

## **Section 172 statement**

This statement sets out, in accordance with section 414CZA of the Companies Act 2006 ('the Act'), how the Directors have had regard to the matters set out in section 172(1) of the Act when performing their duties. The Company is a holding company and therefore does not carry on a trade, however the requirements of the section 172 statement still apply. The Directors consider that they have acted in a way they believe is most likely to promote the success of the Company for the benefit of its sole member as a whole, also having regard to other stakeholders and matters set out in section 172(1)(a-f) of the Act in any key decisions taken during the year.

As a wholly owned subsidiary within the Skipton Building Society Group and in line with the duty to promote the success of the Company for the benefit of its sole shareholder, the Company must also have regard to the overall strategy and direction of the Group including matters in respect of climate change, described further below. Any decisions are considered from the perspective of the Company, ensuring that these decisions are beneficial to its stakeholders, as well as having regard to the long-term sustainable success of the Group as a whole.

In order to achieve the Company's strategic aims, the Directors must take into account the needs of its stakeholders and the impact the Company may have on them. The Directors recognise that effective engagement with stakeholders is important and is key to the successful delivery of the strategic objectives of the Company.

A key consideration for the Directors each year is assessing the level of dividend to pay to the parent undertaking, Skipton Building Society. The Directors consider a number of factors in assessing the solvency of the Company, taking into account the current and future financial position of the Company, whilst also ensuring that the Company provides a good return to its shareholder for the benefit of the shareholder and the shareholder's members.

The Company's procurement and supplier relationship management policies are set by, and hence are in line with, those operated by Skipton Building Society, whilst matters pertaining to environmental legislation are included in the Streamlined Energy and Carbon Reporting (SECR) statement on page 4 of the Directors' Report.