International committed to the Guernsey Employers Disability in 2020 and provides disability awareness training for all colleagues.

### Breakdown of colleagues in the Group as at 31 December 2024:

Group	Male	Female	Total	Percentage male	Percentage female
Executive directors (note 1)	3	-	3	100.0%	0.0%
Senior leaders (note 2)	48	36	84	57.1%	42.9%
	51	36	87	58.6%	41.4%
Non-executive directors (note 1)	5	3	8	62.5%	37.5%
Other employees (note 3)	8,261	9,828	18,089	45.7%	54.3%
	8,317	9,867	18,184	45.7%	54.3%

Notes: 1. Society Board directors only 2. Comprises Society's senior leaders (other than executive directors) and executive directors of other Group businesses 3. Includes senior leaders of other Group businesses.



## Wellbeing

Another important focus for us is looking after the wellbeing of our colleagues. From minimising the potential for any negative impact on their overall welfare, to doing what we can to offer them the support they need, when they need it. Our colleagues have access to internal and external resources to support their mental, physical, social and financial wellbeing.

## Training and development

The Society introduced a new learning platform within Workday, bringing all learning initiatives together in one convenient place. This includes seamless access to LinkedIn Learning, offering over 16,000 courses created by industry experts. Colleagues can easily find and complete mandatory, job-specific, and personal development courses, tailored to both professional and personal growth. Our platform is accessible from home or on any device, making it easy to learn anytime, anywhere.

Our Society leadership development program is now underway, and over 500 colleagues have been selected for training in advanced conversation skills. We also continue to support external training and certified professional qualifications, helping our teams develop essential skills and strengthen our collective capabilities.

Across Connells Group, 177 colleagues have participated in targeted learning initiatives, including: crafting an effective personal development plan, how to hold a great one-to-one, facilitating meaningful development conversations, engaging in confidence workshops, equipping our leaders to lead more effectively, learning initiatives to create a high-performing environment and mastering confident presentation skills.

Skipton International continues to recognise and develop their employees through their talent management programme, supported by professional training courses and exams. Additionally, a new learning and development framework is currently being developed.

## Apprenticeships

We have continued to support talent programmes throughout 2024 across the Society. For apprenticeships this year we have focused on our enabling functions and have six colleagues on apprenticeships across Legal, Finance Risk and Audit. Our apprentices are also provided with a mentor to support them through their programme and as a permanent role they are then placed into a role at the end that balances their career aspirations and business needs. Our last cohort of Connecting Our Futures scheme, which placed colleagues on a rotational scheme around the Society for two years, finished in September 2024. We also currently have four colleagues on the MSc programme in Strategic Leadership.

Skipton International has a talent development scheme to support the development of young adults in the finance sector. Training places are provided for school leavers where they rotate through three different departments over a year (Commercial, Finance and Operations) to learn skills and help determine where they might like to continue their career.

## Culture

The Board has agreed purpose, behaviours, and culture statements for the Society to ensure there is clear direction for the business and clear expectations of how we wish our colleagues to behave.

The Board monitors culture in a number of ways, such as through member and customer feedback, colleague surveys, focus groups and independent assurance reviews. Peakon, an engagement survey tool that provides insights and comments from colleagues directly to managers for follow up, has been trialled this year. It will be rolled out to the rest of the Society in 2025.

The Chief People Officer formally reports to the Board on the conclusions of all work carried out in this area and how our culture might evolve to remain as effective as possible. The Society completed an assessment of the culture in 2023, which provided clear direction for the desired target culture. The Society has undertaken two culture progress reviews during 2024, utilising colleague voice data and focus group insights, demonstrating progress as well as understanding insights to inform People Plans for 2025. Skipton International is currently undergoing a diagnostic assessment to understand its culture and determine their desired culture, incorporating newly appointed executive and non-executive voices.

In 2024, SBF conducted a comprehensive annual culture survey to gain deeper insights into the company's evolving culture. The survey included a year-on-year comparison with 2023, offering a clear perspective on progress and key trends. The insights gathered from this survey will be instrumental in identifying the core cultural traits and behaviours of SBF colleagues. This data will serve as the foundation for developing and implementing SBF's bespoke behavioural framework, aligning with the company's vision and goals for the future.

Jade actively track employee engagement through an Employee Net Promoter score. Jade's score has tracked at greater than 15 since December 2022, with notable uplift during 2024 where scores averaged 28.

We recognise that not all colleagues will have taken part in the annual culture surveys carried out in the different Group businesses, but we are committed to making sure that every voice feels heard.

# Being Accountable

Across the Skipton Group, we fully believe in doing the right thing for our members and customers. We know there's more we can do to strengthen our corporate governance. So, we're developing new, robust structures to help us to run even more ethically, lawfully, and responsibly.



## Being accountable

Strong corporate governance is sometimes the unsung hero of being a responsible business. But across the Skipton Group, we know how important it is to long-term success, and we strive to hold ourselves to high governance standards.

Trust is essential to our reputation and our long-term success, and we remain committed to ensuring that our organisation operates ethically, lawfully, and responsibly.

We're focused on building a strategy for the longer-term. Part of effective governance also means having the right expertise, including at board, and being able to take constructive challenge against your plans so you can improve. Our responsible business practices continue to mature and we continue to review the way we govern across our Group to ensure the right level of check and challenge. That way, we can keep doing things even better.

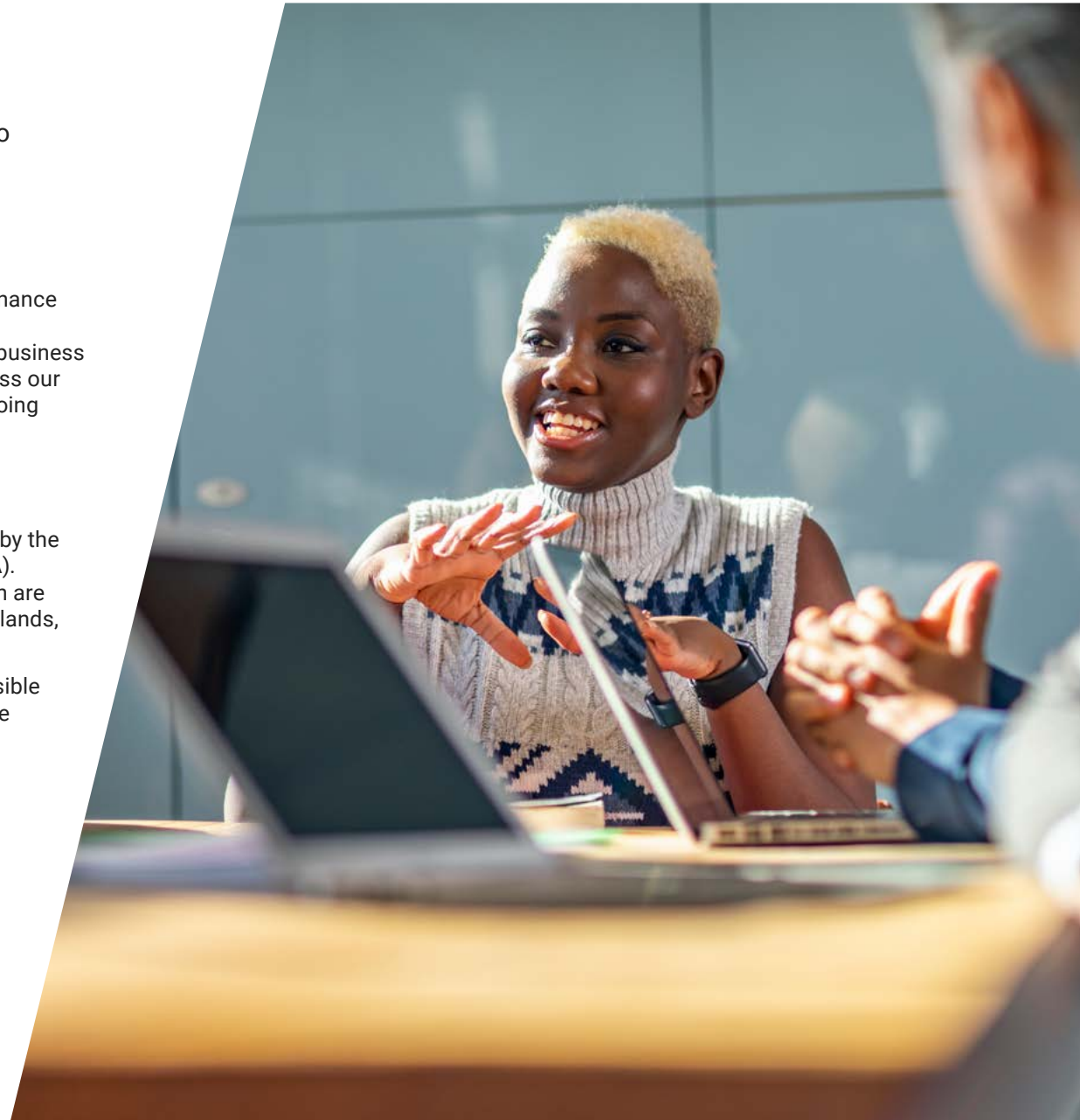
The Group's governance arrangements are designed to meet the requirements and expectations of our members, customers, colleagues, and regulators.

The Group comprises Skipton Building Society (the Society), which is regulated by the Financial Conduct Authority (FCA) and the Prudential Regulation Authority (PRA). We have direct and indirect holdings in a number of legal entities, some of which are also regulated by the FCA. Skipton International Limited based in the Channel Islands, is regulated by the Guernsey Financial Services Commission.

Each Group subsidiary is governed by a board. Each subsidiary board is responsible for the prudent management of the subsidiary's businesses, operating within the Board's appetite for risk and delegated authorities from the Board, to deliver agreed corporate plan objectives.

Most of our operations are based in the UK, with smaller locations in Jersey and Guernsey (Skipton International), and New Zealand and Australia (Jade).

To read more on the Group's governance, please see the Governance Report, in our [2024 Annual Report and Accounts](#).



## Governing sustainability

### Board oversight

The Society board has responsibility for approval of the long-term strategy of the Society and its subsidiary companies, including sustainability matters across the Group. The boards of subsidiaries are individually responsible for the proactive management of sustainability-related initiatives and matters within their own companies.

Wider discussions on building a sustainable business take place at our board strategy days. In 2024, the Society board was updated on multiple occasions on sustainability matters. These updates included:

- Review and approval of the Society's Health and Safety Policy
- Consideration of the annual Gender Pay Gap report within the Society
- Review and approved the approach to Group net zero targets
- Approval of the Society's Modern Slavery and Human Trafficking Statement
- Review and approval of the Society's Speak Out (Whistleblowing) Policy and receipt of the Whistleblowing Annual Report.

### Board Remuneration Committee (RemCo)

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 executive directors and selected members of the Group Executive Committee participate. Further information on the responsibilities and oversight of the RemCo can be found in the [Group's 2024 Annual Report and Accounts](#).

### Board Nominations Committee (NomCo)

NomCo is responsible for reviewing the composition of the Board and Group Executive Committee to ensure it has an appropriate balance of knowledge, skills and experience relevant to the activities of the Group. This includes knowledge of regulation, principles and frameworks for environmental, social and corporate governance and experience and/or oversight of business sustainability and ESG.

### Board Risk Committee (BRC)

BRC, on behalf of the Society's board of directors, is responsible for oversight of the risks arising from sustainability activities, climate change and management strategy to mitigate these risks.

### Board Audit Committee (BAC)

BAC is responsible for review and approval of external sustainability reporting including the annual Group Sustainability Report and Group Climate-related Financial Disclosures.

## Management responsibility for sustainability

The Group Executive Committee is responsible for the management of sustainability matters through oversight of the Group Sustainability Committee. The Group Secretary and General Counsel is designated as the executive responsible for sustainability matters, with the Group Sustainability Team reporting into this role. Connells Group also operates an ESG steering committee which reports directly to the Connells executive committee, and ultimately, the Connells Limited board. For the other main subsidiaries, management responsibility sits with the relevant CEO.

### Group Sustainability Committee (Group SusCo)

During 2024, we continued to evolve our Group governance around the management of sustainability matters and have established the Group Sustainability Committee 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).

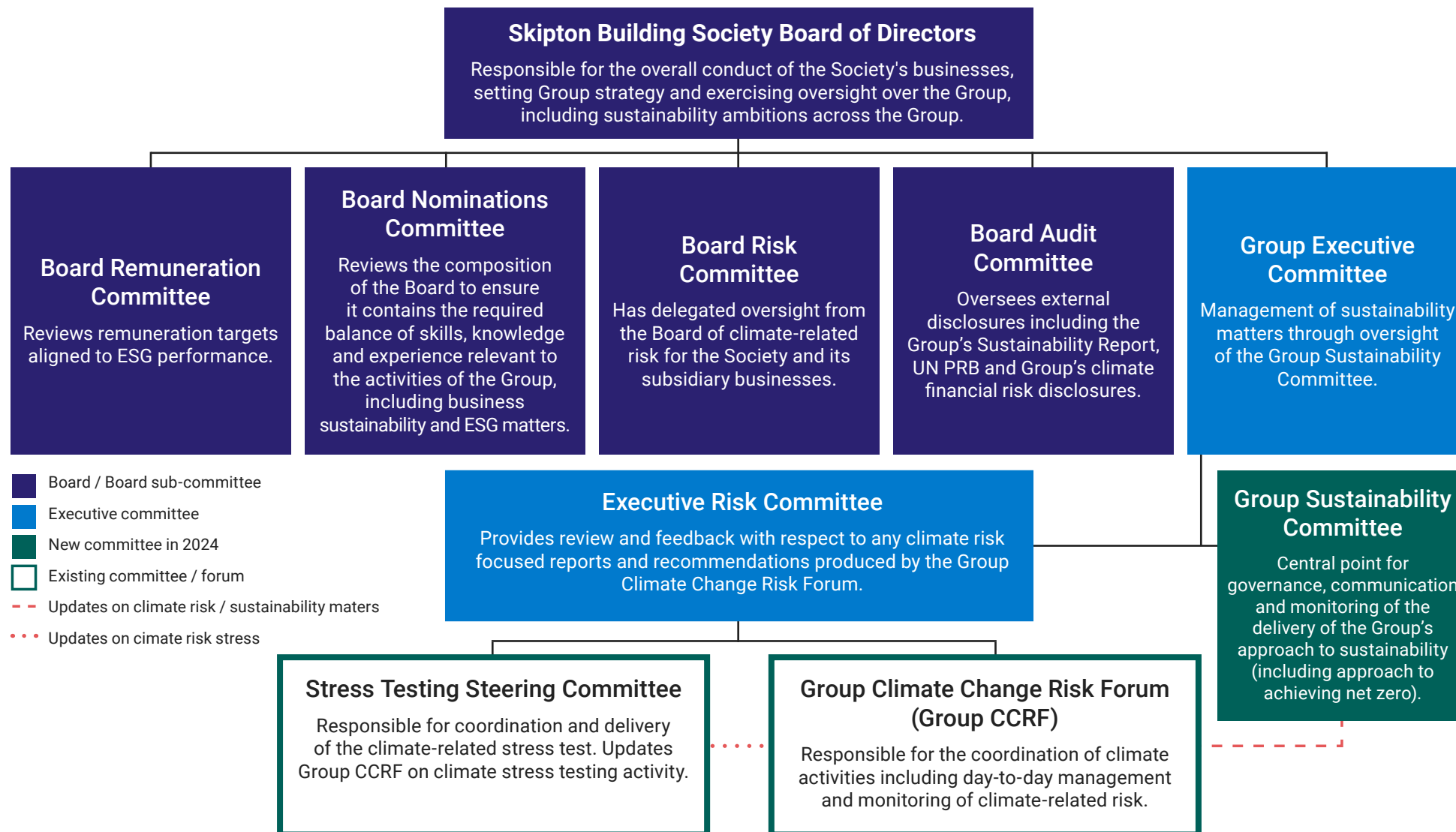
During 2024, the Group SusCo:

- Reviewed and provided input into the Group net zero targets
- Reviewed and approved the Group Sustainability Governance Framework
- Reviewed and approved the Sustainable Development Goals for reporting in the 2024 UN Principles for Responsible Banking (PRB) Report and the Group Sustainability Report
- Received an update on the climate-related risk scenario analysis results.

*"Across the Group, we've established new structures to strengthen our corporate governance further. Such measures have already proven effective – allowing us to make better decisions, challenge each other on our sustainability approach, and improve our environmental impact." David Travis – Group Secretary and General Counsel*

## Governing sustainability

The governance model for oversight and management of sustainability continues to be embedded within the Group's governance framework. Set out below is the governance structure for the key committee and working groups involved in the oversight and management of sustainability matters.



### Climate-related risks

Climate change is defined as a principal risk for the Group. The Society's Board has delegated the oversight of climate-related risk for the Society and its subsidiary companies to the Board Risk Committee. However, ultimate oversight continues to reside with the Society board of directors.

Please see our 2024 Climate-related Financial Disclosures for further information on our approach to managing climate-related risk and our reporting against the Taskforce on Climate-related Financial Disclosures (TCFD) framework.

The Society has embedded capabilities to meet the requirements of the Prudential Regulation Authority's (PRA's) Supervisory Statement 3/19 (SS3/19) 'Enhancing banks' and insurers' approaches to managing the financial risks from climate change'. In November 2023, a new target operating model was implemented. As a result, in 2024, Senior Management Function responsibility for the identification and management of the financial risks from climate change transferred from the Group Chief Risk Officer to the Group Chief Financial Officer.

The Group Climate Change Risk Forum (CCRF) includes senior representation from around the Group and meets on a periodic basis. The forum exists to coordinate activity associated with the identification, assessment, and monitoring of climate risk. The forum reports to the Senior Management Function and provides updates to the Executive Risk Committee and Board Risk Committee as required.

In addition, the Stress Testing Steering Committee also chaired by the Senior Management Function, is responsible for review and challenge of the design of the climate risk scenarios, the assumptions applied and the outputs. The Board Risk Committee provides final approval of the outputs.

Consideration of climate risk is incorporated into relevant first line processes, risk appetites and control frameworks. With respect to mortgage credit risk, identified as our key climate-related risk, our current controls for managing new lending centre on three key areas. Firstly, a physical inspection of the property for higher loan to values. Secondly, checking any known flood risk. Finally, the risk of coastal erosion. All of these considerations make up the overall valuation. Any postcode identified as potentially at risk of future coastal erosion requires a desktop or physical survey to capture local knowledge of the risks to each property. The Society's loan conditions require buildings insurance at the point of completion.



### Nature-related risks

At Skipton Group, we recognise the growing importance of understanding nature-related risks and their potential impact on our business, and the impact our business has on nature.

We acknowledge the need to stay informed about these risks and the evolving frameworks that address them, such as the Taskforce on Nature-related Financial Disclosures (TNFD). We continue to assess these developments and how we will navigate and respond to nature-related challenges in the future.

### Anti-bribery and corruption

The Group does not tolerate any instances of bribery or corruption across any area of our business.

We have anti-corruption and anti-bribery policies in place in each business line, which are readily available. The policy provides guidance about what constitutes a bribe and prohibits offering, giving or accepting any bribe. It also outlines clear guidance for acceptable corporate entertainment, gifts, hospitality and promotional expenditure.

We ensure all our colleagues complete annual training to refresh their knowledge.

### Empowering colleagues to speak up

Colleagues are often the first to know when someone inside or connected with an organisation is acting illegally or improperly. We have whistleblowing arrangements in place across the Group so that colleagues can raise concerns in confidence and anonymously, and that these can be investigated and properly dealt with. Allegations of malpractice or wrongdoing of any kind are taken seriously, whether by senior managers, colleagues, suppliers or contractors.

We remain committed to maintaining the highest possible standards of accountability and recognise that individual colleagues have an important role to play in achieving this goal.

### Working with like-minded organisations

The Society and Connells Group monitor their business relationships with suppliers and each has a Code of Conduct to describe the standards we expect our suppliers to follow. On an ongoing basis we assess any risk of adverse impact, on our members, customers, colleagues or the environment, as a result of these relationships.

All suppliers are expected to act in a way that supports our core values, to conduct business in an ethical manner and to act with integrity. As part of our supplier frameworks, we also assess our own performance.

As part of our focus on sustainability, the Group is clear regarding the selection of new firms aligning to our expectations and sustainability goals. We're now looking at ways where we can help support our existing supply chain to achieve better ESG outcomes. This includes working more closely with our most critical suppliers through development of a supplier engagement plan. This work will initially focus on the Society and later expand out to the other Group companies.

### Human rights and modern slavery

In 2015, the UK government introduced legislation requiring all UK companies to make a public statement regarding the measures they take to address the risk of forced, bonded or compulsory labour and human trafficking in their businesses and supply chains.

The Society's Board fully supports the objectives of the Modern Slavery Act 2015. We have a position of zero tolerance of modern slavery and human trafficking in any form in our UK business and supply chains. Suppliers to our UK-based business lines must comply with the Modern Slavery Act 2015, where applicable, and ensure their supply chain is transparent about the process through which employees are managed.

The Society and Connells Group tender requirements include a provision for supplier compliance with all relevant legislation and regulatory requirements, including the modern slavery regulations. In New Zealand and Australia, where there is no local legislation, Jade have approved their own Modern Slavery Policy.

Read more on our disclosures here: [Modern Slavery Statement for the Society](#) and [Modern Slavery Statement for the Connells Group](#).



### Protecting customer and colleague data

Data protection and compliance with related legal and regulatory obligations is important across the Group. This includes respecting the rights of our members, customers and colleagues and keeping their personal data safe.

Where required, Group businesses have appointed Data Protection Officers to provide specialist support and oversight. This includes their involvement in key change initiatives and in the design and delivery of our products and services.

The Society's Privacy Pledge and Data Privacy Notice outlines how it takes care of your personal details and how that data is being used.

We're committed to helping protect members, customers and colleagues against fraud. Accounts are protected by several layers of authentication. Strict security procedures are followed whenever information is obtained and stored.

All colleagues complete annual training on data protection and information security to refresh their knowledge.



### Paying our fair share of tax

The Society understands the responsibility it holds towards members, customers, colleagues and wider society. Our approach to tax affairs is driven by this understanding and is consistent with a commitment to building a more sustainable society.

The activities of the Group are largely UK-based. The Group's tax teams are responsible for managing tax on its UK operations. Where the Group operates in overseas jurisdictions (such as Guernsey, Jersey, Australia and New Zealand) it's purely for commercial reasons and isn't tax driven.

The Society has signed up to the Code of Practice on Tax Strategy for Banks and our strategy is aligned with its requirements. We publish a Tax Strategy on an annual basis outlining our approach. Tax disclosures are provided in the [Annual Report and Accounts](#), including the Country-by-Country Reporting section.

### Transparency over remuneration

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 executive directors and selected members of the Group Executive Committee participate. Further information can be found in the Directors' Remuneration Report of the 2024 Annual Report and Accounts.

In 2024, the board agreed to voluntarily publish the CEO pay ratio for the Society. Given the diversity of the wider Skipton Group, the Society measure is deemed to be more appropriate. This is because it provides a more meaningful comparison with our peers in financial services. For further details of the pay ratio calculation, please see the Directors' Remuneration Report in the [2024 Annual Report and Accounts](#).

### Responsible banking

Both the Society and Skipton International are signatories to the United Nations Environment Programme Finance Initiative (UNEP FI) Principles for Responsible Banking. Information against the five responsible banking principles are reported annually. In 2025, we will publish for the first time, a joint Principles for Responsible Banking Self-Assessment Report for the Society and Skipton International, rather than separate disclosures reported in the prior two years for each business. The joint report will be published on our website later in 2025.



## Disclaimers

- This report has been prepared for information and reference purposes only; it does not provide any form of legal, tax, investment, accounting, financial or other advice.
- The preparation of this report requires the application of several key judgements, assumptions and estimates to be made. There is a risk that the judgement exercised, or the estimates or assumptions used, may subsequently be inaccurate.
- This report uses models, external data and other sources/methodologies, each of which are subject to ongoing adjustment and modifications beyond our control. The outputs of these sources can be materially affected by the quality of the underlying data used and the availability of high-quality historical and current data on emissions is currently a challenge. They may therefore be subject to uncertainties affecting the accuracy of their outputs.
- Reasonable care has been taken in the preparation of this report. However, to the extent permitted by law, Skipton Group does not guarantee and has not independently verified for fairness, accuracy, reliability, reasonableness or completeness the information from third party or public sources. Any opinions or conclusions from third parties in this report are their own and do not necessarily reflect Skipton Group's views.
- The quality of the data relied upon in ESG reporting is often not yet of the same standard as more traditional financial reporting and therefore presents an inherent limitation to the ESG performance reported in this report.
- This report and the information contained within it is unaudited.
- This report and any information contained or otherwise accessible through the websites mentioned in this report are historical and only speak as of their respective date. Except to the extent legally required, Skipton Group is under no obligation to update these materials.
- Reported numbers and projections reflect the best estimates and judgements made in good faith at the date of this report and forward-looking metrics will be inherently uncertain and subject to external factors.
- Forward-looking statements, particularly those regarding ambitions, metrics, targets, goals, strategy, scenario analysis and estimated climate projections and emissions, are generally not based on historical facts, but instead represent management's beliefs at the date prepared regarding future events, current plans, expectations and projections, and are subject to significant inherent risks, uncertainties and other factors which may result in Skipton being unable to achieve the current ambitions implied by such forward-looking statements.
- There is a risk that the outputs may be misinterpreted or misused when dealing with concepts which are being developed and updated by regulators, governments and industry bodies, such as climate-related disclosures and other sustainability-related matters. This is due to the lack of established market standards, historical data/reference points and benchmark data, particularly as is the case for climate change and how it is developing.
- Changes and the development of accounting and/or reporting standards could materially impact the performance metrics, data points and targets contained in this report. We expect policies, regulatory requirements, standards and definitions to be developed and evolve. Regular review of the available data sources will be conducted to enhance our methodology and processes to improve the robustness of the performance disclosed over time.
- As standards and practices evolve, it may mean subsequent reports do not allow a reader to compare performance metrics, data points or targets from one reporting period to another, on a direct like-by-like basis.

## Glossary

We've tried to make our Sustainability Report easy to follow, but from time to time you might have had questions over what something means. Our glossary explains some of the key terms we've used that might help.

Key Terms	Definition
Climate-related risk	Climate-related risk refers to the potential negative impact that climate and environmental changes present to our business model.
Double materiality	Considering both how the Skipton Group is impacted by sustainability issues and how our activities can impact people and the environment.
EPC	Stands for Energy Performance Certificate. It is related to an energy rating scheme which identifies a household's energy efficiency level. EPC scores range from least efficient (G) to most efficient (A) on a scale.
EPC Plus Report	The Society's product for members and colleagues in partnership with Vibrant Energy. The service provides an EPC report with recommendations of energy-efficient improvements you could make to your home, the cost of carrying them out, and the potential savings that each one could generate. While Vibrant Energy Matters provides advice to Society members in relation to retrofitting, the Skipton Group do not require Society members to act on this advice and continue to work closely with members to allow products to remain accessible and affordable.
Financed emissions	These are the greenhouse gas emissions associated with the investments and lending activities of an organisation (Scope 3 Category 15).
Greenhouse Gases (GHG)	Gases which absorb and re-emit infrared radiation, thereby trapping it in the Earth's atmosphere. It includes carbon dioxide (CO <sub>2</sub> ), methane (CH <sub>4</sub> ), nitrous oxide (N <sub>2</sub> O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF <sub>6</sub> ) and nitrogen trifluoride (NF <sub>3</sub> ). These emissions add to the greenhouse effect— a contributor to climate change.
Materiality assessment	A materiality assessment is a structured process to gain insight into the sustainability topics that matter most to stakeholders of an organisation.

Key Terms	Definition
Net zero	Net zero is where the amount of greenhouse gases (GHGs) released into the earth's atmosphere is balanced by the amount of GHGs removed.
Retrofit	To add new energy efficiency technology or features to a property where these might not have been available at the time it was built. This can include solar panels, cavity wall insulation and improved glazing.
Scope 1 emissions	Under the Greenhouse Gas Protocol methodology, scope 1 emissions include emissions generated from sources under the direct control of an organisation.
Scope 2 emissions	Under the Greenhouse Gas Protocol methodology, scope 2 emissions include those generated from the purchase of electricity.
Scope 3 emissions	Under the Greenhouse Gas Protocol methodology, scope 3 includes all indirect emissions. These result from the activities of the organisation, but not in their direct control. This includes areas like leased assets, suppliers and colleague commuting.
Stakeholder	A person, group or organisation with an interest in the decision-making and activities of an organisation.
tCO <sub>2</sub> e	This stands for metric tonnes of carbon dioxide equivalent. It is a standard unit for measuring greenhouse gas emissions, accounting for the different greenhouse gases using a single factor.
Value chain emissions	These are the greenhouse gas emissions associated with the indirect upstream and downstream activities of an organisation. Within this report, our value chain emissions are reported for the following GHG Protocol categories: Purchased goods and services (1), Fuel- and energy-related activities (3), Waste generated in operations (5), Business travel (6), and Employee commuting (7). Category 15 finance emissions are reported separately.

## Report references and footnotes

1. [Earth's average temperature exceeds 1.5°C in 2024](#)
2. [Labour aims to double size of mutual sector](#)
3. [UK housing stock estimated to be responsible for around 17% of national emissions](#)
4. [Average EPC rating for a home in England/Wales is band D](#)
5. [Rise in number of homes in England with an EPC rating of C and above](#)
6. [UK 2050 net zero target](#)
7. [An estimated 29 million UK homes need retrofitting](#)
8. [43% of homeowners plan to make energy efficient improvements to property](#)
9. [800,000 properties a month need retrofitting](#)
10. [Scotland 2045 net zero target](#)
11. [113,000 Scottish properties a year need retrofitting](#)
12. [Scotland coldest early winter night since 1998](#)
13. [Buildings responsible for nearly 40% of Scotland's carbon emissions](#)
14. [Scottish homes make up 13% of country's greenhouse gas emissions](#)
15. [UK commercial property sector generates highest carbon emissions in Europe](#)
16. [Mark Carney warns commercial buildings could become "stranded assets"](#)
17. [About the Green Apple Awards](#)
18. [First-time buyers facing toughest conditions in 70 years](#)
19. [63% UK adults don't feel in control of their lives when it comes to money](#)
20. [1.9 million UK pensioners are living in poverty](#)
21. [One in three UK adults suffer daily anxiety about their finances.](#)
22. [20 million UK adults don't feel confident managing money](#)
23. [One in three adults and young people say their mental health has got much worse](#)
24. [23% adults say mental wellbeing worst ever been due to money worries](#)
25. [Fraud and scam complaints highest ever level](#)
26. [One in five UK adults fell victim to scam in 2024](#)
27. [23% of working age and 45% of pension age adults registered disabled](#)

We continue to review available data sources and enhance our methodology and processes to improve the robustness of our sustainability reporting over time, aligned with emerging developments.





Skipton Building Society  
Principal Office  
The Bailey  
Skipton  
North Yorkshire  
BD23 1DN

[www.skipton.co.uk](http://www.skipton.co.uk)

Skipton Building Society is a member of the Building Societies Association.  
Authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority, under registration number 153706, for accepting deposits, advising on and arranging mortgages and providing restricted financial advice. Principal Office, The Bailey, Skipton, North Yorkshire BD23 1DN.