



# Sustainability Report 2022



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Introduction

Gatehouse Bank is a Shariah-compliant UK Bank with offices in London, Milton Keynes and Wilmslow. The Bank is part of the Gatehouse Financial Group of companies and is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and the Financial Conduct Authority (FCA).

The Bank aims to be a leader in the Islamic Finance sector by striving to become the most admired UK Shariah-compliant bank. We will achieve this through a business model with a diverse, low risk profile supported by an expert senior management team with skills and experience appropriate for the strategy. This involves skilled, manual underwriting dovetailed with modern technology, thereby ensuring scalability and sustainability.

We believe in a financial system that is fair for everyone. Our products and services are designed inclusively and responsibly following Shariah principles which rule out highly speculative investments, ensuring that our customers’ financial affairs are handled responsibly.

We recognise that the banking sector has a crucial role to play in helping to solve many of the significant challenges the world faces today. This is because the products and services we offer and the industries we support have a big influence on the world. We are taking the time to understand the way our business impacts the UK’s most pressing environmental and social needs, like climate change and financial health and wellbeing, with a view to finding opportunities to meet these needs through our business strategy, products and services.

As a founding signatory to the UN Principles for Responsible Banking (UN PRB), we have committed to further aligning our business strategy with society’s goals, as expressed by the United Nations’ Sustainable Development Goals, the Paris Climate Agreement and other relevant frameworks that identify the most pressing societal, environmental and economic needs of our time. In 2022, the Bank made strong progress in driving its sustainability strategy forward and we will continue to develop positive solutions that demonstrate we can be a successful business and meet our customers’ growing expectations whilst supporting a better future for all.





# Statement from the Chief Executive Officer



I am incredibly proud of Gatehouse Bank's progress in advancing our commitment to creating a positive impact on society, the economy and the environment whilst outlining our position as a responsible and ethical Bank.

The last year has come with its fair share of unpredictability, exacerbated by political and economic volatility, both on a domestic and an international level. Still emerging from the effects of the Covid-19 pandemic, we were also faced with the war in Ukraine and subsequent global energy crisis, which ended 2022 with geopolitical tensions, escalated financial concern, a potential recession, the highest inflation levels since the 1980s and the ongoing cost-of-living crisis.

Throughout this period of global turmoil, Gatehouse Bank has remained resilient and poised for future growth. Over the last year, we further developed our product offering, enhanced our digital-first approach, and surpassed the £1 billion milestone in both Retail Savings and Residential Property Finance assets. Our credible position in the UK housing market was recognised by the credit rating agency, Moody's Investors Service, which assigned Gatehouse Bank an investment grade credit rating with a long-term stable outlook.

As a Shariah-compliant UK Bank, we believe that sustainable finance is not only good for our business, but will also create a better and more equitable world for future generations. In this pivotal time for the planet, I can proudly say that sustainability is embedded into the Bank's core strategy and we are increasingly aligning more workstreams within our business with the United Nations' Sustainable Development Goals. In 2022, we celebrated the third anniversary of becoming a founding signatory to UN Principles for Responsible Banking (UN PRB).

In 2022, Gatehouse Bank received its first formal feedback from the UN PRB on our target setting and completion of our first self-assessment report. We were extremely proud to have been commended by the UN for our governance and culture, impact analysis, target setting and our work with customers.

In 2022, we were part of the UN PRB's working group on Financial Health and Education, a 'first-of-its-kind accelerator initiative' for the banking sector to promote universal financial health and inclusion. Alongside other signatory Banks, Gatehouse Bank was also part of the working group on 'Climate'. We have made significant progress in measuring and reporting on these core impact targets.

As a Shariah-compliant UK Bank, we believe we are well-positioned to drive sustainability forward due to the natural alignment between the Shariah principles of promoting, protecting and preserving the human race through international frameworks for sustainable development. These intrinsic principles prioritise creating value for the benefit of the whole community, which we endeavour to mirror not only through our products and services, but also through our commitment to the wellbeing of our colleagues, customers and the communities that we serve. We take a long-term view of finance and investments, which exercises strong risk management and the equal sharing of risk and reward. This is essential for driving the sustainability agenda forward as it provides both stability and inclusion needed for socio-economic development.

We have set a north star vision towards sustainability and recognise that we have only just embarked upon a very long journey. I remain optimistic that our Shariah-compliant values and ethical principles make us well-primed to take on this challenge for a fair and prosperous future for all.

Finally, I would like to thank my colleagues for their hard work and dedication, the Board and the Chairman for their strategic advice and direction, the Shariah Board as well as our Executive Committee and ESG Steering Group for directing our sustainability efforts in the right direction and our stakeholders for their continued support.

A handwritten signature in black ink, which appears to read 'CHaresnape'. The signature is fluid and cursive, written on a plain white background.

**Charles Haresnape**  
Chief Executive Officer  
June 2023

# Sustainability Strategy















As a Responsible Bank, we have considered the UK's most pressing needs and integrated those which are most material to the Bank into our core business strategy.

Gatehouse Bank is the first Shariah-compliant UK Bank to become a founding signatory to the UN Principles for Responsible Banking (UN PRB) for which we celebrated the third anniversary in 2022. By becoming a founding signatory, we committed to strategically aligning our business to the United Nations' Goals for Sustainable Development, Paris Climate Agreement and other relevant frameworks.

The United Nations' 17 Sustainable Development Goals (SDGs), adopted by all UN Member States in 2015, display a roadmap to a more equitable and prosperous future for people and planet.

At the heart of the Sustainable Development Goals lies the call to work in partnership across sectors in society, business and government to achieve holistic development on a global scale.<sup>1</sup>

For Gatehouse Bank, this has entailed formalising our sustainability governance structure, establishing an initial roadmap to net zero, developing green products, driving sustainable procurement, engaging with customers and community on financial inclusion and health, supporting local charities through volunteering and raising funds and developing a sustainability agenda that is aligned with the UN's Sustainable Development Goals.

	 People & Culture	 Environment	 Community	 Economy						
Material ESG	<ul style="list-style-type: none"><li>• Employee wellbeing</li><li>• Diversity and inclusion</li></ul>	<ul style="list-style-type: none"><li>• Climate change</li><li>• Supply chain sustainability</li></ul>	<ul style="list-style-type: none"><li>• Customer wellbeing</li><li>• Financial health and inclusion</li><li>• Community giving</li></ul>	<ul style="list-style-type: none"><li>• Responsible use of funds and investments</li><li>• Economic value generated and distributed</li><li>• Preventing financial crime</li></ul>						
Bank's Initiatives	<ul style="list-style-type: none"><li>• Our values</li><li>• Employee benefits, training and development,</li><li>• Wellbeing mentors and webinars</li><li>• Diversity and inclusion</li></ul>	<ul style="list-style-type: none"><li>• Carbon neutral operations</li><li>• Net zero home finance</li><li>• Sustainable procurement</li><li>• Sustainable products</li></ul>	<ul style="list-style-type: none"><li>• Fair treatment of customers</li><li>• Customer privacy</li><li>• Customer financial wellbeing</li><li>• Charity partnerships: volunteering and corporate philanthropy</li></ul>	<ul style="list-style-type: none"><li>• Socially responsible</li><li>• Shariah-compliant</li><li>• Profit, employment, tax contributions</li><li>• Anti-corruption and bribery</li><li>• Training and anti-money laundering policy</li></ul>						
	 8 DECENT WORK AND ECONOMIC GROWTH	 3 GOOD HEALTH AND WELL-BEING	 10 REDUCED INEQUALITIES	 13 CLIMATE ACTION	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 8 DECENT WORK AND ECONOMIC GROWTH	 10 REDUCED INEQUALITIES	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	 17 PARTNERSHIPS FOR THE GOALS	 12 RESPONSIBLE CONSUMPTION AND PRODUCTION

<sup>1</sup> <https://sdgs.un.org>

As part of these commitments, we have selected two significant impact areas:

### Climate<sup>2</sup> –

The Bank's need to support the transition to a net zero economy through its financing decisions and through facilitating clients' transitions.

The Bank will publicly disclose long-term and intermediate targets to support meeting the temperature goals of the Paris Climate Agreement. We will establish an emissions baseline and annually report the emissions profile, use widely accepted science-based decarbonisation scenarios and regularly review targets to ensure consistency.

### Financial Health and Inclusion<sup>3</sup> –

The UN Principles for Responsible Banking's commitment to Financial Health and Inclusion is a first-of-its-kind accelerator initiative for the banking sector to promote universal financial health and inclusion. Financial inclusion is about leaving no one behind and financial health is a state in which a person and organisation can smoothly manage their current financial obligation and have confidence in the financial future.

Gatehouse Bank supports all 17 of the UN's Sustainable Development Goals, but has identified SDG1, SDG2, SDG3, SDG8, SDG10 and SDG13 as the core goals for the two impact areas listed above.

Sustainable Development Goals (SDG)

  
1 NO POVERTY

  
2 ZERO HUNGER

  
3 GOOD HEALTH AND WELL-BEING

  
8 DECENT WORK AND ECONOMIC GROWTH

  
10 REDUCED INEQUALITIES

  
13 CLIMATE ACTION

<sup>2</sup> Guidelines for Climate Target Setting for Banks

<sup>3</sup> <https://www.unepfi.org/wordpress/wp-content/uploads/2021/05/PRB-Guidance-Financial-Inclusion.pdf>



# Sustainability Strategy (continued)

## Material Sustainability Topics

We have deepened our understanding of the social, economic and environmental topics that matter most to the Bank's business and key stakeholders. We considered the greatest needs of the United Kingdom, the key concerns of our stakeholders and the potential for our business to make an impact in these areas.

Through a process of materiality and impact analysis, we developed a list of material sustainability topics, grouped into four categories:

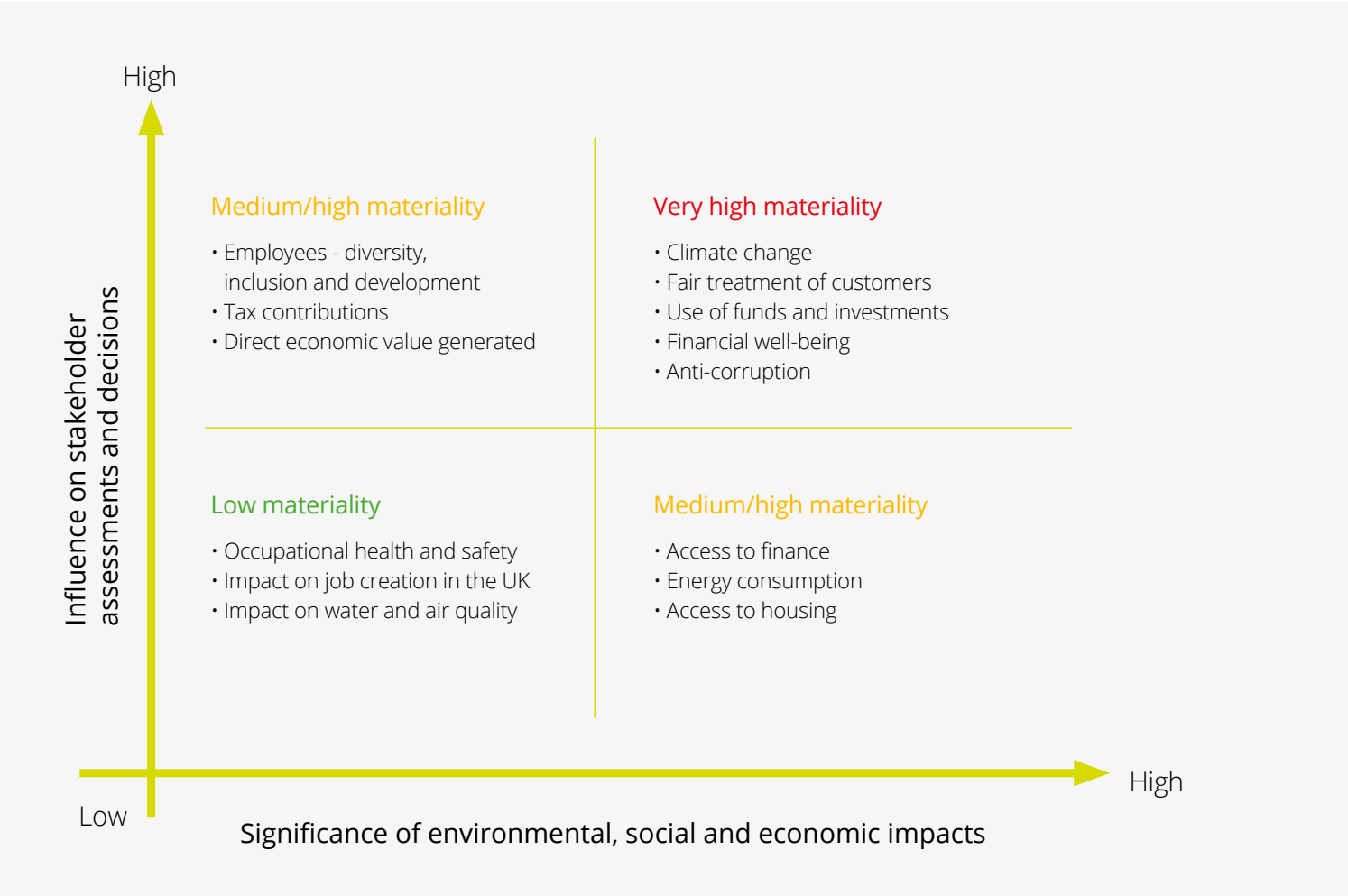
- Our People and Culture
- Gatehouse Bank and the Environment
- Gatehouse Bank and the Community
- Gatehouse Bank and the Economy

## Materiality Matrix

To apply the GRI framework "materiality principle" we have identified material topics based on two dimensions:

1. Influence on stakeholders
2. Significance of impacts (Environment, Social, Economic and Governance) on the Bank.

This involved an assessment of how significant the Bank's activity is in terms of impacting on the topic in the UK.





# Sustainability Strategy (continued)

This table shows areas of how the Bank has aligned its strategies to support the UN Sustainable Development Goals:

<div> gatehousebank</div> <div>Areas of Focus</div>	UNSDGs	<div> 1 NO POVERTY</div>	<div> 2 ZERO HUNGER</div>	<div> 3 GOOD HEALTH AND WELL-BEING</div>	<div> 8 DECENT WORK AND ECONOMIC GROWTH</div>
Our values					✓
Employee benefits, wellbeing, training, and development.				✓	✓
Diversity & inclusion					✓
Carbon neutral operations					
Net zero home finance					
Sustainable procurement					
Sustainable products					
Fair treatment of customers					✓
Customer privacy					✓
Financial wellbeing		✓	✓	✓	✓
Charity partnerships: volunteering and corporate philanthropy		✓	✓	✓	✓
Shariah-compliant				✓	✓
Profit, employment, tax					✓
Anti-corruption and anti-bribery					✓

<div> 10 REDUCED INEQUALITIES</div>	<div> 12 RESPONSIBLE CONSUMPTION AND PRODUCTION</div>	<div> 13 CLIMATE ACTION</div>	<div> 16 PEACE, JUSTICE AND STRONG INSTITUTIONS</div>	<div> 15 LIFE ON LAND</div>
✓	✓		✓	
✓				
✓				
		✓		✓
		✓		✓
	✓	✓		
	✓	✓		
	✓			
✓				
✓				
✓	✓	✓		✓
	✓		✓	
	✓			
	✓		✓	



# Our Stakeholders

## Our Stakeholders

As a Responsible Bank, we build long-term relationships with our key stakeholders who enable us to continue making a positive impact through our investments and business activities.

In 2020, the Bank identified its key stakeholders through a series of workshops and developed a stakeholder engagement plan to set out its vision for future engagements. We have defined the Bank's stakeholders as individuals or groups with the power to respond to, negotiate with, influence or change the Bank's strategy. Our key stakeholders include our customers, colleagues, investors, supply chain partners, industry bodies, third sector organisations, government, regulators and members of the local community.

Stakeholder engagement happens regularly on both a structured and an ad-hoc basis. We engage through a range of channels, depending on the need of the business. Increasingly, social media is proving to be an important communication tool in gauging the opinions and concerns of some of our stakeholder groups. However, matters of importance, such as grievances, are received through formal channels. We aim to create a long-term value for all our stakeholders.

### The Bank's stakeholder vision

#### External:

To promote our responsible banking activities and collaborate to drive impact, increase our sustainability expertise and build legitimacy.

#### Internal:

Effectively communicate how sustainability connects and integrates with the wider business strategy and foster a culture of responsible banking through engagement. Inspire colleagues, build pride and increase trust.



## Customers

Our customers are key to our business. Their views and experiences are important in shaping our products and ongoing business strategy. We share our progress with them regarding various projects, product updates and service level changes.

In 2022, we launched a quarterly customer newsletter to engage and communicate with our customers, using this medium as a platform to educate and share knowledge on important topics such as ESG. We also share regular surveys and our feedback channels, including social media, are always open to hear from our customers.

Our customer ratings for our home finance services (enquiry to application) are outlined below, as per the 168 customer responses to Gatehouse Bank's home finance submitted applications survey.

Area	Rating
Likely to recommend Gatehouse Bank	9.2/10
Professionalism	8.5/10
Knowledge	9.1/10
Politeness	9.4/10

Our customer ratings for our savings products are outlined below, as per the 924 customer responses to Gatehouse Bank's savings submitted applications survey.

Area	Rating
Woodland Saver	87% of customers gave a rating of over 5/10 as to the importance of planting trees
Likely to recommend	8.7/10
Overall experience with Gatehouse Bank	8.7/10



# Our Stakeholders (continued)



## Third Sector

The third sector, or civil society, holds a wealth of knowledge and expertise on issues such as financial health and inclusion and the climate, both of which Gatehouse Bank has identified as core impact areas. We continue to engage with various third sector bodies to continue learning and be informed about the activities.

We work closely with the UK Islamic Finance Council (UKIFC), a specialist non-profit, advisory and developmental body focused on promoting and enhancing the global Islamic finance industry. In 2022, we partnered with the UKIFC to roll out a global survey designed to gain insight into Islamic finance customers' understanding of the UN Sustainable Development Goals. The survey aimed to establish whether there is a desire and motivation among customers to drive the UN SDGs through Islamic finance services and the Banks' activities in relation to the people and the planet.

The survey was distributed to 9,066 customers in July through our customer newsletter, out of whom 5,854 opened the newsletter and 90 responded to the survey. For every survey completed by our customers, Gatehouse Bank planted a tree in a certified UK woodland project. Key highlights from the survey, which are specific to Gatehouse Bank, are outlined below:

- 90% of our customers think that it's very important or somewhat important that the finance products they purchase fit with their values and ethics.
- 86% of our customers were familiar with ethical finance, making it the most recognised form of responsible finance for them.
- 84% of customers say it is very important or somewhat important that their bank provides products that are aligned to the UN SDGs.

## Community

We strive to support and have a positive impact upon the communities we serve. Our colleagues are actively encouraged to fundraise and volunteer for causes close to their hearts, whether this is through our annual partnership with our Charity of the Year, or a different cause. Wherever possible, we strive to keep local communities informed of our activities that may impact them and ensure that they positively benefit from them.



## Government and Regulators

Government bodies and regulators have the authority to impact our strategy by setting policies as well as directing and amplifying our impact in our business operations. We therefore frequently engage in dialogue about our operations and developments in the wider sector, alongside regular meetings to discuss issues that are relevant to our business. We monitor developments and act upon guidelines and legislations in driving the Bank's sustainability agenda forward.

In 2022, Gatehouse Bank was issued a penalty fine by the Financial Conduct Authority for business activity undertaken between June 2014 – July 2017. The current executive team joined Gatehouse Bank in 2017 in part to remediate this issue, but also to develop a new retail strategy for the Bank supporting homebuyers, landlords and savers. Since then, we have also invested significantly in our financial crime control capabilities to ensure we continue to operate to the highest industry standards.

## Investors

Our investors are increasingly recognising the important role that corporate sustainability has to play in their investment decision making.

We regularly engage with our investors, keeping them informed about key aspects of our business strategy. Our investors are keen to know that we are managing our risks and capitalising on business opportunities, that we have a clear business strategy going forward and are capable of creating long-term shared value.

## Supply Chain

As a responsible business, we strive to continue building strong relationships with our suppliers.

In 2021, Gatehouse Bank implemented a sustainable procurement policy, outlining the Bank's goals in conducting business with its suppliers and what is expected from the relationship. We frequently engage with our suppliers to implement the supplier code of conduct which they are expected to follow while doing business with us.

## Industry

We have multiple industry stakeholders – from organisations such as the Islamic Finance Network, Intermediary Mortgage Lenders Association and other broker agencies, to peers within the banking industry – who all have valuable experience and expertise to share.

One of our key methods of engaging with our network of brokers is through industry events, where representatives from Gatehouse Bank attended 19 broker events over the course of the last year. The Bank continues to monitor industry best practices and collaborate wherever possible.

In 2022, the Bank hosted an event in collaboration with the Woman in Islamic and Ethical Finance Forum (WIEFF), "Innovation in ESG". Representatives from several other banks and financial services institution actively participated in the discussion, setting their intentions to continue collaborating on sustainability initiatives in the future.

## Employees

Our Board, Executive Committee, Shariah Supervisory Board and our colleagues are all important internal stakeholders.

We believe that an informed, engaged and motivated employee base forms the bedrock of our Bank. We subsequently keep our colleagues engaged through several mediums, including formal surveys and feedback processes, as well as on an ad-hoc basis through a number of internal communication tools and information discussion channels.



# Our Stakeholders (continued)

Our modes of engaging with key stakeholders is outlined in the table below:

Stakeholders	Frequency and methods of engagement			Key topics discussed
	Annual	Periodic	Need based	
Customer	<ul style="list-style-type: none"><li>• Annual Report</li><li>• Sustainability Report</li></ul>	<ul style="list-style-type: none"><li>• Online communication</li><li>• Customer feedback</li><li>• Satisfaction survey</li><li>• Customer newsletter</li></ul>	<ul style="list-style-type: none"><li>• Surveys</li><li>• Social media and online communication</li></ul>	<ul style="list-style-type: none"><li>• Quality of services/ customer journeys</li><li>• Pricing, changes in products</li><li>• Pricing</li><li>• Grievance and complaints</li><li>• ESG</li></ul>
Colleagues	<ul style="list-style-type: none"><li>• Colleague engagement survey</li><li>• Diversity and inclusion survey</li><li>• Performance appraisal</li></ul>	<ul style="list-style-type: none"><li>• Internal communication</li><li>• Wellbeing programmes</li><li>• Town halls</li><li>• Training programmes</li></ul>	<ul style="list-style-type: none"><li>• Town halls</li><li>• Personal interaction: one to one and in small teams</li></ul>	<ul style="list-style-type: none"><li>• Organisation's strategy</li><li>• Business updates</li><li>• Welcoming new joiners</li><li>• Any changes</li><li>• Career opportunities and development</li></ul>
Investors		<ul style="list-style-type: none"><li>• Meetings and presentations to keep them informed of key aspects of the business</li></ul>		<ul style="list-style-type: none"><li>• Business performance</li><li>• Risks</li><li>• Opportunities</li></ul>
Supply Chain		<ul style="list-style-type: none"><li>• Supplier onboarding process entails completion of the sustainable procurement related information and data</li></ul>		<ul style="list-style-type: none"><li>• Climate</li><li>• Learning and development opportunities for staff</li><li>• Diversity and inclusion</li><li>• Human rights</li></ul>

Stakeholders	Frequency and methods of engagement			Key topics discussed
	Annual	Periodic	Need based	
Industry	<ul style="list-style-type: none"><li>• Events such as Islamic Finance Network</li><li>• Halal EXPO</li></ul>	<ul style="list-style-type: none"><li>• Periodic meetings</li><li>• Broker events</li></ul>	<ul style="list-style-type: none"><li>• Women in Ethical and Islamic Finance Forum - "Innovation in ESG and Sustainability"</li><li>• Global Ethical Finance and UK Islamic Finance Council – "ESG in a Volatile World – Profit, Purpose, or Politics?" , Edinburgh 2022</li></ul>	<ul style="list-style-type: none"><li>• Islamic finance</li><li>• Sustainability</li><li>• Broker events</li></ul>
Third Sector		<ul style="list-style-type: none"><li>• Periodically engage with various third sector organisations on climate</li><li>• Net zero strategy</li><li>• Financial health and inclusion</li><li>• Climate risk</li></ul>		<ul style="list-style-type: none"><li>• Climate</li><li>• Net zero strategy</li><li>• Financial health and inclusion</li><li>• Climate risk</li></ul>
Government and Regulators		<ul style="list-style-type: none"><li>• Meetings with regulators periodically to understand reporting requirements</li><li>• New regulation and provide updates as needed</li></ul>	<ul style="list-style-type: none"><li>• Meetings</li></ul>	<ul style="list-style-type: none"><li>• New regulations</li><li>• Updates on progress with business and risk</li></ul>
Supply Chain		<ul style="list-style-type: none"><li>• Fundraising and volunteering</li><li>• Charity partnerships</li><li>• Responsible business</li></ul>		<ul style="list-style-type: none"><li>• Helping and supporting local communities and contributing to the Sustainable Development Goals</li></ul>

# Governance & Reporting



“At Gatehouse Bank, we understand that strong governance is the foundation of our business is instrumental in establishing confidence across our stakeholder groups. We have a framework that considers the delegation of decision making, without compromising on our transparency or accountability, and are governed by a code of ethics which outlines clear parameters that colleagues at all levels are empowered to follow.”

Usman Chaudry  
Chief Risk and Executive Director

Our Board of Directors and Executive Committee are committed to maintaining high standards of corporate governance. As a responsible and ethical Bank, it is imperative that we keep our stakeholders informed of our activities and that our financial disclosures consistently meet high standards. We are committed to abiding by the law and fulfilling all regulatory requirements.

Our management style is open and transparent and we stand true to our values of Responsible, Open and Can-do. We work to keep our investors and other stakeholders fully and fairly informed of our activities and progress through formal and informal communication channels, including regular meetings, town halls, reports, internal communications and individual interactions.

We are governed by a strong code of ethics which outlines clear parameters by which our colleagues at all levels are empowered to act upon and make decisions. The code of ethics acts as an important reference point for current and future policies and is in line with best practice in terms of governance and compliance.

It is used as an important reference point for colleagues when they are personally resolving any ethical issue that they may encounter and supports positive behaviours. Our code of ethics is complemented by detailed compliance policies, including our policy on whistleblowing and conflicts of interest.

Our Board of Directors are ultimately responsible for supervising the overall operations of our company, but all our colleagues play a critical role in enforcing good governance practices. They are mandatorily required to complete e-learning modules on anti-bribery, anti-money laundering, conduct rules, financial crime prevention and whistleblowing on a yearly basis, further reinforcing strong governance and compliance within the Bank. We encourage colleagues to comment on our reporting methods and processes and to voice any concerns.

## Board of Directors

Our Board of Directors is composed of qualified directors who provide appropriate leadership and oversight. The Board is the primary governing body and has ultimate responsibility for setting the Bank's strategy, corporate objectives and risk appetite. The Board Skills Matrix (BSM) is a tool that's used to evaluate the effectiveness of our Board and Executive Committee (ExCo), focusing on the competencies essential for Board and ExCo membership. Twice a year, every Board and ExCo member self-evaluate their competencies against the following criteria:

- Strategic Direction
- Human Resources & Culture
- Operations
- Prudential
- Risk Management
- Conduct

## Corporate Governance Framework

The Bank has made significant progress in strengthening its commitment to Sustainability through its Board-approved Environmental Social Governance steering group, which is chaired by the CEO. The steering group comprises of a Non-Executive Director, a number of ExCo members, Board members and senior managers. Meanwhile, the Board maintains oversight of all areas pertaining to ESG. The steering group meets quarterly to provide direction when it comes to steering the Bank's ESG initiatives and monitors progress made against the targets set.



Members of the Gatehouse Bank ESG Steering Group.



# Governance & Reporting (continued)

The Bank's Board has established the following committees, reporting to the Board.

## Shariah Supervisory Board

The Shariah Supervisory Board comprises of three individual Shariah scholars that specialise in Islamic commercial jurisprudence. The Shariah Supervisory Board is responsible for ensuring that the Bank's activities comply with Shariah requirements.

## Executive Management Committee

Our ExCo team hold the day-to-day responsibility of running Gatehouse Bank's business. The Executive Committee implements our Board-approved strategy and ensures that business performance is conducted in accordance with the Board's instructions.

## Audit Committee

Gatehouse Bank's Audit Committee is responsible for overseeing financial reporting, ensuring appropriate actions are taken regarding internal and external audit processes, and managing relationships with relevant external parties, including the external auditors.

## Board Risk and Compliance Committee

The Board Risk and Compliance Committee ensures that an appropriate risk management framework is in place. It monitors that the Bank's control environment is commensurate to its needs based on the strategy adopted by the Bank's Board and the nature and scale of the Bank's activities and aids in managing relationships with relevant external parties including the Financial Conduct Authority and the Prudential Regulation Authority.

## Remunerations and Nominations Committee

The Remuneration and Nomination Committee reviews remuneration matters, employee benefits and performance related pay structures for the Bank. It is also responsible for considering and determining the Bank's remuneration policy, reviewing its adequacy and effectiveness and ensuring that the remuneration policy and process complies with the FCA's Remuneration Code.



# People & Culture



“Our culture defines us and sets us apart, not only as a Bank, but also as a workplace, where we strive to cultivate a positive environment for our colleagues to develop and progress.

“Our focus over the last year has been to strengthen our culture by reinforcing our ROC values of being Responsible, Open, and Can-do. We strive to be the best we can be in the industry while supporting and representing the communities we serve.”

Joanna Collings  
Chief People Officer

Culture is something unique to every organisation. It defines us and sets us apart from others, not only as a Bank, but also as a workplace, where we strive to cultivate a positive environment for our colleagues to develop and progress.

In 2022, our focus has been to strengthen our culture by reinforcing our ROC values of being Responsible, Open, and Can-do. We strive to be the best we can be in the industry while supporting and representing the communities we serve.

Colleague wellbeing is a very important focus for us, and we work hard to ensure that our colleagues feel safe and supported in their roles. We consider ourselves fortunate to have a very committed, talented and diverse workforce who go above and beyond to make things happen. Our Equal Opportunities policy, which applies to all Bank employees, is intended to enable the Bank to put this commitment into practice, ensuring that everyone is treated with respect. In 2022, we further reinforced the importance of diversity and inclusion in the workplace by introducing a mandatory e-learning module on equality, diversity and unconscious bias and organised two rounds of allyship training designed and delivered by an external diversity and inclusion expert. Following this, we completed an annual accreditation with the Bank's line managers on interviewing skills and unconscious bias.

Our colleagues' feedback and suggestions are of the utmost importance to us. In September 2022, the Bank conducted its third annual anonymous Diversity and Inclusion survey to gain colleague feedback, measure and assess its progress on representation and inclusion. Our colleagues expressed an interest to learn more on appropriate language and terminology as well as faith and culture and in 2023 this will be one of the areas of focus.

We also conducted a Bank-wide staff engagement survey, where colleagues expressed appreciation for our monthly wellbeing webinars and requested for the Bank to continue arranging these wellbeing sessions moving forward.

As an organisation, we strive to foster learning and development. It's essential to keep our colleagues engaged, motivated and competitive in today's fast changing world. We believe in providing opportunities to enhance our colleagues' skills and enable them to contribute effectively in a supportive environment.

Most importantly, we strive to be an organisation where colleagues feel engaged, have a sense of belonging and empowered to reach their full potential.

# People & Culture (continued)

## Our Values and Behaviour

In 2018, Gatehouse Bank established its core set of values – Responsible, Open and Can-do – also known as ROC values.

These were developed in consultation with colleagues across all levels of the business and approved by the Bank’s Board of Directors. Our ROC values are embedded into Gatehouse Bank’s strategy and day-to-day operations through ongoing training and employee evaluation.

We strongly believe that leadership has a key role to play in reinforcing these values and expected behaviours amongst our colleagues. We further reinforce these through our strong company culture and these values, are a key factor for remuneration and performance.

Our colleagues are encouraged to express their gratitude, praise and recognise one another through our “Thank You” e-cards and wider recognition programme. In 2022, our colleagues sent 809 thank you e-cards to one another.



“We exist to help people realise their dreams and ambitions.”

## Our ROC Values:

Responsible	Open	Can-do
We believe in a transparent, fair and socially responsible system of finance, based on Shariah principles. Through the sharing of both risk and reward in an equitable way, we offer an alternative, balanced approach to banking for our customers.	We encourage an open and transparent dialogue with our customers and colleagues, welcoming different ideas, and perspectives. We recognise the value of listening and the progress that comes from freedom of thought and permission to fail.	We embrace opportunity and are resourceful in the face of challenge. By looking beyond accepted conventions, being willing to adapt, and always working as a team, we move forward where others stand still. Our attitude is refreshingly can-do.

## Behaviours (how we live our values)

Fair	Respectful	Resourceful
Accountable	Approachable	Collaborative
Committed	Supportive	Adaptable

We have quarterly and annual **ROC Awards**. Through a peer nomination process rewarding colleagues who have excelled in displaying our company values. The nominations are anonymised and reviewed by our Executive Committee on a monthly basis.

At the end of the year, the nominations are reviewed by our CEO who chooses one standout entry to receive the annual CEO Award – ROC Star Award.

In 2022, we introduced five additional awards to further recognise and reward our colleagues’ for their hard work:

- Volunteer of the Year
- Brand Champion
- Most Inspirational Role Model
- Team Player of the Year
- Fundraiser of the Year

## Wellbeing

We are deeply committed to promoting wellbeing for our colleagues to continue having a meaningful experience at work, while feeling supported and valued.

In 2022, Gatehouse Bank coordinated and facilitated several virtual wellbeing sessions hosted for colleagues across the Bank. Each session was delivered by an external subject matter expert and attended by 30 – 50 staff members. Each session is recorded to ensure it is available for colleagues unable to attend as well as being available for those who may want to revisit the session at a later date.



# People & Culture (continued)

Wellbeing sessions

Month	Title	Details
January	Winter Immunity	Seasonal habits to boost immunity and mood whilst preventing burnout.
March	How to Achieve Anything	How to set realistic goals and cultivate the motivation needed to achieve these while harnessing the transformational power of action-traction.
April	Employee Mental Health Awareness	<p>An interactive workshop focusing colleagues' attention on self-care and encouraging an open discussion around wellbeing.</p> <p>The session delivered bespoke content aimed at noticing changes in people, managing uncertainty and addressed the unique challenges encountered over the past couple of years.</p>
May	Stress Masterclass	To help colleagues find their rhythm in an ever-changing world, this session focused on mental health micro-habits.
June	Summer Self Care	<p>The whole month was dedicated to self-care. This workshop delivered tips and tools, ranging from physical to mental wellbeing, with the chance to join the first ever Summer Self-Care Challenge.</p> <p>This was an interactive session where we encouraged colleagues to sign up and commit to prioritising their wellness during the summer.</p>
July	Living Online	<p>To explore how loneliness can affect us, we looked at the 'social' in social media.</p> <p>This session explored changing the way we look at social media and how we connect with each other. Together, colleagues considered their social media habits, identified the challenges of an increasingly online world, reflected on how these platforms make them feel and provided resources to help everyone better connect with each other.</p>
August	Community and Connection	As human beings, we need connection, and can struggle if we feel disconnected. This workshop built on practical ways to remain connected and discussed the benefits of a community approach to mental health and well-being.
September	Navigating Menopause	Colleagues discovered how to effectively manage the menopause, giving them key insights into the cause and symptoms, how to alleviate symptoms and gain the empathy required to support others going through the change.

October	Financial Wellbeing	Covering the meaning of the phrase 'financial wellbeing', what to consider during the current rise in living costs, free tools and resources to be used and tips on how to manage money.
November	Mental Health	<p>In this open and honest session, we acknowledged Men's Health Awareness Month and addressed the continued stigma around mental health in men.</p> <p>The session included personal experiences of a male serving within the British military and provided a safe space for frank discussion. Tangible tips and resources were shared to help make these difficult conversations feel a little easier.</p>
December	Work/Life Balance	<p>In an increasingly fast-moving and demanding world, drawing clear boundaries and making time for us is becoming more and more difficult.</p> <p>This workshop was aimed to help avoid reaching capacity and better manage feelings of overwhelm. It provided a safe space for honest conversations about the everyday challenges we face, shared new insight on stress in 2022, identified quick wins and equipped participants with tools, hints, and tips on how to genuinely balance out that busy schedule.</p>



## Time out

During Mental Health Awareness month in May, Gatehouse Bank launched an internal campaign, **'Make a pledge and take a time out'**.



## 1 Hour

All colleagues were offered the opportunity to spend an hour of the week commencing 9th May doing something for themselves, such as going for a walk, reading a book, spending time with family, baking or playing sports

"The Bank's policies and support enable me to manage my wellbeing"

In our Bank-wide engagement survey, 89% of colleagues responded with a 'Agree' or 'Strongly Agree' to the above statement.

# People & Culture (continued)

## Employee Assistance Program

Gatehouse Bank has an Employee Assistance Programme (EAP), through which employees have access to a team of trained therapists and legal advisors who offer support on a range of issues that may be affecting staff at home or at work. The confidential service is available to all colleagues 24 hours a day and is supported by a free ‘My Healthy Advantage app’ which offers access to holistic health and wellbeing support at all times. The service is confidential, offering over 100 hours of content which helps monitor mood and teaches relaxation techniques.

## Mental Health First Aid

The Bank also provides Mental Health First Aid training to a number of colleagues to ensure colleagues can access support relating to mental health issues or concerns during core working hours.

We have several Wellbeing Support Mentors who act as a point of contact and reassurance for anyone who may be experiencing challenges surrounding their mental health or wellbeing. Our Wellbeing Support Mentors are able to provide confidential help including non-judgemental listening, engaging in supportive conversations following the Mental Health First Aid action plan, encouraging colleagues to seek the appropriate professional help, and promoting self-help strategies. Wellbeing Support Mentor contact details can be found alongside the other first aiders’ contact details, in key areas around the workplace and our intranet.

## Work-life balance

We continue to recognise the benefits of working in a hybrid model and have engaged with colleagues at all levels to implement a new hybrid working policy.

We also have a flexible working policy, which we see as a crucial tool in being able to attract and retain diverse talent pool, which makes it a win-win proposition. We are also aware that more than half of our staff have some form of caring responsibilities, meaning that having a choice of flexible working arrangements goes a long way in providing work-life balance.

As part of the FCA guidance on hybrid working, the effectiveness of remote working was reviewed by external auditors Grant Thornton. Some of the suggestions included considering additional office-based onboarding as part of their overall onboarding programme, especially for junior colleagues. If it is essential for a colleague to work in the office alone, consider whether additional guidance and / or training is required, plus notification to relevant Gatehouse managers and colleagues.



## A rewarding career

At Gatehouse Bank, talent is nurtured and staff are provided with opportunities to continue learning and developing. We are committed to staff wellbeing and engagement and offer competitive salaries and a highly attractive reward package.

Typical benefits include:

- 25 days holiday entitlement increasing with service
- Generous pension plan
- Private medical insurance
- Enhanced maternity and paternity package
- Dental cover
- Income protection and life assurance

Other benefits include :

- Health screening
- Employee Referral Scheme

## Learning and Development

At Gatehouse Bank we believe in developing our colleagues’ talent and offering a workplace where employees have a meaningful experience and a chance to develop. We believe that the capability of the Bank’s workforce is vital for its performance. We also strongly believe that personal career development supports employee engagement and retention and is crucial in priming the Bank for future growth.

The best way to be ready for the future is to invest in knowledge and skills, allowing for the continuous development of our colleagues’ capabilities.

Throughout the year, the Bank offered a series of training programmes on topics such as functional leadership development, conduct and culture and allyship. We believe that these will enable our employees to meet the demands of the future in an ever-changing world.



The Bank’s talent and development strategy is managed by the Talent and Development Partner with oversight from the Chief People Officer, the Head of Compliance and the Head of Operational Risk Assurance. Development is executed by line managers and individual colleagues, with annual appraisals to assess performance against mutually agreed development key performance indicators.

Gatehouse Bank’s online learning portal offers several e-learning topics which range from mandatory training – data protection and anti-bribery and corruption – to “soft skills” such as healthy working, coaching and communication. In addition, colleagues are also offered additional live, online and face-to-face training. For example, two workshops on conduct and culture were conducted by an external party in 2022 for the Bank’s Board members, Executive Committee and other colleagues.

The training programmes are reviewed annually following feedback from colleagues across the Bank to ensure future training opportunities meet our colleagues’ needs.

## Management Development Program

Gatehouse Bank’s Management Development Program aims to maximise line managers’ skills, expertise and experience. This not only has a positive impact on the Bank’s culture, but also on the wellbeing and professional development for colleagues across all levels. The programme consists of 360-degree feedback and bespoke training to suit the requirements of the business and its colleagues.





# People & Culture (continued)

Feedback on communication training skills:

“Thanks, for the course, it was good to reflect on my own communication skills. What would have been good to cover is the different personality traits customers have and how we as advisers should communicate with those specific type of clients. I have been on other courses in relation to this and it was very interesting.”

“Really enjoyed the session, it was very eye opening on a professional and personal level. Gained a good understanding how to approach vulnerability for customers at Gatehouse and in general outside of work. I liked the open discussion style of the training, and it was very engaging”.

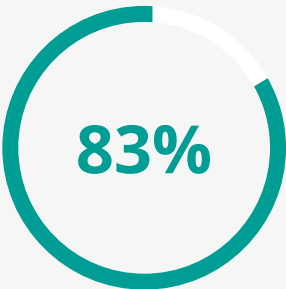
In 2022, 200 Gatehouse Bank colleagues logged a combined total of 4,978 training hours

Item	Notes	Hours
Annual mandatory training	E-learning for all	1,233
Continuous Professional Development – group training	Various topics	2,241
Continuous Professional Development – individual training	Various bespoke requests	1,504
Gatehouse Bank colleagues logged a total of 4,978 hours		4,978

Our mandatory E-Learning modules include:

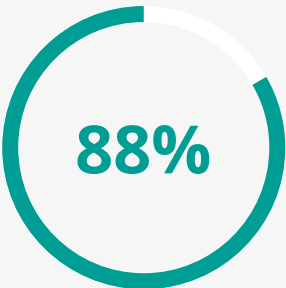
- Anti-Bribery
- Anti-Money Laundering
- Conduct Roles
- Data Protection
- Equality & Diversity
- Financial Crime Prevention
- Information Security
- Managing Home Workers
- SMCR Overview
- Training & Competence
- Unconscious Bias
- Vulnerable Customers
- Whistleblowing
- Working from Home

The Bank-wide staff engagement survey saw a participation rate of



(161 responses) compared to 70% (105 responses) in 2021

Overall Engagement



of colleagues are engaged (average scores of 4.5 or above/6)

Apprenticeships

Gatehouse Bank offers apprenticeship opportunities across several of its departments. In 2022, Gatehouse Bank hired four apprentices who have acquired valuable skill sets, actively contributed to their teams, demonstrated company values of being open, responsible and can-do and have ultimately boosted business growth through creativity, new ideas and strategies.

By being a workplace that supports apprenticeship we are contributing to SDG 8 ( Good jobs and Economic Growth) and SDG 10 ( Reduced Inequalities).

# People & Culture (continued)



Sophie joined Gatehouse Bank in July 2022 as a PR and Communications Assistant Apprentice within the Communications team. We asked Sophie, **“What’s your favourite thing about your apprenticeship?”**

“ I have found my apprenticeship extremely rewarding, I have been given support from the team around me, helping me to grow and develop with industry and communication specific knowledge as well as practical office based skills. My favourite part of the role is constantly learning new skills through lots of different types of campaigns and day to day activities”.



Ridwan joined Gatehouse Bank in August 2022 as a Finance Assistance within the Finance team. We asked Ridwan, **“What have you learnt since starting your apprenticeship?”**

“Since joining the Bank my knowledge and familiarity around Finance has expanded throughout the course of the tasks I carry out. Being involved in Accounts Payable has allowed me to become better equipped with my Microsoft excel skillset and the understanding behind each of the bank’s transactions following on to how that information should be displayed clearly.”

## Diversity and Inclusion

We believe that diversity fuels our creativity and connects us to the communities we serve.

We strive for Gatehouse Bank to remain a workplace where people of all backgrounds can contribute and cultivate their skills in a positive work environment. We continue to work together to create an inclusive workplace where, as a Shariah-compliant UK Bank, we are here for everyone of all religions and none.

At Gatehouse Bank, ‘Representation’ is a measure of Diversity, and ‘Employee Experience’ is a measure of Inclusion.

We strongly believe that diversity is our competitive advantage. Colleagues bring different perspectives and experiences into the workplace which fuels creativity and innovation. A diverse and inclusive workplace is vital for Gatehouse Bank to meet our commitments as a responsible bank, promote a positive culture of creativity and productivity and help colleagues meet their full potential.

We are committed to recruiting and retaining a diverse workforce that also reflects our diverse customer base, offering equal opportunities in employment and avoiding unlawful discrimination in relation to employees, customers, suppliers, and other key stakeholders. Our Equal Opportunities policy, which applies to all Bank employees, is intended to enable the Bank to put this commitment into practice, ensuring that everyone is treated with respect.

In 2022, we further reinforced the importance of diversity and inclusion in the workplace by introducing a mandatory e-learning training module on equality, diversity, and unconscious bias, which was completed by 100% of our colleagues.

The Bank also organised two stages of allyship training designed and delivered by an external diversity and inclusion expert. The first three-hour session took place virtually to groups of 15 – 20 people, while the second was delivered face-to-face in groups of 12 – 15 colleagues. The training covered a range of topics, including diversity, bias, privilege and power, microaggressions, and the importance of allyship and what an ally means in practice. One colleague commented that “I thought the training was very good and very informative I learnt new things with regards to DEI”.

**In the Diversity and Inclusion survey conducted in 2022, 82% of those who responded shared that they feel fully prepared to act as an ally for a colleague.**

In September 2022, the Bank conducted its Diversity and Inclusion Survey for the third year, to gain colleague feedback, measure, and assess its progress.

In addition to representation across qualities such as gender and ethnicity, the Bank also assesses diversity across age, socio-economic background, sexual orientation, religion, disability, and dependents.

In 2022, 48% of colleagues responded. The survey is completely anonymously and helps to gain an understanding into the diversity and inclusion trends within the organisation. It also helps to cultivate the right culture for colleagues to perform at their best.

Our success as a Responsible Bank is rooted in our colleagues feeling engaged and included, and that is what we always strive towards. The responses from this survey are shared with the members of our ESG Steering Group and our Executive Committee. The data from the survey helps to formulate and shape the Bank’s Equity, Diversity and Inclusion strategy and identify focus areas where the Bank could improve further.



# People & Culture (continued)

The data presented below is a combination of HR data and results from the 2022 Diversity and Inclusion survey:



## Diversity and Inclusion Council

In 2020, Gatehouse Bank established a Diversity & Inclusion Council. In 2021, the Council's focus was on evaluating the Bank's Management Development Programme, recruitment process and HR related processes that impact diversity and inclusion.

In 2022, there was a need realised by management to reconsider the roles and responsibilities of the Diversity & Inclusion Forum and areas which should be a focus moving forward, leading in the Council stepping down for the time being.

Following this, the Bank's Diversity and Inclusion survey was also a useful tool in gaining colleague feedback about what our staff expect from the group, priority areas and tasks that the Forum could be entrusted with. Following this, the Diversity, Equity and Inclusion Forum was reinstated in the first quarter of 2023.

### D&I training

In 2022, to build awareness and reinforce the importance of Diversity and Inclusion in the workplace, the Bank provided mandatory training on Equality and Diversity as well as Unconscious Bias for all staff.

## Ethnic and Gender Diversity at Gatehouse Bank, 2022<sup>1</sup>

Since then, in the first quarter of 2023, an additional Non-Executive Director, a female, was appointed.

Measure	All Bank	Senior Leadership	Board of Directors
Ethnicity	36% Non-White 64% White	33% Non-White 67% White	4 Non-White 3 White
Gender	47% Female 53% Male	22% Female 78% Male	0 Female 7 Male

## Diversity, Equity and Inclusion – targets and plans for 2023

- Re-establish the Diversity, Equity and Inclusion Forum by seeking volunteers from across the Bank.
- The Forum will be overseen by the Culture and Conduct Committee, which has been created in 2023. This is chaired by the CEO and reports to the Executive Committee.
- Aim to improve the response rate of the Diversity and Inclusion survey from 48% to over 70% in 2023.
- Reinforce the importance of flexible working during the recruitment process and beyond.
- Continue to support colleagues with caring responsibilities.
- Create a glossary of DE&I terms (inclusive language guide).
- Creating awareness about culture, race, faith and religion.
- Continue to build on allyship and initiate a culture of psychological safety.
- Aim to eliminate microaggressions.
- Other areas that may get prioritised by the Diversity, Equity and Inclusion Forum.

<sup>1</sup> Gatehouse Bank HR employee demographic data, as of December 2022.

# People & Culture (continued)

## Gender Pay Gap

Gender Pay differs from Equal Pay as it looks at overall earnings by men and women, regardless of their role type or seniority. This approach is helpful as it highlights the countrywide and global structural, social and cultural issues that can prevent women from operating at senior levels in many industries, including financial services.

Although Gatehouse Bank is not required to report under the Gender Pay Gap regulations at this time, it is important that we ensure any new policy or process has a positive rather than negative impact on encouraging diversity of thought and talent at all levels.

At Gatehouse Bank, we focus primarily on the elements within our control and are confident that our recruitment and pay processes are fair and equitable but we are always reviewing our processes and procedures for ways we could do more. The Board receives and discusses matters on people relating to both gender and ethnic diversity, they are encouraged to use their influence in wider industry and political forums, as well as the media, to ensure these issues receive appropriate focus.



## Women in Finance

The Bank is a corporate member of the Women in Islamic and Ethical Finance Forum (WIEFF), an independent, international forum for industry professionals to collaborate and promote the interests of the ethical and Islamic finance industry.

In 2022, Gatehouse Bank hosted a panel discussion on “Innovation in ESG” at its London office in partnership with the Women in Islamic and Ethical Finance Forum. Various other banks and financial institutions attended discussing how banks could work collaboratively to drive and benchmark best ESG practices.



# Gatehouse Bank and the Environment

## Climate Change

Climate change is a long-term shift in global or regional climate patterns. Often climate change refers specifically to the rise in global temperatures from the mid-20th century to the present. Anthropogenic activity has been the main driver of climate change, primarily due to burning fossil fuels like coal, oil and gas, which in turn generates greenhouse gas (GHG) such as CO2 and methane.

Greenhouse gases have far-ranging environmental and health impacts. The consequence of climate change can be seen in the increased intensity of droughts, water scarcity, severe fires, rising sea levels, flooding, melting polar ice, catastrophic storms and declining biodiversity<sup>1</sup>. This year, the impact of climate change was also felt in the UK, with temperatures exceeding 40° C for the first time as part of a widespread heatwave<sup>2</sup>, and one of the driest summers.

In 2019, the UK became the first major economy to commit to net zero greenhouse gas emissions by 2050 into law. In 2021, the government went further, setting the world's most ambitious climate change target: to cut emissions by 78% by 2035 compared to 1990 levels.<sup>3</sup>

To achieve this, the whole economy will have to transform. The Intergovernmental Panel on Climate Change (IPCC) is clear that immediate, rapid and large-scale reductions in greenhouse gas emissions are needed.

As a Bank, we maintain our accurate awareness and understanding of how climate change is impacting the economy, environment and community. We continue to align ourselves to the UK's goal of achieving net zero by 2050, taking into account the impact our business has on the environment through greenhouse gas emissions.

At Gatehouse Bank, we are focused on ways to reduce the amount of energy we use in both our own operations and our financed emissions.



<sup>1</sup> <https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>  
<sup>2</sup> <https://www.bbc.co.uk/news/uk-62217282>  
<sup>3</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1031805/CCS0821102722-006\\_Green\\_Finance\\_Paper\\_2021\\_v6\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1031805/CCS0821102722-006_Green_Finance_Paper_2021_v6_Web_Accessible.pdf) - 2021 report , Page 6.



# Gatehouse Bank and the Environment (Continued)

Operational Greenhouse Gas Emissions:

Gatehouse Bank first measured its operational carbon footprint for the year 2019. Since then, the Bank has taken significant steps to reduce its operational carbon footprint through measures including a new travel policy aiming for a 20% reduction in emissions from business travel by the end of 2023 from the base year of 2019. From 2022, we have also put systems in place to capture data on waste more accurately.

Between 2020 and 2021, the Bank’s carbon footprint has further reduced by 3.7% and from the base year of 2019, by 57%. We would like to acknowledge that this decrease could be due to the pandemic, as business travel had significantly reduced in the last two years. We will continue to monitor our carbon emissions to assess and report on our emissions.

Gatehouse Bank has maintained its carbon neutral status for 2021 by working with Carbon Neutral Britain in 2022 to measure and offset our operational emissions for the previous year, including Scope 1, Scope 2 and selected Scope 3 emission categories in accordance with ISO 14064:1-2018 and GHG Emissions Protocol Accounting

and Reporting Standard. The Bank’s operational emissions include those produced across its three offices in London, Milton Keynes and Wilmslow as well as employee business travel. As a digital bank, we avoid any emissions associated with physical branches.



In 2021 we are proud to have been independently certified as Carbon Neutral Britain as an operationally carbon neutral business. Gatehouse Bank offset emissions totalling 75.04 tonnes CO2e via the Climate Fund™ Portfolio of verified carbon offsetting projects around the world.

In 2021, in addition to direct emissions, we measured significant and relevant indirect emissions. Measured indirect emissions included purchased energy, waste, and business travel. The Bank’s operational footprint therefore included Scope 1, 2 and selected Scope 3 Greenhouse Gas Emission Categories as defined by the Greenhouse Gas Protocol (GHG Protocol)<sup>4</sup>.

Organisational boundary	All operations (United Kingdom, three offices)
Control approach	Operational control
GHG Sources	<p>Scope 1 (Direct emissions) Activities owned or controlled by the organisation that release emissions straight into the atmosphere. For manufacturing business, these would be emissions from equipment and machinery used in production. Businesses that own or lease vehicles are also included within Scope 1. For many office-based businesses, Scope 1 emissions are usually very small. 08 3.4 Scopes of Emissions Using the ISO 14064 and GHG Emissions Protocol Standards, business emissions are identified using three scopes of emissions.</p> <p>Scope 2 (Energy indirect) Emissions being released into the atmosphere associated with the consumption of purchased electricity, heat, steam and cooling. These are indirect emissions that are a consequence of the organisation's activities but occur at sources that the business does not own or control. These emissions would be the energy usage by the organisation and staff working at the business or from home.</p> <p>Scope 3 (Other indirect) Emissions that are a consequence of business activity, which occur at sources which are not owned or controlled, which are not classed as Scope 2 emissions. Scope 3 emissions can be quite broad, including areas such as waste management, business travel, staff commuting, events and the emissions produced from delivery to and from the organisation (including third party delivery services).</p>

<sup>4</sup> <https://ghgprotocol.org>

Scopes	Verified footprint 2019 (01/01/2019 – 31/12/2019)	Verified footprint 2020 (01/01/2020 – 31/12/2020)	Verified footprint 2021 (01/01/2021 – 31/12/2021)
Scope 1 – Natural gas, fuels, refrigerants.	0 tCO2e	0 tCO2e	0 tCO2e
Scope 2 – Purchased electricity using the location-based method, staff numbers and days working from home within this period.	65.4 tCO2e	53.61 tCO2e	45.72 tCO2e
Scope 3 – Water (consumption and waste volume) Waste (landfill, recycled and composted waste), business travel and hotel stays.	107.13 tCO2e	24.28 tCO2e	29.32 tCO2e
Total greenhouse gas emissions	172.74 tCO2e	77.89 tCO2e	75.04 tCO2e

We would like to acknowledge that this decrease could be due to the pandemic, as business travel has significantly reduced in the last two years. We will continue to monitor our carbon emissions to assess and report on our emissions.

# Gatehouse Bank and the Environment (Continued)

For the Bank’s greenhouse gas emissions in the year 2022, we have used Streamlined Energy and Carbon Reporting (SECR) for reporting on our operational emissions and have offset **245tCO2e** through Carbon Neutral Britain to remain a carbon neutral business.

The Bank’s report on all emission sources for 2022 required under the Companies Act 2006 Regulation 2013 is set out below. In compiling this information, the Bank has used Streamlined Energy and Carbon Reporting (SECR). Greenhouse gas emissions are reported as a single total by converting them to the equivalent amount of carbon dioxide using emission factor from SECR conversion factor 2022. There is no data to compare as the SECR report is being submitted for the first time. However, the Bank has been voluntarily disclosing its greenhouse gas emissions for the years 2019 – 2021 through Carbon Neutral Britain.



Gatehouse Bank and Ascend Estates Limited*	
Energy Source	tCO2e
Scope 1: Direct emissions from combustion of fuel	91.45
Scope 2: Indirect emissions from electricity purchased	64.95
Scope 3: Business travel only	87.62
Scope 1+2+3	244.02
Environmental intensity indicator (tonnes of carbon dioxide per £1m gross income)	4.3

\*Disclosure for the financial year ended as at 31 December 2022.

## Gatehouse Bank and the environment - Financed Emissions

### UN Principles for Responsible Banking – Significant Impact Area

Financed greenhouse gas emission have been selected as a significant impact area for the Bank as per its commitments as a founding signatory to the UN Principles for Responsible Banking. Home finance represented 80% of the Bank’s financing activity in 2021 and was therefore considered in the scope of analysis and target setting. The Bank has followed the UNEP FI Guidance on Climate Target Setting for Banks to set its climate targets.<sup>5</sup>

### PROGRESS against TARGET

Target : Reduce climate impact of operations

Targets	Progress in 2022
Remain a carbon neutral business.	We remained a carbon neutral business for the year 2021 by offsetting <b>75.04 tCO2e</b> .  In 2022, the Bank has used Streamlined Energy and Carbon Reporting (SECR) for the first time to report on its operational greenhouse gas emissions. We had a greenhouse gas emission of <b>245tCO2e</b> which we offset through Carbon Neutral Britain to remain a carbon neutral business.
Achieve 20% reduction in operational emissions from the base year 2019 by 2023.	Introduced a sustainable travel policy in June 2022 aiming to:  1. Reduce the number of business journeys staff make. 2. Choose less carbon intensive ways of working and travelling e.g., opting for public transport wherever possible over private transport.  As part of the policy, an Executive Committee member’s approval is required to avail any air travel, both international and within the UK. To capture travel data more accurately, employees must include the following in their expense claim:  <div><div>• Mileage (in miles), • No. of passengers/guests, • Travel destinations to and from</div><div>• Class of travel • Hotel services level • Hotel stay (No. of days/nights)</div></div>

<sup>5</sup> <https://www.unepfi.org/wordpress/wp-content/uploads/2022/08/Supporting-Notes-for-Guidelines-for-Climate-Target-Setting.pdf>



# Gatehouse Bank and the Environment (Continued)

Following the Climate Change Act in 2019, the UK government has set ambitious Net Zero targets for 2050, with the intention of reducing overall greenhouse gas emissions. It published its “Strategy for Net Zero homes” in October 2021, outlining areas of focus for the decarbonisation of the UK’s economy.

Greenhouse gas emissions from buildings account for 30% of the UK’s total emissions, of which 23% is through heat generated by buildings, specifically heating through homes, which accounts for approximately 17% of the UK’s total emissions.<sup>6</sup>

This makes the decarbonisation of homes a very high priority for the UK. To achieve this 2050 target, every home must adopt energy efficiency measures. This is essential not only to tackle the climate emergency, but also transitioning to low carbon sources of energy will improve the UK’s energy security and independence, which is particularly important in light of the war in Ukraine and ensuing energy crisis<sup>7</sup>.

## Heat and Buildings Strategy Chapter 1: Setting the scene

UK emissions in 2019

- Buildings
- Transport
- Industrial and Miscellaneous
- Agriculture, land use, land use change and forestry and waste

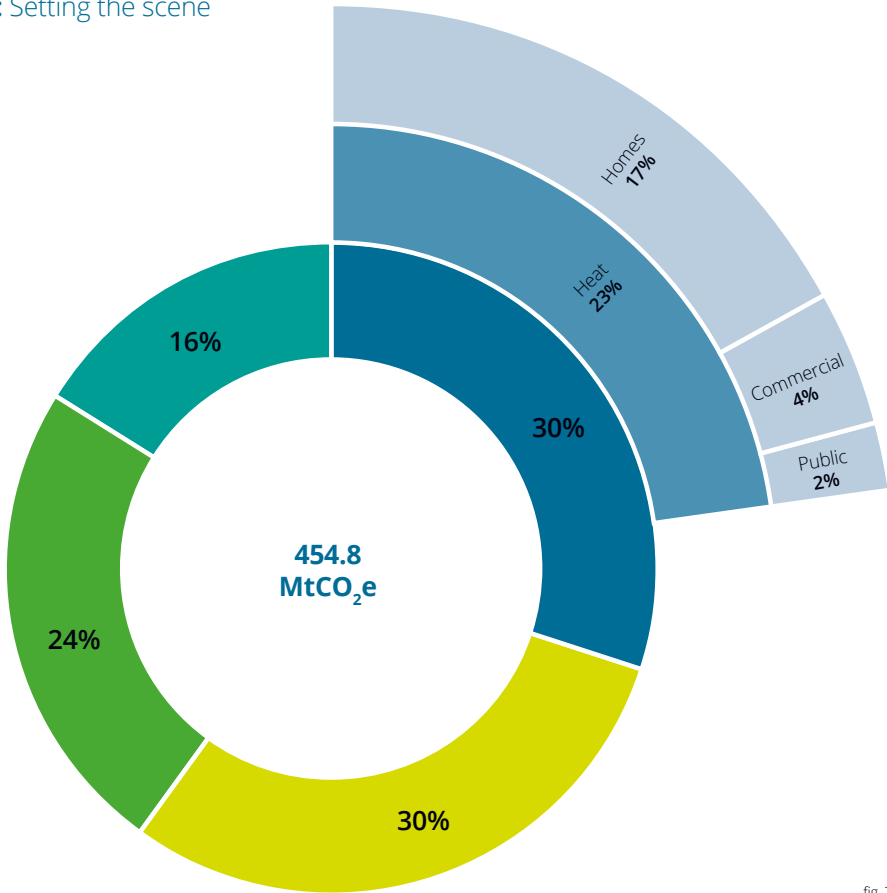


fig. 7

<sup>6</sup> <https://www.ukfinance.org.uk/system/files/2022-10/Net%20Zero%20Homes%20Report%202022.pdf>

Gatehouse Bank has a significant role to play in facilitating the transition to energy efficient homes. In 2022, our Residential Property Finance products made up 94% of the Bank’s total portfolio, helping 1,489 (1132 purchase and 357 refinance) homeowners and/or landlords to buy or refinance their residential property. These properties have a direct impact on climate change through their energy consumption and CO2 emissions.

A combination of energy efficiency measures and low-carbon technologies have the potential to greatly impact carbon emissions and lower home energy bills in the UK. The combined study done by WWF and Scottish Power show that energy costs could be 37.4% lower when heating a well-insulated home with a heat pump, compared to an energy inefficient home with an old gas boiler and 25.8% lower than heating an energy inefficient home with a modern gas boiler.<sup>7</sup>

Based on the above, in 2021, the Bank set a target to align its home finance portfolio with the temperature goals of the Paris Climate Agreement.

### Absolute Emission tCO2e reduction trajectory:

Year	Baseline tCO2e (2020)	2030 tCO2e	2040 tCO2e	2050 tCO2e
Scope 1	3,455	2,250	1,465	954
Scope 2	919	598	389	254
Total	4,374 tCO2e	2,848	1,854	1,207
Reduction target		35%	58%	72%*

\*The SBTis Net Zero standard published at the end of 2021, has indicated that a 90% reduction should be targeted by 2050.

In 2020, Gatehouse Bank determined the CO2 emissions related to its home finance portfolio, establishing a baseline of 4,374tCO2e (Scope 1 – 3455tCO2e, and Scope 2 – 919tCO2e) tCO2e. The method followed was to assess the energy performance certificate (EPC) ratings of properties in the portfolio to determine estimated greenhouse gas emissions per square metre of the total portfolio.

We consulted with independent sustainability experts, Greengage<sup>8</sup>, to assess the findings and create an emissions reduction strategy for the Bank. We were advised that the best methodology to adopt in order to appropriately align the portfolio with the temperature goals of the Paris Climate Agreement and avoid runaway climate change, would be the Absolute Contraction Methodology.

This is defined as an overall reduction in the amount of greenhouse gas emissions emitted to the atmosphere, relative to the base year.

The Bank’s carbon reduction pathway is set out below and requires the Bank to reduce the absolute emissions of the growing home finance portfolio by 90% to achieve Net Zero emissions by 2050. The absolute emissions reduction pathway and the conversion to intensity using floor area (m2) are set out below.

<sup>7</sup> [https://www.wwf.org.uk/sites/default/files/2022-08/Better\\_Home%2C\\_Cooler\\_Planet\\_Report.pdf](https://www.wwf.org.uk/sites/default/files/2022-08/Better_Home%2C_Cooler_Planet_Report.pdf)  
<sup>8</sup> <https://www.greengage-env.com/>

# Gatehouse Bank and the Environment (Continued)



Intensity Emissions KgCO2e/m2

Year	Baseline tCO2e (2020)	2030 tCO2e	2040 tCO2e	2050 tCO2e
Scope 1	20.8	12.3	7.3	4.4
Scope 2	5.5	3.3	1.9	1.2
Total	26.3	15.5	9.3	5.6
Reduction target		41%	65%	79%

The targets outlined by the Bank in 2021 are below:

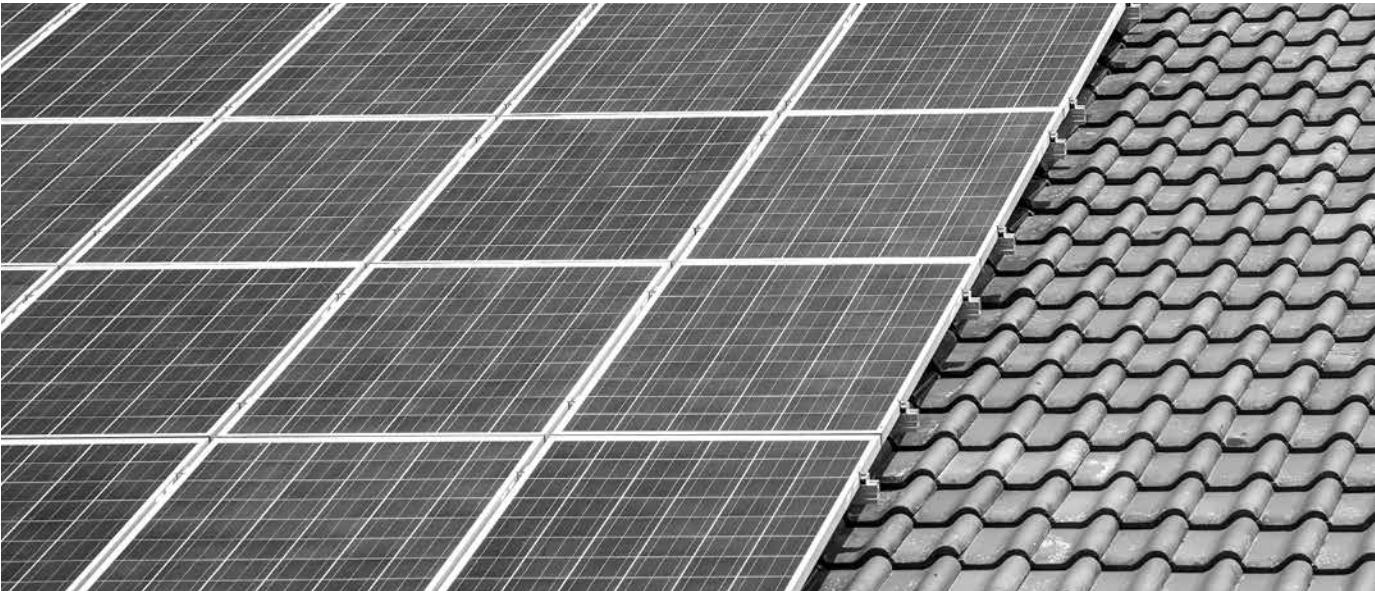
Overall target	KPI	Review and reporting
<ul style="list-style-type: none"><li>• Reduce emissions of home finance portfolio from base year by 35% by 2030 and by 72% by 2050. However, the SBTIs Net Zero standard published at the end of 2021, has indicated that a 90% reduction should be targeted by 2050.</li><li>• Track and disclose the average Energy Performance Certificate Rating of properties in the home finance portfolio.</li></ul>	<ul style="list-style-type: none"><li>• Reduce absolute emissions of home finance portfolio.</li><li>• Reduce intensity of home finance portfolio emissions (kg CO2e per m2).</li><li>• Capture and improve average EPC rating of home finance portfolio.</li></ul>	The Bank follows the UNEP FI Guidelines for climate change target setting, with targets to be reviewed every five years and progress reported annually.

The Bank’s target aligns with SDG 13 (Climate Action) and the UK’s National Strategy for climate change.

In 2022, the Bank commenced its work to support the transition to Net Zero. Below is the data on EPC data as captured by an external sustainability consultant Landmark, who did an analysis for us on our EPC for both Home Purchase Plan and Buy-to-Let.

EPC Rating Current	EPC Rating Potential						Total for Current Rating	% Current Rating
	A	B	C	D	E	F		
A	4						4	0.12%
B	89	825					914	26.28%
C	7	403	395				805	23.15%
D	3	631	466	147	1		1248	35.88%
E	2	135	178	37	20		372	10.70%
F	1	9	11	6	3	2	32	0.92%
G	1	4	1	1			7	0.20%
Missing	96						96	2.76%
Total for Potential Ratings	203	2007	1051	191	24	2	3478	100.00%

(The above data is up to April 2022)



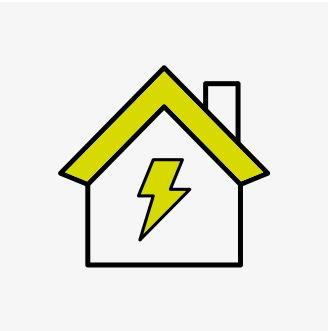


# Gatehouse Bank and the Environment (Continued)

We realise that to successfully achieve the Bank's Net Zero target, we not only need the government's support, but also reliable data accuracy and availabilities such as EPCs, collaboration between public and private sectors, practical and long-term public policy, regulation and collaboration on a large-scale and customer education<sup>9</sup>.

A comprehensive list of other measures for transitioning to energy efficient homes, as suggested by Net Zero Home Finance are outlined below:<sup>11</sup>

- **Practical and long-term public policy, regulation and collaboration** that delivers a just transition to greener UK properties and ensures no-one, whether landlord or owner-occupier, is left behind and unable to green their property to the required standard and face negative consequences as a result.
- **Collaboration on a large-scale consumer education and communication campaign involving all stakeholders** – public and private – in the housing market driven forward by the government.
- **Collaboration in the development of high-quality EPC and environmental housing assessments.**  
A revised assessment criteria should reflect both the energy efficiency and carbon footprint of a property. In addition, assessments should be updated on a more frequent basis (i.e., to reflect the impact of property improvements) with this data published to allow more accurate decisions to be made.
- **A large-scale increase in the amount of appropriate, good quality and cost-effective retrofitting and energy system** installation available to consumers.
- **Meaningful, comprehensive, and long-term public funding** and support for property owners who are unable to access other funding sources.
- The use of **government measures which incentivise improvements** for all property owners, including but not limited to tax incentives. Housing built to Net Zero standards to draw a line in the sand without any reduction in build quality.



<sup>9</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1044598/6.7408\\_BEIS\\_Clean\\_Heat\\_Heat\\_Buildings\\_Strategy\\_Stage\\_2\\_v5\\_WEB.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1044598/6.7408_BEIS_Clean_Heat_Heat_Buildings_Strategy_Stage_2_v5_WEB.pdf)

Progress made against the set target:

KPI	Progress 2022	SMART targets for 2023 to the end of 2025			
Capture and improve average EPC rating of home finance portfolio.	<p>Last year, we engaged an external sustainability consultant, Landmark, who conducted an analysis on our EPC<sup>10</sup> and here is the current information which captures the EPC data for both Home Purchase Plan and Buy-to-Let.</p> <p>One step that will help us get closer to achieving net zero is supporting and encouraging our customers to move from an EPC rating of C and below to C and above.</p> <p>We are very aware that just improving EPC is not enough to help achieve our Net Zero target and consumer behaviour change has a significant role in this. Hence, we reached out to 9,066 customers through our customer newsletter, in July (5,854 opened) and 11,365 customers in November 2022 (6,659 opened) to educate them on the principles of EPC and tips on saving household energy.</p> <p>This not only has a positive environmental impact, but in the current eco-political situation with a looming energy crisis, a positive economic impact way of helping customers save money.</p>	<table><tr><td>Move properties with EPC rating E to D and above.</td><td>Move 100 properties in our portfolio from E to D and above.  (These are from the Bank's baseline of 2022)</td><td>End of 2025</td></tr></table> <p>• By end of 2025, all financed properties will have a record for their EPC ratings. We will have zero properties with missing EPC ratings.</p>	Move properties with EPC rating E to D and above.	Move 100 properties in our portfolio from E to D and above.  (These are from the Bank's baseline of 2022)	End of 2025
Move properties with EPC rating E to D and above.	Move 100 properties in our portfolio from E to D and above.  (These are from the Bank's baseline of 2022)	End of 2025			

<sup>10</sup> Landmark presentation Climate\_Change\_Feedback - Gatehouse\_Bank\_20220505.pdf

# Gatehouse Bank and the Environment (Continued)

Target	Progress	Plans for 2023
Reduce emissions of home finance portfolio from base year (2020) by 35% by 2030 and 90% by 2050	<p>In 2022, the Bank launched a green home finance range for UK homeowners and landlords.</p> <p>The products are designed to incentivise new and existing customers to invest in homes with higher energy efficiency ratings.</p> <p>Customers acquiring or refinancing a property with an A or B energy efficiency rating will receive a 10bps reduction on the rental rate.</p> <p>We also offset the carbon footprint of the average UK property at 3tco2 during the initial fixed rental rate period and continue to offset for as long as the customer remains with the Bank, subject to their property meeting the required EPC rating of any green products chosen at that time.</p> <p>Since the launch of our green home finance products in April 2022, we received a total of 93 applications, 16 of which were successfully completed. Of these, 7 were Buy-to-Let, and 9 were Home Purchase Plans). We offset 48tCO2 at 3tCO2/house/year- mainly towards heating and lighting)<sup>11</sup>.</p> <p>In 2022, the Bank commenced the process of initial discussions to develop a Shariah-compliant ‘additional finance’ product which will enable customers to improve the energy efficiency of their properties through low carbon technology, thereby reducing their household greenhouse gas emissions</p>	<p>Gatehouse Bank plans to pursue its plans to bring out an additional finance product in 2023, subject to approval from our Shariah Supervisory Board.</p> <p>We also propose to pilot a project with a few customers who implement their own energy efficiency methods (for example, installing solar panels or heat pumps in their properties) to track changes in energy bills before and after the said implementation to understand greenhouse gas reduction patterns. Once piloted, this will help us in scaling it up next year.</p> <p>Through our customer newsletter, we continue to create awareness and take our customers along with us on our journey to Net Zero.</p>
Reduce intensity of home finance portfolio emissions (kg CO2e per m2).	Both absolute emissions and intensity emissions are interlinked.	We will be able to report more on this once we pilot energy saving measures undertaken by few customers in 2023.

<sup>11</sup> The average UK household's carbon emissions generated by heating and lighting the home are 2.9 tonnes of CO2 per year. Source: Forest Carbon, April 2022




“Our Shariah-compliant green home finance offering is unique within the sector and has been designed to enhance our competitiveness while providing support for customers looking to reduce their impact on the environment. These products are a step forward in upholding Gatehouse Bank’s own environmental commitments and furthering the Bank’s drive towards achieving net zero.”

John Mace  
Senior Product Manager

We are very aware that improving EPC is not enough to help achieve our Net Zero target. A series of measures need to be achieved, including improving the energy efficiency of existing properties, decarbonising the electricity grid and installing low-carbon technologies, such as heat pumps and solar panels, in homes across the country and consumer behaviour change.

The Bank is currently working on developing additional Shariah compliant finance which will provide additional financing to our existing and new customers to install low carbon technologies in their homes, thereby reducing their greenhouse gas emissions.

In 2022, another important milestone to help us transition into a Net Zero home finance portfolio was the launch of our green home finance products.



Our Green Home Finance products are designed to support homebuyers and landlords that are purchasing or refinancing a more energy efficient home.

Gatehouse Bank launched a range of green home finance products for UK homeowners and landlords. The products are designed to incentivise new and existing customers to invest in homes with higher energy efficiency ratings.

Customers acquiring or refinancing a property with an A or B energy efficiency rating will receive a 10bps reduction on the rental rate. Gatehouse also offsets the carbon impact of the property during the initial fixed term period of the product and continues to offset the carbon footprint of the average UK property for however long a customer remains with the Bank, subject to their property meeting the required EPC rating of any green products chosen at that time.

Since these products launched in April 2022, we received a total of 93 applications, 16 of which were successfully completed. Of these, 7 were Buy-to-Let, and 9 were Home Purchase Plans. We offset 48tCO2 at 3tCO2/house/year, mainly heating and lighting.

The Bank’s total Home Finance portfolio makes up 94% of all financing, of which 33% accounts for green home finance. Our plan is to gradually make a shift in our home financing portfolio towards a greener option, extending green home finance to all customers.



# Gatehouse Bank and the Environment (Continued)

## Gatehouse Bank’s Journey towards Net Zero

2019

- Gatehouse Bank became a founding signatory to the UNPRB.

2020

- Started capturing operational carbon using the 2019 baseline.
- Engaged external sustainability consultant, Landmark, to study our home finance portfolio from a climate risk perspective.
- Engaged external consultants, Greengage, to assess our baseline carbon emissions for home finance portfolio.

2021

- Continued to capture and offset our operational greenhouse gas emissions through Carbon Neutral Britain.
- Bank set internal targets to bring down emissions related staff travel by 20% by 2023 from baseline of 2019.
- The Bank identified climate as a significant impact area and set net zero home finance targets that are aligned to the Paris Climate Agreement.
- Launched our Woodland Saver accounts as a way to help our customers achieve a competitive return on their savings while contributing to UK woodland growth. In 2021, we planted over 10,000 trees on behalf of our customers through these accounts.
- Bank won the Islamic Finance News Award Winner 2022 - Most Innovative Bank in the United Kingdom.

2022

- Continued to capture and offset our operational carbon.
- Revised our travel policy to reduce emissions related to staff travel. The policy facilitated capturing travel related data more accurately and also encourages staff to use public transport and discourages short haul flights.
- Improved on capturing the EPC ratings of properties financed by the Bank, based on the report of external consultants, Landmark.
- We set SMART targets to improve the EPC ratings of existing properties that we financed.
- Launched our green home finance product range to incentivise customers to opt for properties which have A or B energy efficiency ratings.
- Planted an additional 13,465 trees through our Woodland Saver accounts.
- Started sharing and engaging with our customers and suppliers in our Net Zero transition journey by introducing a sustainable procurement policy and educating customers through our customer newsletter on EPC and tips to save energy.

2023

- We will continue to further engage with our stakeholders on our decarbonisation journey and continue the transition to Net Zero home finance.





# Gatehouse Bank and the Environment (Continued)

## Managing Climate Risk

Since the Prudential Regulation Authority (PRA) published its Supervisory Statement SS3/19, Gatehouse Bank has been developing its approach to managing the financial risks arising from climate change. The Bank recognises the evidence that temperatures have risen globally compared to the pre-industrial period. This temperature change means that there will be more frequent and severe weather events such as flooding, droughts and storms. If climate change continues, these physical risks also have the potential to harm property and infrastructure.

However, as governments have targeted strategies to limit temperature change, new risks known as transition risks emerge. As nations move towards lowering greenhouse emissions, some sectors of the economy will face big shifts in asset values or higher costs of conducting business. Gatehouse Bank has identified that climate change risk may impact several business areas, which is now reflected in our risk management framework. This is aligned with the recommended methodology proposed by the 2020 Climate Financial Risk Forum Guide and is classified as a cross-cutting risk.

Over the long-term, climate change is expected to increase credit risk if severe weather impacts property value. There is also increased operational risk if severe weather events harm the Bank's facilities and equipment, as well as a business risk if our product range is not attractive to customers.

There is potential for conduct risk if our claims surrounding "green" products do not stand up to scrutiny; more broadly there is a regulatory risk if banks are unable to demonstrate and disclose their progress towards achieving net zero targets by 2050.

There is also the potential for second order affects leading to elevated Liquidity risk if the Bank's reputation is harmed, causing customers to withdraw their savings. This approach encourages climate change risk to be assessed across the business and to continue to identify and prioritise those aspects most relevant for the Bank.

Physical risks are the inevitable consequence of changing weather conditions. These arise from the impact of extreme climatic events such as exacerbated extreme weather events, rising sea levels, losses of ecosystem services (e.g., desertification, water shortage, degradation of soil quality or marine ecology) and environmental incidents (e.g., major chemical leakages or oil spills to air, soil, and water).

As a digital bank, Gatehouse Bank's operations utilise minimal physical infrastructure, making the Bank less exposed to multiple site risk from flooding and business disruption. However, it is reliant on a range of suppliers who may be exposed to risks arising from climate change. The Bank carefully monitors where properties are located and those that are likely to experience flooding, thereby becoming less easy to insure which may in turn be reflected in lower relative market value compared to the whole portfolio. This is actively incorporated into Gatehouse Bank's sustainability strategy.

Transition risks arise from human efforts to address environmental and climate challenges, including changes in public policy, technological advancements, sentiment shifts among investors and the general public. Disruptions to the Bank are currently believed to be limited to its financing portfolio, predominantly through potential regulatory changes to energy efficiency standards for residential and commercial buildings. The Bank's current guidelines are in line with the market and prevailing regulatory practice. Where the government's energy efficiency requirements are amended or tightened, the Bank's guidelines will be updated accordingly. Such a rapid change in the economy may also provide opportunities for progress in sectors such as electric vehicles or renewable energy. Gatehouse Bank will continue to assess its current and future product and business strategy to align with the UK government's long term goals of being carbon neutral by 2050.

In broad terms, it is proposed that Gatehouse Bank will meet the PRA's expectations through enhancements to existing governance, systems and control arrangements.

In 2022, the Bank commissioned a study by third-party Landmark,<sup>12</sup> who independently assessed the financial risks associated with climate on its existing home finance portfolio, including the energy performance ratings of individual homes. The physical risks for Gatehouse Bank's home finance portfolio were mainly assessed in three potential areas: floods, subsistence and coastal erosion.

The methodology covered the assessment of our home finance portfolio, climate change event frequency, value impact and risk and realised loss. Our approach continues to understand climate risk and continues to develop as methodologies advance and regulatory guidance and requirements evolve. We also aim to continue to help and support our customers when it comes to climate risk by advising them and supporting them with their transitions.



<sup>12</sup> <https://www.landmark.co.uk/products/argyll/>



# Gatehouse Bank and the Environment (Continued)



Paul Stockwell  
Managing Director,  
Gatehouse Investment  
Management

“We are a market leader in single-family residential investment. Sustainable new build housing projects are at the heart of our business and, in collaboration with developers and other stakeholders, we focus on high-quality rental neighbourhoods that deliver long-term, stable and risk-adjusted returns for our investment partners.”

## Build-to-Rent

Britain today is facing a housing crisis with a backlog of 4.3 million homes that are missing from the national housing market as they were never built. This housing deficit would take at least half a century to fill even if the Government’s current target to build 300,000 homes a year is reached. Tackling the problem sooner would require 442,000 homes per year over the next 25 years or 654,000 per year over the next decade in England alone.<sup>13</sup>

The Build to Rent stream of business is in some measure helping meet this need by managing portfolio of quality single affordable residential homes. Gatehouse Bank successfully completed its initial £100m Private Rented Sector (PRS) investment, named Thistle, between November 2014 and February 2017. This represented the first successful development and closure of a single-family housing portfolio in the UK and was sold to Goldman Sachs in January 2021 in what was considered to be the largest deal of its kind in the UK at the time.

Gatehouse embarked on the second phase of its PRS investment in 2015, having successfully raised £100m of sovereign wealth capital from the Kuwait Investment Authority, to make further investments into the UK single-family housing market. This portfolio, named DifRent comprises of nine sites and over 750 fully let homes across Greater Manchester, Merseyside and the West Midlands. The portfolio is now fully established and generating income, with tenant occupancy high at an average 98%.

Gatehouse Bank’s third Build to Rent fund, a £500 million joint venture with TPG Real Estate Partners, branded Start Living, continued to perform well. Start Living has forward funded the construction of 622 homes across eight sites in locations around the UK and is targeting the forward funding of over 2,500 new build homes.

Over the last year, Gatehouse Bank has reinforced its position in the single-family Build to Rent field by expanding its capabilities and positioning itself for future growth in this sector. In 2022, the Bank acquired a further 24.95% of shares in leading property management company, Ascend, taking Gatehouse’s stake to 75.05%.

Ascend currently manages approximately 60% of all UK institutional family Build to Rent stock with over 10,000 units under its management. Gatehouse and Ascend’s combined in-house investment and management experience is unique in the Build to Rent market and will ensure that clients receive a comprehensive end-to-end solution for their residential investment strategy, allowing them to realise the best possible returns in an increasingly competitive marketplace with high barriers to entry.

Following this, in early 2023, the Bank has established a subsidiary, Gatehouse Investment Management, a stand-alone holding structure to consolidate its Build to Rent activities under one umbrella. Under this new structure, Gatehouse’s Build to Rent team and Ascend will work hand in hand to deliver best in class asset management to its portfolios to drive value for shareholders and optimise the tenant experience.

Sustainability is at the heart of new homes, as 100% of our homes are designed to modern specifications and we are committed to targeting an EPC rating of B or above. Our new build homes also have electrical vehicle charging points installed or are electrical vehicle charging point ready. To foster biodiversity, wild seeding is being encouraged at sites to provide pollinators and insects with food from leaves, pollen, nectar, shelter and places to breed. Car sharing, cycle provisions and appropriate recycling are also encouraged at our developments.



<sup>13</sup> <https://www.centreforcities.org/publication/the-housebuilding-crisis/>

# Gatehouse Bank and the Environment (Continued)

## Sustainable Procurement

Gatehouse Bank formulated its first sustainable procurement policy in 2021 in order to work and align with our suppliers on driving forward our ESG commitments. The policy aims to embed environmental, social and governance consideration factors into the procurement process in order to improve the ESG impact across all our operations and that of our supply chain by working alongside our suppliers. By managing and improving ESG performance throughout our supply chain, we can conserve resources, optimise processes, uncover product innovations, save costs, increase productivity and promote corporate values.<sup>14</sup>

The process of demonstrating good ESG practices – whether it's by reducing emissions and aligning to the Paris Agreement or respecting human rights along the value chain – begins with accurately capturing data. To better understand ESG related data shared by our suppliers, our internal sustainability policy was reviewed in 2022.

This internal review process created an opportunity to further improve our supplier onboarding form in order to capture more accurate data from our suppliers and engage with our colleagues in creating greater awareness on the sustainable procurement process. A proposal to revise the supplier onboarding form was approved by our Executive Committee in 2023. This revised onboarding form will enable us to collect ESG specific information more accurately from our suppliers and create a baseline of both new and existing suppliers.

Moving forward, we also intend to run capacity building sessions for all staff on Responsible Banking and how to better align and work with suppliers to drive ESG goals further.<sup>15</sup>



<sup>14</sup> 6 steps for a more sustainable supply chain | Greenbiz  
<sup>15</sup> A More Sustainable Supply Chain (hbr.org)



Ravi Kumar  
Senior Product Manager

“We take enormous pride in the fact that we can help our customers align their financial goals to their ethical values through our Woodland Saver accounts. Tree planting through our Woodland Saver accounts has a genuine positive impact and is a practical way we can contribute to the action on climate change while providing customers with competitive returns on their savings.”

## Woodland Saver

Gatehouse Bank's Woodland Saver accounts were launched in 2021 to help customers achieve a competitive return on their savings while supporting the creation of new woodlands in the United Kingdom. For every Fixed Term Deposit or Fixed Term Cash ISA account opened or renewed, the Bank plants a tree in a certified UK woodland project on behalf of its customers, planting over 20,000 trees by the end of 2022.

The planting of trees to create new woodlands is an important part of the effort to combat climate change and environmental degradation. Trees planted through the Woodland Saver tree planting scheme permanently sequester atmospheric carbon dioxide (CO2) in their wood and the soil of the woodland in which they grow.

Tree planting through our Woodland Saver Accounts is certified by the UK Government's Woodland Carbon Code. This offers customers the assurance that the trees represent genuine new planting and will deliver the carbon saving claimed. Compliance with the Code also means that we are certain that the right type of trees have been planted in the right place and that the woodlands are sustainably managed and protected in the long-term.

Planting trees to grow UK woodlands offers a host of other benefits to the environment and the community, including:

- Boosting biodiversity
- Flood mitigation
- Reducing pollution: air, water and soil
- The positive community impact of green spaces
- Providing employment

Target	Progress in 2022	Target for 2023
In 2022, we will plant 10,000 additional trees with the Woodland Saver Accounts.	We planted 13,645 trees.	We will plant an additional 15,000 trees through the Woodland Savers account scheme.

In 2022, 87% of our customers gave us a score of 5/10 or higher as to the importance of planting a tree in their decision to choose Gatehouse Bank as their savings account provider.



# Gatehouse Bank and Society

## Financial Health and Inclusion

The World Bank has identified financial inclusion as a key enabler to reducing extreme poverty and boosting shared prosperity. Financial inclusion has been identified as an enabler for 7 of the UN's 17 Sustainable Development Goals.<sup>1</sup>

Improving financial health and inclusion is the right thing to do and the need of the hour. It will assist with the UK's recovery from the COVID-19 pandemic as well as the ongoing cost-of-living crisis. A recent study by the Office of National Statistics has revealed that over 83% of UK adults (8 in 10) reported an increase in their living costs since March 2022. The fact that the UK's inflation rose to 9.4% in June 2022, the ninth consecutive month with an increase bears testimony to the above.<sup>2</sup>

Financial health and inclusion will not only achieve benefits associated with finance, but also non-financial goals, such as No Poverty (SDG 1), Zero Hunger (SDG2) Good Health and Wellbeing (SDG3) among others. It will also create a way of attracting new customers, design innovative and inclusive products and engage colleagues and communities.

Alongside the other signatory banks to the UN Principles for Responsible Banking, we have identified Financial Health and Inclusion as one of the top three sustainability challenges and an area where the banking sector can have the most impact. In December 2021, Gatehouse Bank joined another 27 banks in becoming a founding signatory to the UN Principles for Responsible Banking's commitment to Financial Health and Inclusion, which was a first-of-its-kind accelerator initiative for the banking sector to promote universal financial health and inclusion.

Under the guidance of the UN PRB, a working group comprising of UN PRB signatory banks was established in 2022. The group defined common measurements of success and shared current best practices and successful approaches to Financial Health and Inclusion to see how they might be further improved and adopted more widely across the sector.

Gatehouse Bank has identified Financial Health and Inclusion as a significant impact area as per its commitments to the UN Principles for Responsible Banking.



Andy Homer  
Chief Customer Officer

"We have identified Financial Health and Inclusion as one of our core impact areas, which helps to address social and economic inequality and helps to create resilient communities. We aim to offer a range of Shariah-compliant financial products and services that cater to a range of customers who may have varied needs, including young people and helping them build healthy financial habits."

<sup>1</sup> <https://www.worldbank.org/en/topic/financialinclusion/overview>  
<sup>2</sup> <https://www2.deloitte.com/content/dam/Deloitte/uk/Documents/financial-services/deloitte-uk-growth-through-financial-inclusion-a-roadmap-for-uk-bank-november-2021.pdf>

The working group defined Financial Health and Inclusion as below:

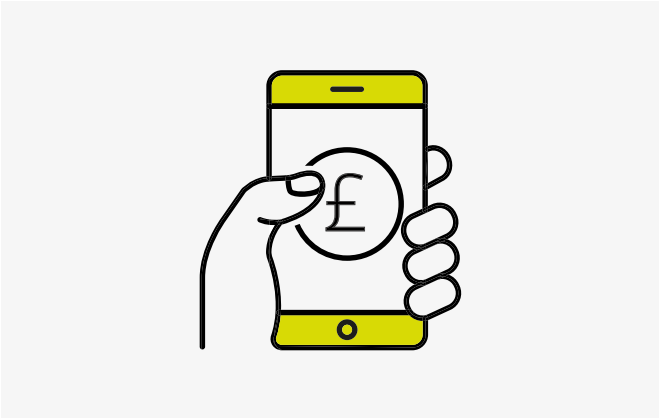
Financial Inclusion	Financial Health
Financial Inclusion is about ensuring access to financial products and services and leaving no-one behind. It includes: <ul style="list-style-type: none"><li>• The provision of responsible saving, financing, investment, insurance, and advisory services (as relevant) that are available and accessible,</li><li>• Creating opportunities for everyone to engage with the financial sector through suitable products and services.</li><li>• Appropriate support and advice that enables people to continue to benefit further into the future.</li></ul>	A state in which an individual, household, micro, small or medium-sized enterprise can smoothly manage their current financial obligations and have confidence in their financial future. This includes four elements: <ul style="list-style-type: none"><li>• Managing day-to-day finances to meet short-term needs</li><li>• Capacity to absorb financial shocks (resilience).</li><li>• Capacity to reach future goals.</li><li>• Feeling secure and in control of finances (confidence).</li></ul>

Gatehouse Bank had set SMART<sup>3</sup> targets in 2021 to drive Financial Health and Inclusion.<sup>4</sup> Our commitment to setting targets was based on the UK's strategy for Financial Wellbeing 2020-2030, set by the Money and Pension Service. Our primary aim was to drive improvements and innovation to help our customers and communities access appropriate financial products, build their knowledge on key financial topics and feel in control of their finances.

As a Shariah-compliant UK Bank, we believe in a financial system that is fair to everyone. Our business and operations are conducted in a manner that calls for fair dealing and our products are transparent, fair and socially responsible. By joining this coalition of global banks, we are working to support and grow a banking system that fosters financial wellbeing in our society.

Our operations are underpinned by the principles of Islamic finance and work to support our customers' financial health, for instance through sharing risk and reward in an equitable way and by ensuring we accurately represent the long-term value of our products to our customers.

In September 2022, the Bank received formal feedback from the UN PRB on its initial self-assessment report and targets set in 2021. Based on the recommendations made by the UN PRB and further guidance received from the working group on Financial Health and Inclusion, the Bank's initial targets have been further defined and changed to be SMART.



<sup>3</sup> SMART – Specific, Measurable, Accurate, Relevant, Time-bound  
<sup>4</sup> <https://gatehousebank.com/downloads/Gatehouse-Bank-Sustainability-Report-2021-V2.pdf>

# Gatehouse Bank and Society

## (Continued)

The chart below provides a summary of the targets and progress made in 2022:

	Initial target set in 2021	Feedback from the UN PRB (September 2022)	Revised targets and baseline			Progress in 2022
1	Increase the number of young customers (18 – 30) accessing the Bank's savings products and building a savings habit and savings fund. Target is 10% by the end of 2023 (up from 3% in 2021).	<p>The UN PRB suggested the Bank split this single target into three different targets:</p> <ul style="list-style-type: none"><li>Assess the baseline of young savings customers (aged 18 – 30) and set a target.</li><li>Assess the baseline of how many young customers (aged 18 – 30) had a healthy savings habit.</li><li>Assess the baseline and then set a target on how many young customers (aged 18 – 30) had a savings fund. Three different outcomes, with a clear baseline and new targets to be achieved in the next three years, with yearly targets. These can be tracked, monitored and reported.</li></ul>	Based on the feedback, the targets were further revised in 2022:			<p>1. The percentage of young customers aged 30 and under has increased from 3% to 4% in the last year (2022). This means that 4% of our total savings customers are aged 30 and under.</p> <p>2. We determined a baseline in 2022. (This data is relating to accounts opened before April 2022 as there is insufficient data to quantify a regular savings habit). Based on our transactional data to understand what percentage of our customers aged 30 and under have a savings habit. The accounts that were assessed for the baseline were: 120 Day Notice Account, 95 Day Notice Account, Easy Access and Easy Access Cash ISA.<sup>5</sup> A total of 2,910 customers accessed these savings products. We found that 129 customers (4.43%) of total customers had a savings habit compared to 8 customers (0.27%) aged 30 and under.</p> <p>Based on this, we have set a revised SMART target.</p>
				<b>Revised targets 2022</b>	<b>Baseline</b>	
			1.	<p>Increase the percentage of young savings customers (aged 18 – 30) from 3% in 2021 to 10% by the end of 2023.</p> <p><i>*This target has not been revised as it was deemed appropriate by UN PRB.</i></p>	<p>In 2021, 3% of the Bank's savings customer base was comprised customers aged 18 – 30.</p>	
2.	<p>Increase the percentage of young customers (aged 18 – 30) who are building a healthy savings habit (savings quarter on quarter) from 0.27% to 10% by the end of 2025, with an aim to achieve 3.33% by the end of 2023, 3.33% by the end of 2024 and 3.33% by the end of 2025.</p>	<p>In 2022, the Bank's baseline revealed that 0.27% of customers aged 30 and under had a savings habit (This was compared to 4.4% of customers from all age groups who save regularly in the four accounts referenced below).</p> <p>Total number of customers who hold one of the four accounts: 2,910</p> <p>Savers of all age groups: 129</p> <p>Savers aged 30 and under: 8</p>				

<sup>5</sup> For more information on these products, please refer to the Gatehouse Bank website at: [gatehousebank.com/personal/savings](https://gatehousebank.com/personal/savings)

	Initial target set in 2021	Feedback from the UN PRB (September 2022)	Revised targets and baseline		Progress in 2022
			Based on the feedback, the targets were further revised in 2022:		<p>3. We determined a baseline in 2022. (This data is for accounts opened before April 2022 as there is insufficient data to quantify regular savings habits). Based on our transactional data to understand what percentage of our customers aged 30 and under have a savings fund, the accounts that were assessed for the baseline were: 120 Day Notice Account, 95 Day Notice Account, Easy Access and Easy Access Cash ISA.<sup>6</sup> A total of 2,910 customers accessed the above savings products and 8 customers (0.27%) aged 30 and under had a savings fund.</p> <p>Based on this, we have set revised SMART targets.</p>
				Revised targets 2022	Baseline
			3.	Increase the percentage of young customers aged 30 and under who have a savings fund (quarter on quarter reflected annually) by end of 2025, with an aim to achieve 10% by end of 2025, 3.33% by the end of 2023, 3.33 by 2024 and 3.33% by the end of 2025	In 2022, the Bank's baseline revealed that 0.27% of customers aged 30 and under had a savings fund. (Versus 4.4% of customers across all age groups who had a savings fund in one of the four accounts referenced below).

<sup>6</sup> For more information on these products, please refer to the Gatehouse Bank website at: [gatehousebank.com/personal/savings](https://gatehousebank.com/personal/savings)

Gatehouse Bank and Society  
(Continued)

	Initial target set in 2021	Feedback from the UN PRB (September 2022)	Revised targets and baseline			Progress in 2022	
2	15,000 customers using digital services (actively and consistently) by 2025.	The UN PRB suggested the Bank ascertain a baseline of existing mobile and online customers and set new SMART targets to be achieved in the next three years, with yearly targets to monitor and report on progress.	Revised targets 2022			Baseline	Based on the baseline determined in 2022, revised SMART targets have been set for 2023-2025.
			Increase the percentage of customers using online and mobile banking platforms consistently and actively (logging in once a month as a minimum).				
			Year	Year-on-year registered users	Year-on-year active and consistent users		
			2022	5,318	3,988		
			2023	7,432	3,512		
			2024	6,000	3,000		
			2025	7,500	4,500		
				26,250 (94%) of customers would have registered for the mobile app based on the 2022 baseline.	15,000 (57%) of those registered will be using the mobile app regularly and consistently based on the 2022 baseline.		
			Cumulatively				
			Year	Total registered users on the savings mobile app	% of active and consistent customers (each customer using the app monthly) from those who have registered		
			2022	5,318	75%		
			2023	12,750	59%		
2024	18,750	56%					
2025	26,250	57%					
As a Bank, we will be considering access and usage of our mobile banking app as digital enablement over online banking.							

	Initial target set in 2021	Feedback from the UN PRB (September 2022)	Revised targets and baseline	Progress in 2022
3	<p>Engage customers and community in financial education through customer communications and in partnership with other institutions where appropriate. Where marketing preferences allow, we will share financial education information and insights with all our customers by the end of 2023.</p> <p>Share financial education information and insight with 10,000 non-customers within the community by the end of 2023.</p>	<p>The UN PRB and the working group have suggested that in order to have an effective financial education, the Bank should measure the impact financial education is having on the end user in terms of knowledge gained. It was therefore recommended to include an assessment along with our SMART targets to show learning levels of individuals such as good or very good levels of financial skills.</p>	<p><b>Revised Targets</b></p> <p><b>Community and Customers:</b> In line with the UN PRB working group's suggestion on financial health and inclusion, which suggested that measuring the impact of financial education is equally important as imparting financial education, these targets are being revised by the Bank. The Bank will pilot a Shariah-compliant financial education programme in 2023 with an aim to reach 250 – 500 people across the community (non-customers; all age groups over 16) and a group of customers (UK based) who consent to participating in the programme and measuring the impact.</p> <p>Based on the response of the pilot in 2023 and the learnings, the Bank will set further targets. Overall, the Bank is committed to imparting Shariah-complaint financial education and will keep improving its targets, delivery, and impact.</p>	<p>In 2022, the Bank engaged in dialogue and discussions with various external organisations including the Money and Pension Service and charity organisations. Gatehouse Bank also joined the Financial Education Committee (UK Finance) to understand the best approach we could adopt to roll out a financial education program for our customers and non-customers. The Financial Education program will be rolled out in 2023. Various external organisations highlighted the need and an opportunity for the Bank to impart Shariah-compliant financial education, as this was not being offered by mainstream banks in the UK.</p>



# Gatehouse Bank and Society (Continued)

The targets above align and support four of the five UK strategies for financial wellbeing which are:

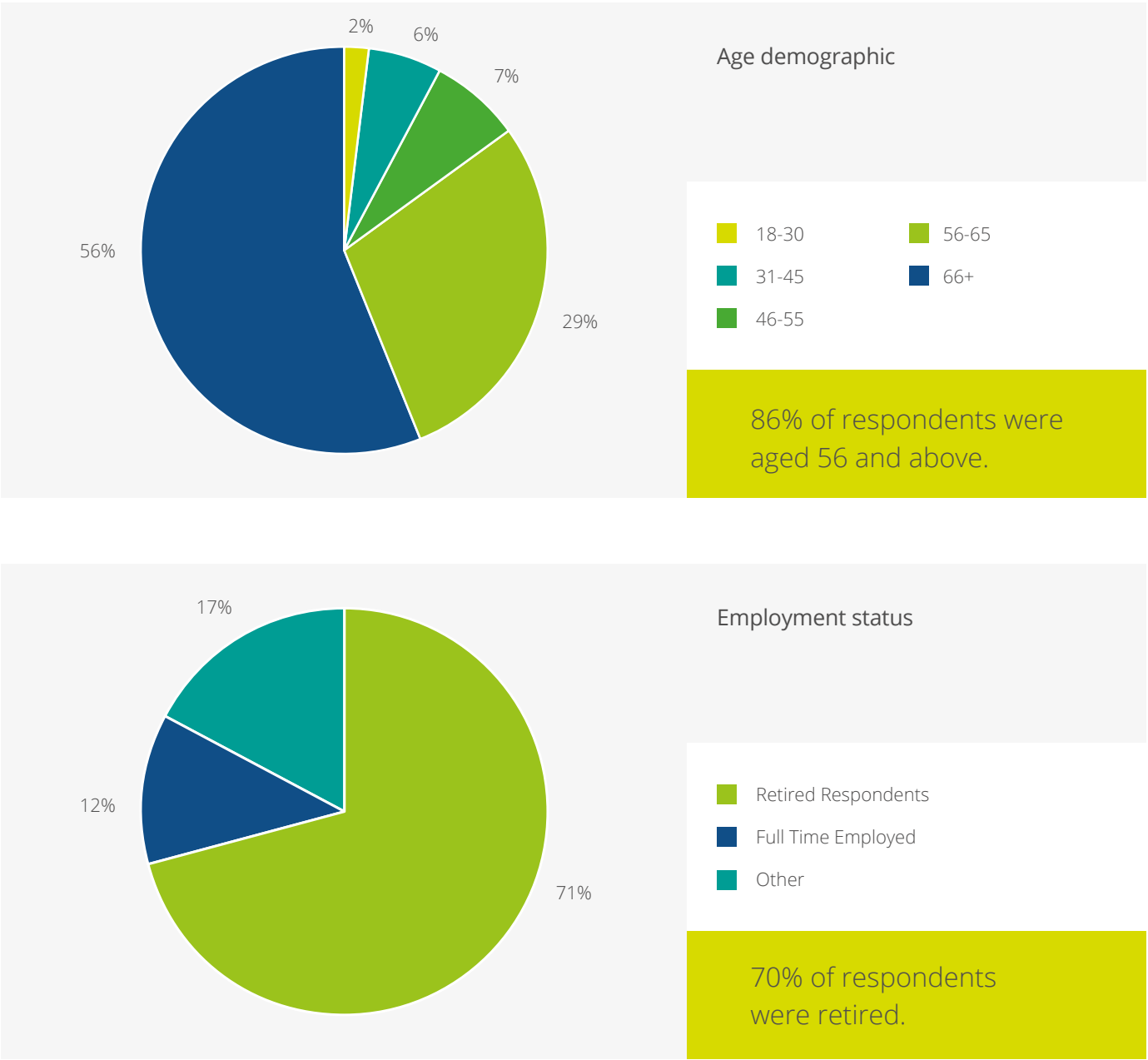
- Financial Foundations (2m or more children and young people getting a meaningful financial education)
- Nation of Savers (2m more working-age ‘struggling’ and ‘squeezed’ people saving regularly)
- Better Debt Advice (2m more people accessing debt service).
- Future Focus (5m more people understanding enough to plan for, and in, later life).<sup>7</sup>

8			<b>Financial Foundations</b>	<b>Nation of Savers</b>	<b>Credit Counts</b>	<b>Better Debt Advice</b>	<b>Future Focus</b>
	<b>2030 National Goals</b>	<b>Who</b> →	Children, young people and their parents	Working-age 'struggling' and 'squeezed' people	People who often use credit for food and bills	People who need debt advice	All adults
	We encourage organisations of all sizes and from all sectors to help deliver these goals	<b>Goal</b> →	<b>National Goal 2m more</b> children and young people getting a meaningful financial education.	<b>National Goal 2m more</b> working-age 'struggling' and 'squeezed' people saving regularly.	<b>National Goal 2m fewer</b> people often using credit for food & bills.	<b>National Goal 2m more</b> people accessing debt advice.	<b>National Goal 5m more</b> people understanding enough to plan for, and in, later life.
		<b>Outcome</b> →	Children and young people will get a meaningful financial education so that they become adults able to make the most of their money and pensions.	People will get the savings habit, build cash reserves to help with short-term emergencies and have a clearer future focus in their financial lives.	More people will access affordable credit, and more people will make informed choices about borrowing.	People will access and receive high quality debt advice when they need it, because of stronger and earlier engagement, and because funding, supply and services more closely match need.	People will engage with their future and be empowered to make informed decisions for, and in, later life.
Gatehouse Bank's commitment to support UK's Financial Wellbeing Strategy			Engage customers and community in financial education, through customer communications and in partnership with other institutions where appropriate.  Where marketing preferences allow, we will share financial education information and insight with all our customers by the end of 2023.  Share financial education information and insight with 10,000 non- customers in the community by the end of 2023.	Increase the number of young customers (aged 30 and under) accessing the Bank's savings products and building a savings habit and savings fund. Target is 10% by the end of 2023 (up from 3% in 2021).		We are indirectly supporting to achieve the above target as we have created a dedicated website page to offer advice and guidance to those facing financial difficulty. We also offer signposting to independent advice that would benefit our customers such as money helper, National Debt line.	Increase the number of young customers (aged 30 and under) accessing the Bank's savings products and building a savings habit and savings fund. Target is 10% by the end of 2023 (up from 3% in 2021).

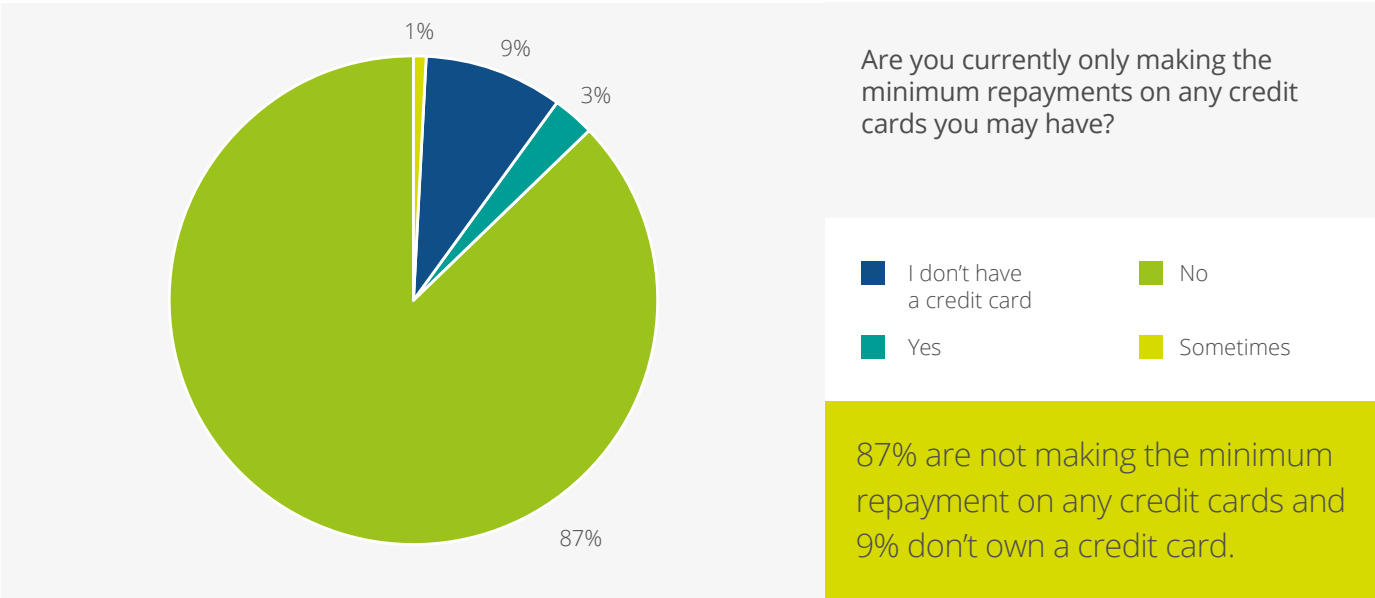
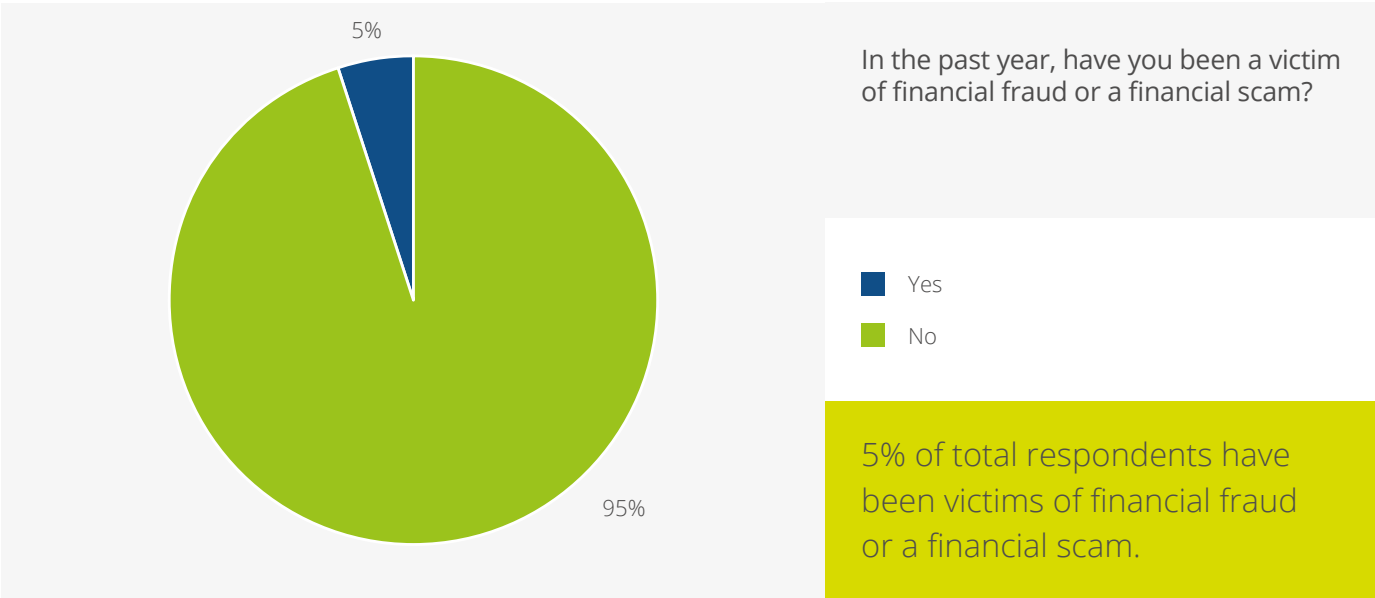
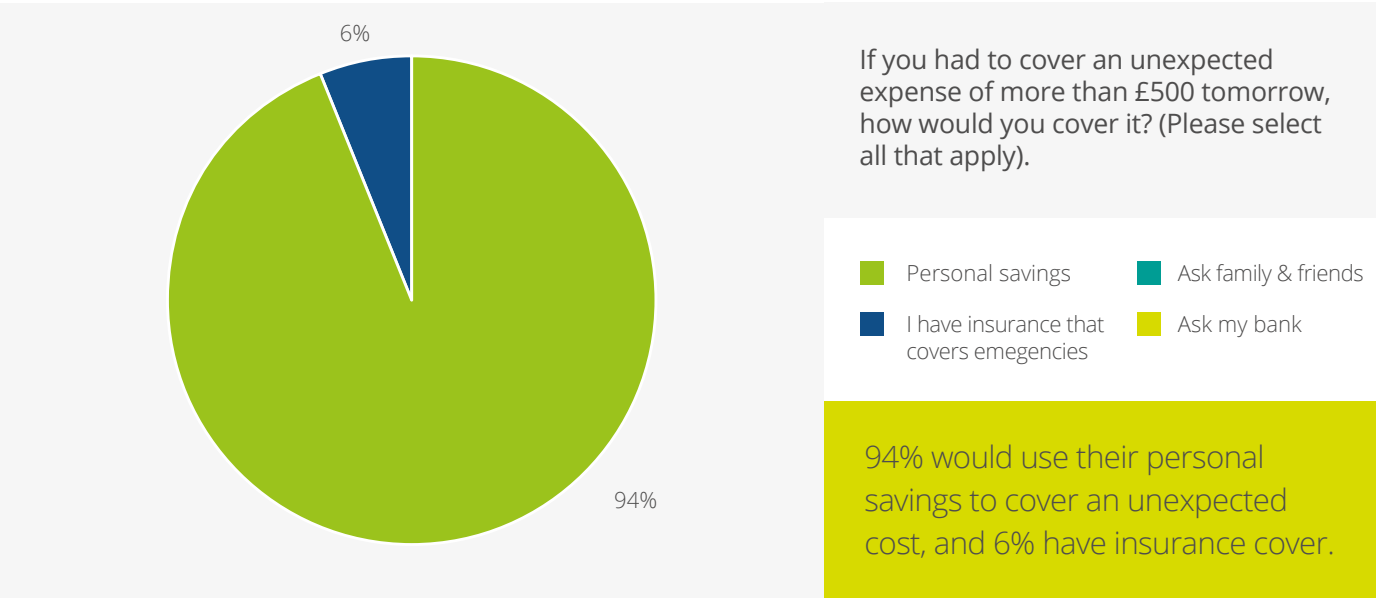
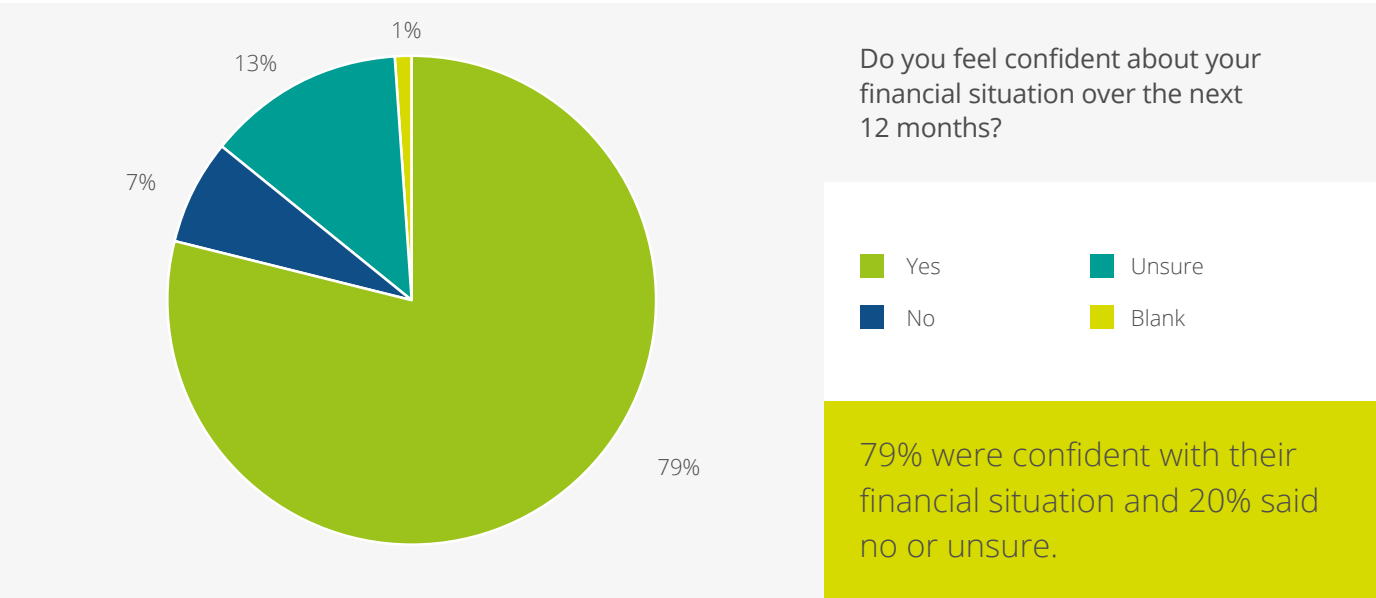
<sup>7</sup> <https://moneyandpensionservice.org.uk/wp-content/uploads/2020/01/UK-Strategy-for-Financial-Wellbeing-2020-2030-Money-and-Pensions-Service.pdf>

Based on recommendations from the UN PRB and working group, the Bank conducted a survey of its customers across portfolios, to ascertain a baseline understanding into aspects around financial confidence, resilience and where they would like the Bank's support going forward.

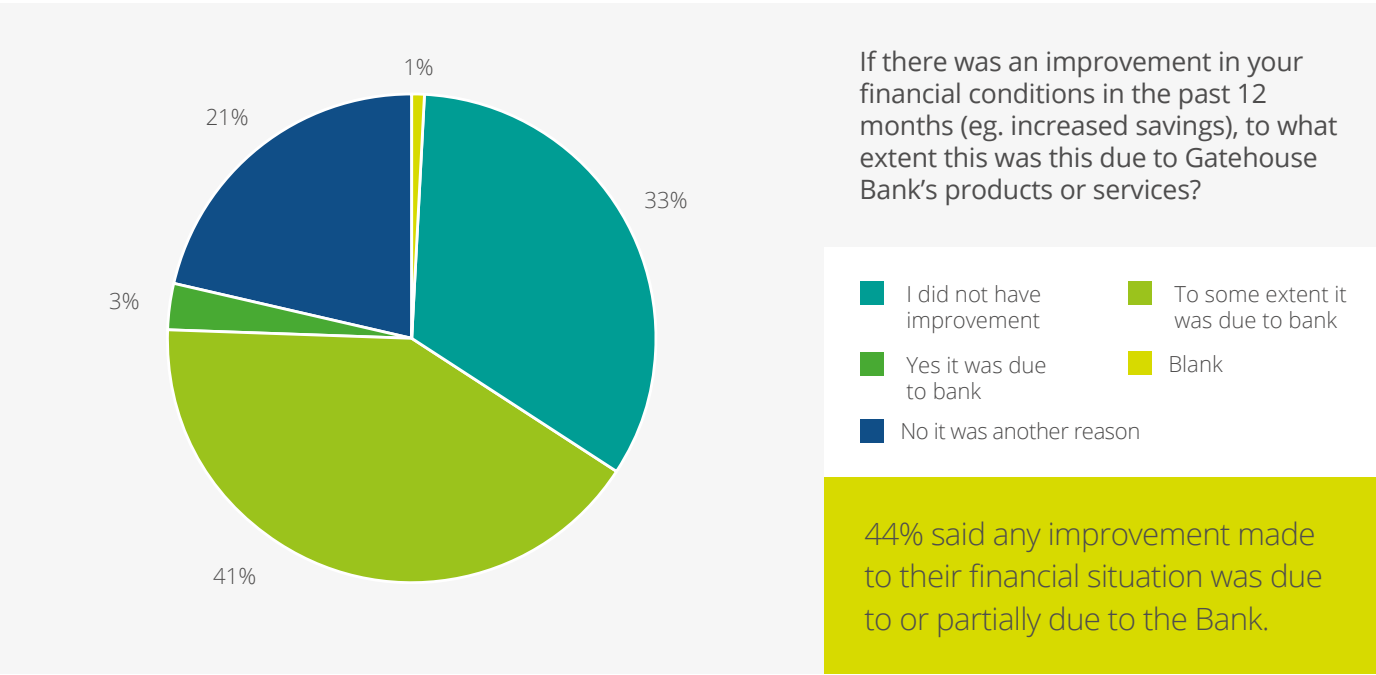
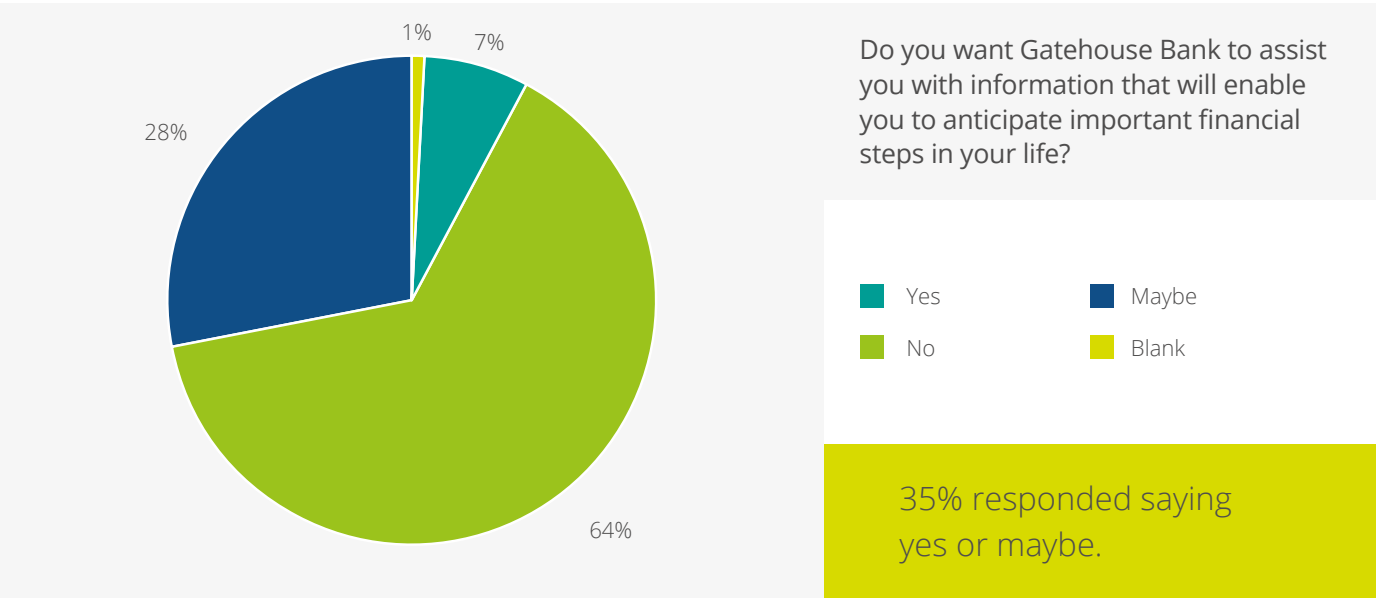
This survey was carried out through a customer newsletter in November 2022 which was emailed to 11,365 customers, out of whom 6,659 customers opened the newsletter. Out of those who opened the newsletter, 230 responded by completing the survey. The Bank has also gone one step further by incentivising customers to completing the survey by making a £5 contribution to its charity of the year, FareShare, for every completed survey. The outcome of the survey is as below:



# Gatehouse Bank and Society (Continued)



# Gatehouse Bank and Society (Continued)



On a scale of 1-10 (10 being the highest score and 1 being the lowest score) how has Gatehouse Bank's products or services helped you in the following areas?

To be in better control of my finances on a day-to-day basis	Not stress about my finances	Has improved my financial circumstances	
79	87	81	Percentage of customers who have given a score of 5 or more

- Based on the above survey, here are some actions we will undertake in 2023:**
- Conduct the survey again for our customers in 2023.
  - Capture data to understand the number of respondents from savings and home finance as the responses could be very different. This will feed into further strategy on supporting our customers.
  - Encourage responses from customers aged 50 and below. This is in light of the above survey as 86% of respondents were age 56 and above.
  - We will create more awareness, share insights and information on how to avoid financial fraud and crime.



# Gatehouse Bank and Society (Continued)

## Our Charity Partnership

The issue of food waste was highlighted at the start of the pandemic when the crisis for food was more pressing than ever. Currently, 7 million people in the UK (5 million adults and 2 million children) struggle to get enough to eat – a number that has increased by 2 million due to the ongoing effects of the pandemic.<sup>1</sup> Despite over 1 in 10 of the UK population struggling to get enough food to eat, 3.6 million tonnes of food are wasted by the food industry every year.

This not only has an adverse social impact, but also an environmental impact, as over 6-7% of global greenhouse emissions are caused by food waste.<sup>2</sup>

Having identified this as a paramount cause, Gatehouse Bank colleagues selected FareShare, as the Bank's Charity of the Year for 2022 due to its vital work to address hunger and reduce food waste in the UK. This charity aligns with Gatehouse Bank's social, economic and environmental commitments.

FareShare redistributes good quality surplus food from the hospitality industry to nearly 9,500 charities and community groups across the country, creating £50.9 million worth of yearly social-economic impact. For every £1 donated, FareShare redistributes the equivalent of four meals to those in need, also sparing greenhouse gas emissions which would have otherwise resulted from this food going to waste.

Throughout the year, colleagues across the Bank engaged in a range of fundraising missions which were organised and facilitated by the Bank's Social Committee, including raffle and bingo tournaments across Gatehouse Bank's offices in London, Milton Keynes and Wilmslow. Several colleagues also organised their own fundraising efforts, both individually and in groups, including the One Million Step Challenge, Forest Run, Budapest Marathon and Jubilee Walk. Charles Haresnape, CEO of Gatehouse Bank was at the forefront of the Bank's fundraising efforts, raising just under £2,000 by virtually rowing the English Channel. For each activity, Gatehouse Bank matched the amount raised up to £200.

“As the Chair of the Bank's Social Committee, it was a good opportunity to facilitate, by aligning the enthusiasm of the Social Committee to a larger purpose such as FareShare to create shared value”- Lottie Clayton - Head of Intermediary Sales

Gatehouse Bank's fundraising efforts resulted in over £11,000 raised in aid of FareShare, enabling the charity to redistribute over 41,000 meals to those in need. In total, the partnership aided FareShare to provide support for 400 homeless people, 789 families with children, and 248 community groups for the elderly.<sup>3</sup> The Bank's fundraising also helped to redistribute 17 tonnes of surplus food, preventing 27 tonnes of carbon emissions and 25,925 litres of embedded water from going to waste.<sup>4</sup>

<sup>1</sup> <https://fareshare.org.uk/what-we-do/hunger-food-waste/>  
<sup>2</sup> <https://fareshare.org.uk/what-we-do/our-impact/>  
<sup>3</sup> FareShare impact report Gatehouse Bank 2022  
<sup>4</sup> FareShare engaged Carbon Trust to undertake the environmental assessment, whose data is presented above.



John Coles, Head of Acquisitions at Gatehouse Investment Management, ran the Budapest Marathon in October 2022 in under 3 hours and 30 minutes to raise funds for FareShare.



Miriam Emanuel  
Corporate Partnerships Manager at Fareshare

“We’re incredibly grateful to Gatehouse Bank’s staff for their brilliant fundraising. The £11,000 they’ve raised has made a huge difference in helping us get good-to-eat surplus food, that may otherwise go to waste, to people across the UK impacted by the cost-of-living crisis.”

In December 2022, our colleague Ben Pearce-Fulker, completed the 5K Forest Runner in October 2022 at Salcey Forest to fundraise for FareShare. This was promoted on FareShare’s website.



# Gatehouse Bank and Society (Continued)

## Colleague volunteering

We encourage all Gatehouse Bank colleagues to support causes that are close to their hearts. In 2022, the Bank launched a Volunteering Policy to provide colleagues with one paid day of leave per year to be used for volunteering. Since the policy came into effect, 16 Gatehouse colleagues have volunteered for a number of environmental and social causes, including boosting biodiversity in Walthamstow Village, litter picking through central London and volunteering with local primary schools. This has helped to create a positive impact within their communities in line with the UN's Sustainable Development Goals for causes that support the environment (SDG 13 and SDG15), health and wellbeing (SDG 3), and quality education (SDG 4).

Kristi Kurti - Finance Assistant

“Excited to see the product of our team’s hard work and thoroughly enjoyed helping out the local community in Walthamstow.”

Lee Stockdale - Talent & Development Partner

Our Talent and Development Partner, Lee Stockdale, volunteered at Whirlow Hall Farm Trust, supporting education and better learning environment for children. He said:

“It was really fulfilling to spend time at Whirlow Hall Farm Trust and know that I've contributed to giving the children a more stimulating and better learning environment.”

Our CEO Charles Haresnape rowed the English Channel and raised £1,775 for FareShare!



In aid of





2022 Social Media post: In March 2022, Roger Evans, Thomas Humphreys, Rachel Hunter and Paul Jones participated in 'March in March'! Together they raised funds throughout March to support the Bank's charity of the year, FareShare by walking a combined total of one million steps.





One Million Steps  
in March





# Gatehouse Bank and Society (Continued)

Gatehouse Bank colleagues participated in a number of volunteering activities to support local communities throughout 2022.



In November 2022 the Gatehouse Bank Finance team volunteered to help maintain a green space in Walthamstow Village by clearing the area, planting wildflowers and restoring biodiversity.



The Bank's Talent Manager Lee Stockdale volunteered at Whirlow Hall Farm Trust to support education and contribute to a better learning environment for children.



In November 2022, colleagues from the Marketing, Communications and Business Development team spent an afternoon litter picking in some of the busy streets in London to support the local community.

To inform our Volunteering Policy in the future, we have collected colleague feedback from those who volunteered in 2022. Some key insights are included below:

- 75% experienced a sense of wellbeing after volunteering
- 87% thought their volunteering skills can be transferred back to their work
- 88% said they would volunteer again if presented with the opportunity
- 75% said they would share their volunteering experience with friends and family
- 86% feel prouder knowing the Bank provided one day of paid volunteering

## Fair treatment of customers

At Gatehouse Bank, our customers are one of our key priorities. Fair treatment of our customers is an extension of the Bank's ethical and responsible principles, and we take full responsibility to ensure all customers are treated fairly without any discrimination.

Gatehouse Bank's products and services not only meet all legal requirements but go above and beyond to ensure they are also Shariah compliant and meet the needs of our diverse customers. In line with this, we are constantly exploring opportunities to innovate our products in a way that create value for our customers, society, and the environment.

As a Bank, we try to be as transparent as possible with regards to our products and services and communicate with our customers in a clear and simple manner. Our customers have given the following ratings to our home finance service (enquiry to application):

## Professionalism



9.2/10

## Knowledge



9.1/10

## Politeness



9.4/10

# Gatehouse Bank and Society (Continued)

## Home finance

Our customers have given the following ratings to our Home Finance service (after completion of application).

How easy did you find it to provide the information that we asked you for to complete the application?



5.7/10

Did you receive the offer letter in a timely manner?




6.0/10

Was the offer letter clearly written and easily understood?




7.6/10

How likely are you to recommend Gatehouse Bank to a friend, family member or a colleague?



5.9/10

How satisfied were you with the overall time taken to process your application?



4.7/10

In 2022, we saw unprecedented demand for our home finance products and services. This impacted the Bank's timescales and turnaround times. In 2023, we are committed to improving our scores and aim to achieve a median of 7 across all areas, compared to a median of 5.9 which was received in 2022.

To reach this target, our Chief Operating Officer, Tracey Bailey has implemented measures including:

- In 2022, all pre completions colleagues completed a project where processes were streamlined to drive efficiency. The project included introducing Robotic Processing Automation and creating a simplified application pack.
- A simplified checklist has been introduced and duplicated requests for information that has already been obtained in the pre-completion journey have been removed. The aim of these changes is to reduce negative friction, and to make the completions process more transparent and simpler for our customers.
- Throughout 2022, all quality control checks were moved to an independent team within Operations who, in 2023, are starting to provide risk-based assurance for the Bank. The Operational Assurance team now also provides 1LOD (line of defence) operational risk oversight. This activity will provide the Bank with improved visibility on key risks and issues, as well as transparency on the effectiveness of the Operations control environment.
- In 2023 additional work is being undertaken alongside the Bank's solicitor with the aim of improving the Offer to Completion turnaround times.

Our savings customers have given us an overall rating of 8.7/10 for their overall experience with our savings products.

Gatehouse Bank ensures that our colleagues have the necessary skills and knowledge to identify vulnerability and put in place appropriate levels of care and support to ensure good customer outcomes. We are committed to creating and maintaining a culture that enables and supports our colleagues to take responsibility for reducing the potential for harm to vulnerable customers.

## Supporting Vulnerable Customers

Our Vulnerable Customers Policy sets out the Bank's guidelines, processes and governance relating to the fair treatment of vulnerable customers. This policy helps to ensure the Bank meets its obligations under Principle 6 and 7 of the FCA's Principles for Businesses and Guidance for Firms on the fair treatment of vulnerable customers.<sup>5</sup> The Bank follows the FCA's definition of a vulnerable customer, which states:

*"A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care."*

In line with FCA's guidance on outcomes<sup>6</sup>, the Bank aims to align itself to the following:

**Outcome 1:** Consumers can be confident they are dealing with firms where the fair treatment of customers is central to the corporate culture.

**Outcome 2:** Products and services marketed and sold in the retail market are designed to meet the needs of identified consumer groups and are targeted accordingly.

**Outcome 3:** Consumers are provided with clear information and are kept appropriately informed before, during and after the point of sale.

**Outcome 4:** Where consumers receive advice, the advice is suitable and takes account of their circumstances.

**Outcome 5:** Consumers are provided with products that perform as firms have led them to expect, and the associated service is of an acceptable standard and as they have been led to expect.

**Outcome 6:** Consumers do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint.

<sup>5</sup> <https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>  
<sup>6</sup> <https://www.fca.org.uk/firms/fair-treatment-customers>



# Gatehouse Bank and Society (Continued)

Vulnerability is a dynamic state which is affected by personal factors, life events and wider circumstances or relationships, hence no rigid assessment can be conducted to ascertain the whether a customer is vulnerable. At Gatehouse Bank, all staff are mandated to complete our internal Vulnerable Customer e-learning module, which was completed by 100% of our colleagues in 2022. In addition, all customer-facing colleagues are provided with advanced Vulnerable Customer training.

Considering the challenges COVID-19 posed, and the current cost-of-living crisis, we have created a dedicated website page to offer advice and guidance to those facing financial difficulty. We also offer signposting to independent advice that would benefit our customers, such as Money Helper (how to manage finances including budgeting, saving, pensions), Step Change (how to deal with debts), National Debtline (managing finances including debt advice), Citizens Advice (wide range of advice), and Mind (supports those with poor mental health).<sup>7</sup>

The Bank ensures that each case that needs a review under “Vulnerable Customers” is done so carefully. We provide support and assistance to customers on a case-by-case basis and any savings customers facing financial hardship may be supported to access funds deposited in the Bank’s notice or fixed term accounts at short notice and with no penalty.

In 2022, we identified 32 customers as vulnerable, and assisted them in line with our vulnerable customer policy. We also continued to assist customers that were previously identified as vulnerable.

## Customer Privacy

Customer privacy and data security are of the utmost importance to the Bank. Gatehouse Bank has a zero-tolerance approach to data privacy breaches, with a board level appetite (reported within the Bank’s risk management dashboard) of zero reportable data privacy issues.

The Bank is audited annually for cyber and information security, and we conduct internal and external penetration testing annually to ensure the security of the Bank’s customer data. Our policies are explicit in that we are not to take superfluous data regarding customers and the data must be deleted once it has reached retirement age. We have a dedicated Data Protection Officer and follow best practice regarding data governance and security.

In 2022, zero substantiated complaints concerning breaches of customer privacy and losses of customer data were recorded. There were zero data leaks, thefts, or losses of customer data during the reporting period.



<sup>7</sup> <https://gatehousebank.com/supporting-our-customers>

# Gatehouse Bank and the Economy



“We conduct our business according to Shariah principles, which consider the socioeconomic and environmental impact of our business activities, both through our deposit taking and financing activities. These principles have a natural alignment with several sustainable development frameworks, putting sustainability at the heart of our business.”

“During these periods of economic uncertainty, it is even more important to practice these values, which allow us to stand apart from others. With increasing awareness of sustainable products, we feel well placed to meet the demands of current and future generations.”

Mohaimin Chowdhury  
Chief Legal Officer

An overview of our business in 2022:

Retail Savings	Property Finance	Real Estate Investment Advisory
<ul style="list-style-type: none"><li>• Consumer deposits</li><li>• Commercial deposits</li></ul>	<ul style="list-style-type: none"><li>• Home Purchase Plans (owner occupiers)</li><li>• Buy-to-Let Plans (property investors)</li><li>• Bridging funding (offer funding to those that provide bridging finance)</li></ul>	<ul style="list-style-type: none"><li>• Private rental sector Build-to-Rent funds</li><li>• Commercial property investment advisory and management</li></ul>

More information on Gatehouse Bank’s business activity can be found in Gatehouse Bank’s Annual Report and Financial Statements for 2022:

<https://gatehousebank.com/about-us/corporate-governance>

Responsible use of funds and investments:

Gatehouse Bank is a Shariah-compliant UK challenger Bank which applies a Shariah-compliant exclusion list. This means that deposits or funds that we manage do not finance sectors perceived to cause harm to society, including alcohol, tobacco, adult entertainment, gambling or the arms industry. In addition, we do not finance environmentally harmful extractive activities such as coal or oil.

As a Shariah-compliant Bank, our business model employs a diverse, low risk profile and we do not finance investments involving excessive uncertainty or speculation. For example, Gatehouse Bank’s transactions involve tangible assets which mitigates some of the negative effects of high-risk financial products. Likewise, the Shariah principles that we abide by promote trade and enterprise to generate real wealth for the benefit of the community as a whole. This is done in a way that provides stability, is transparent and facilitates the sharing of both risk and reward in an equitable way.

Gatehouse Bank provides online savings accounts for UK customers and commercial entities, as well as offering a range of Residential Property Financing products for residential and commercial purposes. The Bank also forward funds and manages developments in the private rented sector, building safe, high-quality and well-managed homes for the UK rental market.

Over the last year Gatehouse Bank has further reinforced its position in the single-family Build to Rent field by expanding its capabilities and positioning itself for future growth in this sector.



In 2022, the Bank acquired a further 24.95% of shares in leading property management company, Ascend, taking Gatehouse’s stake to 75.05%. The Ascend property platform now manages over 8,000 properties for rent.

In 2023, the Bank acquired 100% ownership of Ascend and has established a stand-alone holding structure to consolidate its Build to Rent (“BTR”) activities to provide an end-to-end Build to Rent platform. This comprises Gatehouse Build to Rent Group Limited (“GBTRG”), which is wholly owned by the Bank, and its subsidiary Gatehouse Investment Management Limited (“GIM”) that provides asset management services.

As a founding signatory to the UN Principles for Responsible Banking, we have committed to strategically aligning our business to the UN’s Sustainable Development Goals, which are integrated into the Bank’s strategy.

There are some key differences between Shariah finance and conventional finance:

- Money must be put to a good use to generate profit supported by a genuine trade or business-related activity. The giving or receiving of interest (making ‘money from money’) is prohibited.
- Finance and investments must not be used to support industries or activities that are against Shariah principles. This exclusion list has a natural alignment to several of the UN’s Sustainable Development Goals.



# Gatehouse Bank and the Economy (Continued)

Weapons and Military equipment	The Bank excludes investments in weapons and military equipment. This industry is connected to conflicts around the world that cause major suffering and often impacting society's most vulnerable groups.	SDG 16 Peace, Justice and Strong Institutions 
Tobacco	The Bank excludes investments in tobacco. There are increased sustainability risks in the value chain and tobacco can cause major health problems that would have otherwise been avoidable.	SDG 3 Good health and well-being  SDG 8 Decent work and economic growth 
Alcohol Gambling Adult entertainment	We exclude investment in the alcohol, gambling, and adult entertainment sectors. These activities can have negative health consequences at the individual level and when misused they lead to an increased burden on communities and use of society's resources.	SDG 3 Good Health and Well-being 

We have a Shariah Supervisory Board (SSB) made up of independent Shariah experts who oversee our operations. The SSB is formally appointed by the Board of Directors but reports directly to the Bank's shareholders. The SSB oversees the Bank's activities, including transaction documentation and other contractual obligations we may enter into.

Ethical principles are fundamental to how we operate. This means we have a zero-tolerance policy towards fraud, bribery and corruption and deploy every effort into ensuring we protect personal data and openly disclose our tax payments. The tax we pay is an integral part of Creating Shared Value, and we believe it is good practice to openly disclose information about our taxes as part of being a responsible and transparent organisation.

We are committed to managing the economic crime risks associated with our business and operate systems and controls which are appropriate and effective within our stated risk appetite and which meet legal and regulatory requirements. The Bank is playing its part in building its capabilities, and implementing a clear vision to protect our customers, the economy and the Bank from economic crime.

## Preventing Financial Crime

Financial crime is defined as the 'facilitation of money laundering, terrorist financing, the breach of economic and financial sanctions, fraud, tax evasion, electronic crime, market abuse, bribery and corruption'.

Financial crime has been identified as a major threat to the international financial services community. Alongside other nations, the United Kingdom has passed legislation designed to prevent money laundering and to combat terrorism, bribery and fraud. This legislation, together with rules, regulations and industry guidance, form the cornerstone of financial crime prevention obligations that Gatehouse Bank operates under.

Gatehouse Bank recognises the unique role that financial institutions play in disrupting financial crime. Financial crime, including fraud, money laundering and corruption has a devastating cost on society. At Gatehouse Bank, we have established robust crime prevention policies and practices which includes risk assessments and the implementation of proportionate controls and independent oversight to ensure we are detecting and preventing financial crime to protect people and businesses (SDG 16.4)

Through its financial crime policies and procedures (which include guidance on receiving gifts and hospitality, anti-bribery and corruption, anti-money laundering, counter terrorist financing, fraud and whistleblowing), the Bank aims to prevent, deter, detect and investigate all forms of financial crime. Gatehouse Bank seeks to mitigate financial crime and reduce risks to their absolute minimum by ensuring the risks are adequately identified, assessed, monitored, managed and controlled. The Bank has a zero-tolerance approach to financial crime in all forms and it is the responsibility of every colleague to identify and mitigate these risks.

The Bank's policy on fraud applies to any irregularity or suspected irregularity involving employees as well as shareholders, consultants, vendors, contractors, outside agencies, doing business with employees of such agencies and/or any such agencies or any other third parties with a business relationship with the Bank.

As a responsible Bank, we spread awareness on Financial Fraud on occasions such as International Fraud Awareness Week.



# Gatehouse Bank and the Economy (Continued)

In 2022, there were zero cases of Financial Fraud identified

### Colleague training on financial crime

As part of our colleagues' annual mandatory training, we provide an e-learning course on preventing financial crime, which reflects our policy's key requirements. The training modules below are designed to ensure the Bank complies with the requirements and obligations set out by UK legislation, regulations, rules and industry guidance for the financial sector, including the need to have adequate systems and controls in place to mitigate the risk of the Bank being used to facilitate financial crime.

All staff are required to complete mandatory e-learning modules on the following topics:

- Anti-Bribery
- Anti-Money Laundering
- Financial Crime Prevention
- Whistleblowing
- Vulnerable Customers



In 2023 we will look to further share insight and information on how to avoid financial fraud and crime.

Diagram 11: The Three Lines of Defence Model



Credit Industry Fraud Avoidance System (CIFAS) and Internal Suspicious Activity Report (ISAR) Reporting, review, investigation and reporting to the National Crime Agency (NCA) on Suspicious Activity Report (SARs)



# Gatehouse Bank and the Economy (Continued)

**The first line of defence** (Risk Owners) is directly responsible for managing and controlling risk (i.e., the Board and/or staff and management working within or managing operational business units).

**The second line of defence** co-ordinates, facilitates, oversees and reports on the effectiveness, robustness and integrity of the Risk Management Framework (i.e., the Executive Risk Committee and Risk department).

205-2 (Prevention of financial Crime) disclosure

a. Total number and % of governance body members that the organisation's anti-corruption policies and procedures have been communicated to, broken down by region.	The policy is approved by the governing body at least every 2 years (but sooner if there is a significant change to the policy). Once approved, this is made available on the internal policy hub. Further to this, every new starter must read and attest to the policy upon joining the Bank as part of their induction process.
b. Total number and percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to, broken down by employee category and region.	The policy is approved by the governing body at least every 2 years (but sooner if there is significant change to the policy). Once approved, this is made available on the internal policy hub. Further to this, every new starter must read and attest to the policy upon joining the bank as part of their induction process.
c. Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organization's anti-corruption policies and procedures have been communicated to any other persons or organisations.	We share our site terms of business with all our brokers regarding our Home Purchase Plans and Buy-to-Let products, in line with the rules set out by the Financial Conduct Authority to comply with the latest laws and regulations, including around money laundering. We aim to reach all our suppliers by 2023 by explicitly communicating about the Bank's anti-corruption policies. We will do this by updating our procurement policy to ensure that on an annual basis we will communicate our relevant policies and procedures to our business partners.
d. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region.	All members of the Bank's Board and Executive Committee completed the following e-learning modules in 2022: <ul style="list-style-type: none"><li>• Anti-Bribery</li><li>• Anti-Money Laundering</li></ul>
e. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.	All colleagues completed the following modules in 2022: <ul style="list-style-type: none"><li>• Anti-Bribery</li><li>• Anti-Money Laundering</li></ul>

**The third line of defence** provides independent assurance and challenges the integrity and effectiveness of the Risk Management Framework across all business functions (i.e., internal, and external audit).

Assisting the victims of Financial Fraud:

Prevention of Bribery and Corruption

The Bank has a zero-tolerance policy towards bribery and corruption and is committed to applying high standards of honesty and integrity consistently across all the business dealings to comply with the Bribery Act 2010.

The Bank's Conduct Risk Policy, Anti-Bribery & Corruption Policy, and Employee Handbook endorse the zero-tolerance approach to bribery and corruption and outline the standards to be applied to the conduct of the Bank's business. All staff are required to adhere to this policy.

Staff are required to complete Anti-Bribery and Corruption training when joining the Bank and are also required to take a professional refresher e-learning course on an annual basis. 100% of Gatehouse Bank staff completed their Anti-Bribery and Anti-Corruption training in 2022.

Anti-Money Laundering

The Bank's Anti-Money Laundering, Counter Terrorist Financing Policy ("AML Policy") is designed to ensure that the Bank complies with the requirements and obligations set out by UK legislation, regulations, rules and industry guidance for the financial services sector, including the need to have adequate systems and controls in place to mitigate the risk of the Bank being used to facilitate financial crime. In line with the Policy, the Bank has:

- Appointed a Money Laundering Reporting Officer (MLRO), who is responsible for overseeing the Bank's compliance with relevant legislation, regulations, rules, and industry guidance.
- Established and maintains a Risk-Based Approach (RBA) towards assessing and managing money laundering and terrorist financing risks to the Bank.
- Established and maintains a risk-based Customer Due Diligence (CDD) procedure.
- Identified Politically Exposed Persons (PEPs). The Bank recognises that not all PEPs are corrupt and have implemented additional controls such as enhanced due diligence to be applied in relation to these customers.

- Screening of customers against relevant financial sanction list.
- Enhanced Due Diligence (EDD) and ongoing monitoring on accounts deemed as high risk.
- Established and maintained risk-based systems and procedures to monitor ongoing customer activity and relationships.
- Established procedures for reporting suspicious activity internally and to the relevant law enforcement authorities as appropriate.
- Maintained appropriate records for the minimum prescribed periods complying with GDPR.

Staff are required to complete mandatory Anti-Money Laundering training annually. 100% of Gatehouse staff completed the AML training in 2022.



# Gatehouse Bank and the Economy (Continued)

## Doing business right

Shariah principles state that money must be put to good use to generate profit supported by a genuine trade or business related activity.

## Prioritising key issues

We have a mandatory training for all staff on:  
Anti-Bribery  
Anti-Money Laundering,  
Financial Crime Prevention  
Whistleblowing  
Vulnerable Customers.

## Being transparent at all times

The Bank publishes its Sustainability Report and UN PRB Self-Assessment Report annually.

## Talking to the right people

We engage with our stakeholders and seek their feedback to constantly improve.

## Awarding good work

We thank colleagues for working hard and showing commitment and have ROC Awards to recognise those who have gone above and beyond.

## Putting our values first

Responsible  
Open  
Can-do

## Bringing new ideas

The Bank launched its Woodland Saver accounts in 2021 and green home finance range in 2022 to help its commitment to transition to net zero.

## Aligning with the UN (SDGs)

Gatehouse Bank is a founding signatory to the UN PRB.

# Partnerships and Affiliations



## United Nations Environmental Programme - Finance Initiative (UNEP FI) - UN Principles of Responsible Banking

Gatehouse Bank became a founding signatory to the UN Principles for Responsible Banking (UN PRB) in September 2019 alongside 129 other global banking institutions. The UN Principles for Responsible Banking provide a framework for a sustainable banking system and help the financial sector demonstrate how it makes a positive contribution to society. By signing these Principles, Gatehouse Bank has committed to strategically aligning its business to society's goals, as laid out by the UN's Sustainable Development Goals, the Paris Climate Agreement and other relevant frameworks that identify the most pressing societal, environmental, and economic needs of our time.

Since becoming a signatory, Gatehouse Bank has been an active member of the global community of signatory banks, participating in multiple working groups developing and sharing best practice for responsible banking. In December 2021, the Bank became a founding signatory to the UN PRB's commitment to climate and financial health and inclusion. Throughout 2022, Gatehouse Bank has been actively participating and supporting the working groups in setting impact targets and developing indicators to measure and report on progress.



## Global Ethical Finance Initiative (GEFI)

Gatehouse Bank has partnered with the Global Ethical Finance Initiative (GEFI), a non-profit organisation seeking to drive finance for positive change. GEFI has become a hub at the centre of the ethical finance movement. The organisation curates independent conversations among a coalition of financial services stakeholders, as well as delivering practical projects.<sup>1</sup>

Through its partnership with GEFI, the Bank has been able to reinforce its position as an ethical bank by presenting at events involving some of the world's leading financial institutions, including a discussion on "ESG in a Volatile World" held in Edinburgh in 2022. Gatehouse Bank will be actively working with GEFI leading up to and following COP28.

<sup>1</sup> Global Ethical Finance Initiative [www.globalethicalfinance.org](http://www.globalethicalfinance.org).



# Partnerships and Affiliations



## Islamic Finance Council UK (UKIFC)

The Bank is working with non-profit group, UKIFC, as part of a global taskforce intended to encourage Islamic financial institutions to embrace the UN’s Sustainable Development Goals and show the world that commitment to planet and people lies at the heart of Islamic finance. The UKIFC is the first advisory body dedicated to Islamic finance to endorse the UN Principles for Responsible Banking.

In 2022, Gatehouse Bank collaborated with the UKIFC to roll out the world’s largest global Islamic Finance retail survey, designed to gain insight into customers’ understanding of the UN’s Sustainable Development Goals and the Bank’s activities in relation to people and the planet. The Bank also actively participated in the ‘Islamic Finance Power Roundtable’ event, which took place in Edinburgh on 7th September 2022.

Gatehouse Bank also partnered with the Islamic Finance Council as part of the Global Islamic Finance and SDGs Series, where our CEO, Charles Haresnape, spoke on ‘Going Green – commercial opportunity or operational headache?’. Gatehouse Bank will continue to actively work together with the UKIFC leading up to and following COP28.



## Women in Islamic and Ethical Finance Forum (WIEFF)

Gatehouse Bank is a corporate member of the Women in Islamic and Ethical Finance Forum (WIEFF). WIEFF is an independent, international forum for industry professionals to collaborate and promote the interests of the ethical and Islamic finance industry. The forum’s long-term vision is to support and promote women in Islamic finance globally and to create a platform which fosters links between the Islamic and ethical finance industries (ESG, SRI, Green Finance, Impact Investing) for the expansion and advancement of the sector.

In 2022, Gatehouse Bank hosted a panel discussion on “Innovation in ESG” at its London office in partnership with the Women in Islamic and Ethical Finance Forum. Alongside speakers from Gatehouse Bank and WIEFF, the event included insights from numerous distinguished speakers within the industry, including representatives from HSBC Asset Management, Aviva Investors, Deutsche Bank, EY and Citi.



## UK Finance – Financial Education Committee

UK Finance is the collective voice of the UK’s banking and finance industry, representing almost 300 firms and acting to enhance competitiveness, support customers and facilitate innovation.<sup>2</sup>

The organisation works for and on behalf of its members to promote a safe, transparent and innovative banking and finance industry. UK Finance offers research, policy expertise, thought leadership and advocacy in support of its work.

Gatehouse Bank joined UK Finance’s Financial Education Committee in November 2022. The Bank continues to work closely with UK Finance with a view to developing its financial education programme for customers and the wider community – one of the core impact areas under Gatehouse Bank’s commitment to the UN Principles for Responsible Banking.



## Forest Carbon

Forest Carbon is a leading organisation in woodland creation and peatland restoration projects for carbon capture and ecosystem services. The quality of Forest Carbon’s schemes is assured by the UK Government’s Woodland Carbon Code and Peatland Code.

Through its Woodland Saver accounts, Gatehouse Bank works closely with Forest Carbon in supporting the mission of growing the UK’s woodland cover. For every Fixed Term Deposit or Fixed Term Cash ISA account opened or renewed, we work with Forest Carbon to plant a tree in a certified UK woodland project on behalf of the customer. In 2022, Gatehouse Bank worked with Forest Carbon to surpass the significant milestone of 20,000 trees planted.

We have also partnered with Forest Carbon for our green home finance range. These products are designed to support UK homebuyers and landlords that are purchasing or refinancing a more energy efficient home – with an EPC rating of A or B.<sup>3</sup> Under this scheme, qualifying customers will receive a reduction on the rental rate and Gatehouse Bank will offset the carbon emissions of the average UK property at 2.9 tonnes per household for the entire two- or five-year fixed term of the product<sup>4</sup>.

<sup>2</sup> Homepage | UK Finance  
<sup>3</sup> <https://www.gatehousebank.com/personal/home-finance/green-finance-products>  
<sup>4</sup> \*The average UK household’s carbon emissions generated by heating and lighting the home are 2.9 tonnes of CO2 per year. Source: Forest Carbon, April 2022

# Partnerships and Affiliations



## Money & Pensions Service

The Money and Pensions Service (MaPS) is an arm’s-length body of the Department for Work and Pensions. Established in early 2019, the Money and Pensions Service engages with HM Treasury on policy matters relating to financial capability and debt advice.<sup>5</sup>

Gatehouse Bank works in close partnership with the Money and Pensions Service with a view to learn and develop its financial health and inclusion programme for customers and the wider community, as well as help deliver the UK’s strategy for financial wellbeing. Gatehouse Bank has identified financial health and inclusion as one of its core impact areas as per the Bank’s commitment to the UN Principles for Responsible Banking.

<sup>5</sup> <https://maps.org.uk/>  
<sup>6</sup> <https://fareshare.org.uk/>



## FareShare

FareShare is the UK’s national network of charitable food redistributors, made up of 18 independent organisations<sup>6</sup>. Together, they take good quality surplus food from across the food industry and get it to nearly 9,500 frontline charities and community groups. For every £1 donated, FareShare redistributes the equivalent of four meals to those in need, also sparing the greenhouse gas emissions which would have otherwise resulted from this food going to waste.

Gatehouse Bank colleagues selected FareShare as the Bank’s Charity of the Year for 2022 due to its vital work to address hunger and reduce food waste in the UK. This charity’s work aligned with Gatehouse Bank’s social, economic and environmental commitments. Throughout the year, colleagues across the Bank engaged in a range of fundraising activities and helped raise over £11,000 in aid of FareShare.



## Carbon Neutral Britain

Gatehouse Banks works in partnership with Carbon Neutral Britain to identify and offset the Bank’s operational carbon emissions. Gatehouse Bank first measured its operational carbon footprint for the year 2019. The Bank has since taken significant steps to reduce its carbon footprint through measures such as its new travel policy aiming to reduce emissions from business travel by 20% by the end of 2023 from the base year 2019.





We help business gain value by operating in much cleverer, sustainable ways

Assurance Statement

Independent Assurance Statement to Gatehouse Bank Plc

FBRH Consultants Ltd (FBRH Consultants) was engaged by Gatehouse Bank Plc to provide assurance in relation to the information set out below and presented in Gatehouse Bank Plc’s Sustainability Report 2022 (the Report) covering the period from 1st January 2022 until 31st December 2022. FBRH is totally independent from Gatehouse Bank Plc and did not perform any other sustainability-related work during the above-mentioned period.

Engagement summary

Scope of our assurance engagement: Whether the 2022 information and data presented in Appendix I are fairly presented, in accordance with the reporting criteria.

**Reporting criteria:** The GRI Sustainability Reporting Standards (GRI Standards)

**Assurance standard:** FBRH Sustainability Report Assurance (for GRI reports)

**Assurance level:** Limited assurance

**Respective responsibilities:** Gatehouse Bank Plc is responsible for preparing the Report and for the collection and presentation of the information within it. FBRH Consultants’ responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the 2022 information and data are not fairly presented in accordance with the reporting criteria. This Sustainability Report does meet all the requirements of the GRI Standards.


Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures as follows:  
A review of the presentation of information in the Report relevant to the scope of our work to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.



  
Simon Pitsillides MBA, FCIM, FIEMA  
GRI Nominated Trainer, IEMA Trainer  
GRI Certified Sustainability Professional  
FBRH Consultants Ltd, London, UK



We help business gain value by operating in much cleverer, sustainable ways

Appendix I: Scope of our assurance engagement

General Disclosures

Disclosure #	Disclosure Title	Requirements	Title
102-1	Name of the organization	GRI 101	Foundation
102-2	Activities, brands, products, and services		
102-3	Location of headquarters		
102-4	Location of operations		
102-5	Ownership and legal form	Disclosures	Disclosure Title
102-6	Markets served		
102-7	Scale of the organization		
102-8	Information on employees and other workers	GRI 103	Management Approach
102-9	Supply chain		
102-10	Significant changes to the organization and its supply chain		
102-11	Precautionary Principle or approach		
102-12	External initiatives	Topic-Specific Disclosures	Disclosure # Disclosure Title
102-13	Membership of associations		
102-14	Statement from senior decision-maker		
102-16	Values, principles, standards, and norms of behavior		
102-18	Governance structure		
102-40	List of stakeholder groups		
102-41	Collective bargaining agreements		
102-42	Identifying and selecting stakeholders		
102-43	Approach to stakeholder engagement		
102-44	Key topics and concerns raised		
102-45	Entities included in the consolidated financial statements		
102-46	Defining report content and topic boundaries		
102-47	List of material topics		
102-48	Restatements of information		
102-49	Changes in reporting		
102-50	Reporting period		
102-51	Date of most recent report		
102-52	Reporting cycle		
102-53	Contact point for questions regarding the report		
102-54	Claims of reporting in accordance with the GRI Standards		
102-55	GRI content index		
102-56	External assurance		



Appendix – GRI Content Index



GRI Index

Gatehouse Bank reports its sustainability activities in accordance with the Global Reporting Initiative (GRI) Standards. This year's Sustainability Report is Gatehouse Bank's second report in accordance with the GRI standards. The table below contains the disclosures identified as relevant to the Bank's operations based on GRI reporting principle. In some cases, the disclosures were limited due to data availability. The Bank continues to work on improving data availability in sustainability reporting.

	GRI Standard	GRI Disclosure	Location and Notes
General Disclosures	102-1	Name of the organization	Gatehouse Bank Plc
	102-2	Activities, brands, products, and services	Information about Bank's products and services can be found in our bank's website <a href="https://gatehousebank.com/about-us">gatehousebank.com/about-us</a> . Further details can also be found on Bank's Annual Report 2022.
	102-3	Location of headquarters	The Helicon, 1 South Pl, London EC2M 2RB
	102-4	Location of operations	Gatehouse Bank has offices in London, Milton Keynes and Wilmslow. Please see our website <a href="https://gatehousebank.com/about-us">https://gatehousebank.com/about-us</a>
	102-5	Ownership and legal form	PLC (Public Limited Company)
	102-6	Markets served	The types of customers and the products and services we offer are described in the Gatehouse Bank PLC Annual Report 2022. Further details can be found on the Bank's website our website at <a href="https://gatehousebank.com/about-us">gatehousebank.com/about-us</a> .
	102-7	Scale of the organisation	"Please see Annual Report and Financial Statements i) Note Number 8 ii) Strategic Report iii) Consolidated Income Statement iv) Risk Management Note (Capital Risk Management) v) Strategic Report"
	102-8	Information on employees and other workers	Gatehouse Bank has 200 staff as at December 2022, all staff are UK based, the Bank does not distinguish between temporary and permanent staff.
	102-9	Supply Chain	We contract with software hardware, data and service providers as our primary activity is banking, a service activity.
	102-10	Significant Changes to the organisation and its supply chain	"i) No changes in location or changes in operations including facility openings, closings and expansions. ii) Risk Management Note (Capital Risk Management) iii) No material changes to the Bank's supply chain"
	102-11	Precautionary Principle or approach	We are a Shariah-compliant bank and we do not finance industries that have a potential to cause harm such as weapons and military equipment, tobacco, alcohol, gambling. For more details please refer to sustainability report 2022; Gatehouse Bank and Economy on page 78. Please also see our website <a href="https://gatehousebank.com/our-shariah-approach">https://gatehousebank.com/our-shariah-approach</a> and <a href="https://gatehouseim.com/">https://gatehouseim.com/</a>
	102-12	External initiatives	Gatehouse Bank PLC Sustainability Report 2022: See Section 'Partnerships and Affiliations', Page 87
	102-13	Membership of associations	See Gatehouse Bank PLC Annual Report 2022. Further details can be found on the Bank's website our website at <a href="https://gatehousebank.com/about-us/corporate-governance">gatehousebank.com/about-us/corporate-governance</a> .

	GRI Standard	GRI Disclosure	Location and Notes
General Disclosures	102-14	Statement from senior decision-maker	Gatehouse Bank PLC Annual Report 2022: See 'Chairman and Chief Executive Review', on pages X-X and Sustainability Report 2022, Statement from CEO on page 4
	102-15	Description of key impacts, risks and opportunities. A description of its significant economic, environmental and social impacts, and associated challenges	We have a simple business model. Collecting savings deposit and financing for residential property purchases. There is no exposure to fossil fuel intensive industries.  The Bank's principle risks include credit risk, liquidity risk, market risk, operational risk, Business risk and Conduct risk & financial crime.  For climate risk in 3-5 years our key concerns are compliance with prevailing regulatory requirements, Improving the EPC ratings on residential properties it finances – principally through offering pricing incentives. The elevated cost of living may impact on our customers and their ability to improve either the EPC ratings (such as adding insulation or retrofitting low carbon technology) or invest in new green initiatives that may lower the carbon footprint of the financed property. Moreover, the increased economic burden may give rise to increased credit risk through arrears and financing defaults.  Opportunities – New product development which help us meet our net zero home finance strategy.  Governance - Board Risk and Compliance Committee meet quarterly and take an overview of the aggregate risk profile of the Bank, including climate risks.  The Executive Risk Management Committee meets monthly to review and monitor principle risks to the bank, as well as progress against regulatory requirements and expectations related to climate risk.  ESG steering Group, which reports to the Bank's Executive Committee, meets quarterly to review on progress made against firm-wide ESG targets and give strategic insights.
	102-16	A description of the organization's values, principles, standards, and norms of behavior.	Gatehouse Bank PLC Sustainability Report 2022: See section 'Our ROC Values', on page 22.
	102-18	Governance Structure	See our website <a href="https://gatehousebank.com/about-us/our-team">https://gatehousebank.com/about-us/our-team</a> . See Gatehouse Bank PLC Sustainability Report 2022. See section 'Governance', on page 18.
	102-40	List of Stakeholder groups	Gatehouse Bank PLC Sustainability Report 2022: See section 'Our Stakeholders', on page 12.
	102-41	Collective bargaining agreements	There is no collective bargaining withing Gatehouse Bank.
	102-42	Identifying and selecting stakeholders	Gatehouse Bank PLC Sustainability Report 2022: See section 'Our Stakeholders', on page 12.
	102-43	Disclosure 102-43 Approach to stakeholder engagement	Gatehouse Bank PLC Sustainability Report 2022: See section 'Our Stakeholders', on page 12.
	102-44	Key topics and concerns raised	Gatehouse Bank PLC Sustainability Report 2022: See section 'Our Stakeholders', on page 12.
	102-45	Entities included in the consolidated financial statements	Gatehouse Bank PLC Annual Report 2022.

Appendix – GRI Content Index

	GRI Standard	GRI Disclosure	Location and Notes
General Disclosures	102-46	Defining report content and topic boundaries	Gatehouse Bank Plc Sustainability Report 2022: See section 'Material Sustainability Topics', on page Xx. Materiality is being revisited and we will be able to share more in accordance details in our next report.
	102-47	List of material topics	Gatehouse Bank Plc Sustainability Report 2022: See section 'Material Sustainability Topics', on page Xx. Materiality is being revisited and we will be able to share more in accordance details in our next report.
	102-48	Restatements of information	N/A
	102-49	Changes in reporting	N/A
	102-50	Reporting period	January 2022 - December 2022
	102-51	Date of most recent report	2022
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions regarding the report	sustainability@gatehousebank.com
	102-54	Claims of reporting in accordance with the GRI standards	This report has been prepared in accordance with the GRI Standards: Core option.
	102-55	GRI content index	This document represents the GRI content index.
	102-56	External assurance	This report has been externally assured. Refer to Gatehouse Bank PLC Sustainability Report 2022: See section ' assurance', on page 92.

	GRI Standard	GRI Disclosure	Location and Notes
Economic Performance (2016)	201-1	Direct economic value generated and distributed	See Gatehouse Bank PLC Annual Report 2022; Refer to consolidated income statement.
Management Approach 201	103-1	Explanation of the material topic and its boundary	Gatehouse Bank PLC Sustainability Report 2022: See section 'Gatehouse Bank and the Economy' on page 78.
	103-2	The management approach and its components	Gatehouse Bank PLC Sustainability Report 2022: See section 'Gatehouse Bank and the Economy' on page 78.
	103-3	Evaluation of the management approach	Gatehouse Bank PLC Sustainability Report 2022: See section 'Gatehouse Bank and the Economy' on page 78.

	GRI Standard	GRI Disclosure	Location and Notes
Economic Performance Climate Risk (2016)	201-2	Financial implications and other risks and opportunities due to climate change	Gatehouse Bank PLC Sustainability Report 2022: See section 'Climate Risk' on page 50.
Management Approach 201	103-1	Explanation of the material topic and its boundary	Gatehouse Bank PLC Sustainability Report 2022: See section 'Climate Risk' on page 50.
	103-2	The management approach and its components	Gatehouse Bank PLC Sustainability Report 2022: See section 'Climate Risk' on page 50.
	103-3	Evaluation of the management approach	Gatehouse Bank PLC Sustainability Report 2022: See section 'Climate Risk' on page 50.

	GRI Standard	GRI Disclosure	Location and Notes
Anti-corruption (2016)	205-1	Operations assessed for risks related to corruption	"100% of all GB Operations are assessed for risks related to corruption. Gatehouse Bank PLC Sustainability Report 2022: See section 'Preventing Financial Crime', on page 81. Gatehouse Bank PLC Sustainability Report 2022: See section 'gatehouse bank and economy' / preventing financial crime, on page 81. "
	205-2	Communication and training about anti-corruption policies and procedures	"Gatehouse Bank PLC Sustainability Report 2022: See section 'Preventing Financial Crime', on page 81. Gatehouse Bank PLC Annual Report 2022.
	205-3	Confirmed incidents of corruption and actions taken	Gatehouse Bank PLC Sustainability Report 2022: See section 'Preventing Financial Crime', on page 81. No incidents of fraud /. Financial crime recorded
Management Approach 205	103-1	Explanation of the material topic and its boundary	Gatehouse Bank PLC Sustainability Report 2022: See section 'gatehouse bank and economy' / preventing financial crime, on page 81.
	103-2	The management approach and its components	Gatehouse Bank PLC Sustainability Report 2022: See section 'gatehouse bank and economy' / preventing financial crime, on page 81.
	103-3	Evaluation of the management approach	Gatehouse Bank PLC Sustainability Report 2022: See section 'gatehouse bank and economy' / preventing financial crime, on page 81.

Appendix – GRI Content Index

	GRI Standard	GRI Disclosure	Location and Notes
Emissions (2016)	305-1	Direct (Scope 1) GHG emissions	Gatehouse Bank PLC Sustainability Report 2022. See section 'Operational greenhouse gas emissions', on page 36.
	305-2	Energy indirect (scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG Emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG Emissions	
Management Approach 305	103-1	Explanation of the material topic and its boundary	Gaethouse Bank PLC Subtainabilty Report 2022. See section 'Climate Change' on page 35.
	103-2	The management approach and its components	
	103-3	Evaluation of the management approach	

	GRI Standard	GRI Disclosure	Location and Notes		
Employment (2016)	401-2	Benefits provided to full time employees	See Gatehouse Bank PLC website gatehousebank.com/careers.Also refer Gatehouse Bank PLC Sustainability Report 2022: See section 'Well-being', on page 23.		
		Parental Leave			
	401-3		GRI NO	GRI Description	Female
			401.3a	Total number of employees that were entitled to parental leave by gender	80
			401.3b	Total number of employees that took parental leave by gender	8
			401.3c	Total number of employees that returned to work in the reporting period after parental leave, by gender	1
			401.3d	Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work, by gender	1
			401.3e	Return to work and retention rate of employees that took parental leave, by gender	100%

	GRI Standard	GRI Disclosure	Location and Notes
Management Approach 401	103-1	Explanation of the material topic and its boundary	Gatehouse Bank PLC Sustainability Report 2022: See section 'Our people and culture', on page 21.
	103-2	The management approach and its components	See Gatehouse Bank PLC website gatehousebank.com/careers.Also refer Gatehouse Bank PLC Sustainability Report 2022: See section 'People and culture', on page 21.
	103-3	Evaluation of the management approach	See Gatehouse Bank PLC website gatehousebank.com/careers.Also refer Gatehouse Bank PLC Sustainability Report 2022: See section 'People and culture', on page 21.

	GRI Standard	GRI Disclosure	Location and Notes
Training and Education (2016)	404-1	average hours of training per year per employee	Learning and development opportunities are provided to all staff depending on the need and requirement. GHB does not distinguish learning and development opportunity based on gender. Refer Gatehouse bank PLC Sustainability Report 2022. See section 'learning and development' page 27.
	404-2	programs for upgrading employee skills and transition assistance programs	The type and scope of training programmes can be classified as Annual Mandatory training, CPD group training on various topics (such as management development programme,time management, Interviewing ) and CPD individual training based on bespoke requests.
	404-3	Percentage of employees receiving regular performance and career development reviews	All employees receive regular performance and careere development reviews as part of Gatehouse Bank employee development programme.
Management Approach 404	103-1	Explanation of the material topic and its boundary	Gatehouse Bank PLC Sustainability Report 2022: See section 'Learning and Development', on page 27.
	103-2	The management approach and its components	Gatehouse Bank PLC Sustainability Report 2022: See section 'Learning and Development', on page 27.
	103-3	Evaluation of the management approach	Gatehouse Bank PLC Sustainability Report 2022: See section 'Learning and Development', on page 27.



Appendix – GRI Content Index

	GRI Standard	GRI Disclosure	Location and Notes			
Diversity and Equal Opportunity (2016)	405-2	Ratio of basic salary and remuneration		Category	Number	Percentage %
			Exco	<30	0	0
				30-50	6	67%
				50 +	3	33
				Female	2	22
				Male	7	78
				Asian or A	3	33
				White	6	67
			Board	<30	0	0
				30-50	3	43
				50 +	4	57
				Female	0	0
				Male	7	100
				Asian or A	2	29
				White	3	43
				Unknown	2	29
	405-2	Ratio of basic salary and remuneration	London and Milton Keynes locations chosen as they account for 80 % of headcount. London ( Permanent staff ) - 1 : 0.79 ( M: F Ratio ) ; Milton Keynes ( Permanent staff ) - 1:0.72 ( M: F Ratio)			
Management approach 405	103-1	Explanation of the material topic and its boundary	Gatehouse Bank PLC Sustainability Report 2022: See section 'Diversity and Inclusion', on page 31.			
	103-2	The management approach and its components	Gatehouse Bank PLC Sustainability Report 2022: See section 'Diversity and Inclusion', on page 31.			
	103-3	Evaluation of the management approach	Gatehouse Bank PLC Sustainability Report 2022: See section 'Diversity and Inclusion', on page 31.			

	GRI Standard	GRI Disclosure	Location and Notes
Customer Privacy (2016)	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero reportable data breaches have been recorded in the reporting period, Zero data leaks, thefts or losses of customer data. For more information see Gatehouse Bank PLC Sustainability Report 2022: See section 'Customer Privacy', on page 73.
Management approach 418	103-1	Explanation of the material topic and its boundary	Gatehouse Bank PLC Sustainability Report 2022: See section 'Customer Privacy', on page 73.
	103-2	The management approach and its components	Gatehouse Bank PLC Sustainability Report 2022: See section 'Customer Privacy', on page 73.
	103-3	Evaluation of the management approach	Gatehouse Bank PLC Sustainability Report 2022: See section 'Customer Privacy', on page 73.
	GRI Standard	GRI Disclosure	Location and Notes
Vulnerable customers (Non GRI disclosure)			Gatehouse Bank PLC Sustainability Report 2022: See section 'Vulnerable Customer' on page 75.



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# UN Principles for Responsible Banking disclosures

## Independent Limited Assurance Report

Independent Limited Assurance Report of FBRH Consultants Ltd to Gatehouse Bank for the UN Principles for Responsible Banking disclosures.

FBRH Consultants Ltd ("FBRH" or "we") has been engaged by Gatehouse Bank to provide limited assurance over the Selected Information described below for the year ended 31 December 2022.

**Conclusion:**

Based on our work and the evidence obtained, we have not identified any significant misstatements in the Selected Information within Gatehouse Bank's United Nations Environment Programme Finance Initiative's Principles for Responsible Banking Reporting and Self-Assessment Template for the year ended 31 December 2022. Please note that this conclusion should be read in conjunction with the rest of this report, including the inherent limitations explained below and the intended use of this report.

**Selected Information:**

Our work scope only covers the information contained in selected sections of Gatehouse Bank's United Nations Environment Programme Finance Initiative's Principles for Responsible Banking Reporting and Self-Assessment Template ("UN PRB Template") for the year ended 31 December 2022. The Selected Information includes the "high-level summary of the bank's response" to the following requirements:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Plans for Target Implementation and Monitoring. Progress on implementing targets.
- 5.3 Governance Structure for Implementation of the Principles
- 6.1 Progress on Implementing the Principles for Responsible Banking

We have not performed any procedures or provided any conclusions regarding other information that may be included in the UN PRB Template or displayed elsewhere on Gatehouse Bank's website for the current or previous periods, unless stated otherwise.

**Reporting Criteria:**

To form our judgments, we utilized the Gatehouse Bank Sustainability Report 2022 as outlined at <https://gatehousebank.com/responsible-banking/sustainability> ("the Reporting Criteria").

The Selected Information should be considered together with the Reporting Criteria.

**Inherent Limitations:**

Non-financial information has inherent characteristics that may result in different evaluation and measurement techniques, leading to varying measurements and impacting comparability between entities and over time. The UN PRB Template aims to address common user needs and may not encompass every aspect of Gatehouse Bank's impact management system that individual users might find important. Our procedures do not assess the suitability of the design or the operating effectiveness of Gatehouse Bank's UN PRB impact management systems and processes in achieving alignment with the UN Principles for Responsible Banking or the resulting impacts achieved. Furthermore, the future projection of impact management systems and processes is subject to the risk of change.

**Directors' Responsibilities:**

Gatehouse Bank's Directors are responsible for:

- Designing, operating, and maintaining internal controls relevant to the preparation and presentation of the UN PRB Template, ensuring it is free from material misstatement.
- Selecting and/or developing objective Reporting Criteria.
- Measuring and reporting the Selected Information in accordance with the Reporting Criteria.
- The contents and statements contained within the Report and the Reporting Criteria.

**Our Responsibilities:**

Our responsibility is to plan and perform our work to obtain limited assurance on whether the Selected Information has been properly prepared, in all material respects, in accordance with the Reporting Criteria. We report our independent limited assurance conclusion to Gatehouse Bank based on the work performed and evidence obtained.



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**Assurance Standards Applied:**

We conducted our work in accordance with the FBRH Sustainability Report Assurance. This standard requires us to obtain sufficient and appropriate evidence to support our conclusion.

**Summary of Work Performed:**

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to provide a meaningful level of assurance on the Selected Information. We assess the suitability of the Reporting Criteria for our limited assurance engagement and select procedures based on our judgment, understanding of the Selected Information, and other relevant circumstances where material misstatements may arise. Our procedures included:

- Discussions with relevant Gatehouse Bank's management to understand internal controls, governance structure, and reporting processes related to the preparation and disclosure of the UN PRB Template.
- Virtual site visits to conduct selected tests on relevant documentation, assessing compliance with applicable criteria in data collection and reporting.
- Examination of source documentation to verify significant claims made within the selected criteria of the UN PRB Template, on a sample basis.
- Evaluation of the risk of material misstatement in the selected sections of the UN PRB Template.
- Reviewing the accuracy of references to the UN PRB Template in Gatehouse Bank's annual report and ensuring consistency with our findings.

The nature, extent, and timing of the procedures performed in a limited assurance engagement differ from those in a reasonable assurance engagement, resulting in a substantially lower level of assurance than that obtained in a reasonable assurance engagement.

**Intended Use of this Report:**

This report has been prepared solely for Gatehouse Bank in accordance with the terms of our engagement. It fulfils the agreed requirements determined by Gatehouse Bank at the time. Consequently, this report should not be considered suitable for use or reliance by any party seeking rights against us, except for Gatehouse Bank, for any purpose or in any context. Any party other than Gatehouse Bank who obtains access to or relies on our report (or any part of it) does so at its own risk. FBRH Consultants LTD accepts no responsibility or liability to any other party regarding our report to the fullest extent permitted by law.

As a signatory to the UN Principles for Responsible Banking, Gatehouse Bank is obligated to publish the completed UN PRB Template, and the outcome of the assurance process should be included in the bank's reporting, as per the Principles for Responsible Banking Guidance Document. While our duties and responsibilities are solely with Gatehouse Bank and do not extend to other parties, we have granted consent for the disclosure of our report on Gatehouse Bank's website at <https://gatehousebank.com/responsible-banking/sustainability> to assist Gatehouse Bank in meeting this requirement.

Simon Pitsillides MBA, FCM, FIEMA  
GRI Nominated Trainer, IEMA Trainer  
GRI Certified Sustainability Professional

FBRH CONSULTANTS LTD  
London  
23 May 2023

The maintenance and integrity of Gatehouse Bank's website is the responsibility of the Directors of Gatehouse Bank. Our work does not involve consideration of these matters, and therefore, we assume no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria, or Report presented on Gatehouse Bank's website since the date of our report.

# UN Principles for Responsible Banking Progress Report



## Principle 1 - Alignment

We will align our business strategy to be consistent with and contribute to individuals’ needs and society’s goals, as expressed by the UN’s Sustainable Development Goals, the Paris Climate Agreement and other relevant national and international frameworks.

Business Model	Response	Links and Reference
Describe (high-level) your bank’s business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g., the distribution of your bank’s portfolio (%) in terms of geographies, segments (i.e., by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.	<p>Gatehouse Bank was established in 2007, with offices based in London, Milton Keynes and Wilmslow. It’s the fastest growing bank of its kind in the UK and is a subsidiary of Gatehouse Financial Group Limited.</p> <p>Gatehouse Bank is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and the Financial Conduct Authority (FCA). The Bank offers products and services in three broad categories: Savings, Home Finance and Build to Rent.</p> <p>Gatehouse Bank offers savings products to UK customers and home finance solutions to UK residents, UK expats and international residents, for both personal and investment purposes. Non-UK customers are a significant proportion of the Bank’s existing customer base and target market. Gatehouse’s products and services are available to customers regardless of their religious beliefs. In 2022, Gatehouse Bank qualified as a Large Company under the Corporate Act 2008, Section s414CZA. The Bank’s Business Model is an integrated part of its new disclosures and is outlined in Gatehouse Bank’s Annual Report 2022.</p>	Further details can be found on the Bank’s website: <a href="https://www.gatehousebank.com/about-us/corporate-governance">https://www.gatehousebank.com/about-us/corporate-governance</a>

Strategy Alignment		
Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.	<p>Yes.</p> <p>Gatehouse Bank is a British Shariah-compliant Bank, meaning that we follow Shariah principles. These promote fair play and ensure that our customers’ financial affairs are managed responsibly. We see a natural alignment with Shariah principles and society’s goals as expressed by the UN’s Sustainable Development Goals, Paris Climate Agreement and other national and international sustainable development frameworks. This is because the Islamic finance model takes into account the concept of excluding funding for certain activities that have the potential to cause harm to society (SDG 3 Good Health and Wellbeing), and also not offering speculative financial products (SDG 8 Decent Work and Economic Growth).</p> <p>In addition to this strong ethical grounding in Islamic finance, Gatehouse Bank has set sustainability targets and works to embed sustainability into its strategy, policy and practices. The Bank became a founding signatory to the UN Principles for Responsible Banking in 2019, with the primary focus to contribute towards the UN SDGs. Gatehouse Bank has been disclosing its operational carbon footprint and has been a certified carbon neutral bank consistently for the last three years.</p> <p>We recognise that offsetting alone will not tackle climate change, which is why we are also looking at ways to reduce the Bank’s operational and financed emissions. From 2022, we have made changes to our travel policy to capture travel data better. Additionally, the Bank has done a baseline assessment of its largest portfolio, which is Home Finance, and, in line with the Paris Climate Agreement, has set ambitious targets to achieve net zero. The Bank has been innovative in driving sustainability forward by linking its products such as its Woodland Saver Accounts to help generate woodland growth and forests (SDG 15 Life on Land). The Bank also launched a green home finance product range, which incentivises customers to choose energy efficient homes with an EPC rating of A or B by offering a reduced rental rate. The Bank continues to offset the carbon footprint of the average UK property for as long as the customer remains with the Bank with a qualifying property.</p> <p>For more information on how the Bank has aligned to the UN Sustainable Development Goals, please refer to Gatehouse Bank’s Sustainability Report 2022: Integrating Sustainability Goals into our Strategy.</p>	Gatehouse Bank Website: <a href="https://www.gatehousebank.com/our-shariah-approach">https://www.gatehousebank.com/our-shariah-approach</a> ; Gatehouse Bank Sustainability Report 2022; integrating the sustainable goals into our strategy page 6.



# UN Principles for Responsible Banking Progress Report (Continued)

Strategy Alignment (cont.)		
Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to these?		
<input type="checkbox"/> UN Guiding Principles on Business and Human Rights		
<input type="checkbox"/> International Labour Organization fundamental conventions		
<input type="checkbox"/> UN Global Compact		
<input type="checkbox"/> UN Declaration on the Rights of Indigenous Peoples		
<input type="checkbox"/> Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: -----		
<input type="checkbox"/> Any applicable regulatory reporting requirements on social risk assessments, e.g., on modern slavery - please specify which ones: -----	Gatehouse Bank understands the risk associated with Climate Change and its future risk profile. In 2022, the Bank advanced its understanding of the risks that Climate Change presents to the Bank's business and customers and made progress against the recommendations of the task force on Climate related Financial Disclosure (TCFD) and the PRA's final Supervisory Statement (SS) 3/19 'Enhancing Banks' and Insurers' approaches to managing the financial risks from climate change. In addition, the Bank assessed its progress in quantifying climate-related financial risks and other capabilities set out in the Bank of England's thematic feedback on the PRA's supervision of climate-related financial risk.	More information on Climate Risk can be found in Gatehouse Bank Sustainability Report 2022: Climate Risk page 50.
<input type="checkbox"/> None of the above		



## Principle 2 - Impact and Target Setting

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

2.1	Impact Analysis (Key Step 1)	Response	Links and reference
	Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly[1] and fulfil the following requirements/elements (a-d)[2]:		
	a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.	<p>In 2021, the Bank conducted a portfolio analysis using the UNEP FI Portfolio Analysis Tool for Banks<sup>1</sup> which focused on the Bank's core business activities in the UK, which is the Bank's sole location of operation. The Bank's main activity is residential property financing and personal savings accounts. The Bank participates in the commercial sector through commercial savings deposits, commercial property finance and the development and management of Build to Rent funds for the UK rental sector.</p> <p>The Bank also conducted a materiality analysis in 2021 based on GRI standards and identified its core impact areas.<sup>2</sup> To set targets on its significant impact areas, Gatehouse Bank has focused on two of its largest portfolios: Savings and Home Finance. The other portfolios, such as Commercial Savings Deposits and Commercial Property Finance, are significantly smaller.</p> <p>In 2022, the Bank established a stand-alone holding structure to consolidate its Build to Rent ("BTR") activities. This comprises of the Gatehouse Build to Rent Group Limited ("GBTRG"), which is wholly owned by the Bank, and its subsidiary Gatehouse Investment Management Limited ("GIM") that provides Asset Management services. For more information, please refer to the Gatehouse Bank Annual Report.</p>	Gatehouse Bank PLC Annual Report 2022

2.1	Impact Analysis (Key Step 1)	Response	Links and reference
		The Bank also owns a majority stake in Ascend Estates Limited ("Ascend"), a specialist BTR property manager, which it controls. In 2023, it intends to complete the acquisition of the remaining stake in Ascend and consolidate the Bank's Asset Management and Property Management activities into one platform, further enhancing its BTR capability. The Bank's Impact Targets will be reviewed yearly.	
	b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope i) by sectors & industries[1] for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or ii) by products & services and by types of customers for consumer and retail banking portfolios. If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/ major activities lie in terms of industries or sectors.	<p>Yes.</p> <p>The targets have been set based on the portfolio analysis for 2021. The Bank's home financing (UK's real estate sector) was 80%, the Bank's deposit taking activity was 92%, and personal savings account and 8% commercial deposit. Commercial Property Finance and Build to Rent Accounts for 20% of Bank's financing activity.</p> <p>For 2022, The Bank's home finance portfolio accounts for 94% of its total portfolio and the Bank's deposit taking activity is 98%.</p>	
Footnotes:	(2): That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time. (3) Further guidance can be found in the Interactive Guidance on impact analysis and target setting. (4) Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.		
	c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.  This step aims to put your bank's portfolio impacts into the context of society's needs.	<p>The UK is the Bank's sole operational location. Using the UNEP FI Portfolio Tool Cartography, and the UN SDG Index Dashboard to identify the UK's most pressing sustainable development goals challenges,<sup>3</sup> the Bank assessed the impact its business activity has on Environment, Social, Economic and Governance. Within the tool, the Bank entered information about its business activity and portfolio composition, and conducted a country needs mapping to identify the priority sustainable development needs. The Bank conducted a materiality analysis in 2021 based on GRI standards and identified its core impact areas.<sup>4</sup> Once the Bank had identified these priorities and challenges, it engaged with insights from the UK government and civil society to build an understanding of national strategy and sustainable development priorities. Based on the mapping, highest impact areas for the UK and the Bank, stakeholder consultation, and the UK's national strategy, it emerged that climate change and emissions are a key priority for the UK.</p>	<p>Please refer to Gatehouse Bank Sustainability Report 2022 - Climate for more details refer to the Gatehouse Bank Sustainability Report 2022; Climate; Page 35.</p> <p>Please refer to Gatehouse Bank Sustainability Report 2022 - Climate for more details refer to the Gatehouse Bank Sustainability Report 2022; Financial Health; Page 56.</p>

2.1	Impact Analysis (Key Step 1)	Response	Links and reference
		<p>In June 2019, the UK became the first major economy to set long-term, legally binding emissions targets into law through the 2008 Climate Change Act.<sup>5</sup> The UK government recognises that in order to achieve the national net zero target by 2050, we need to have largely eliminated emissions from the nation's housing stock by 2050.<sup>6</sup> Based on the above, and our understanding that the Bank's financed emissions have an adverse impact on the climate, Gatehouse Bank identified climate change as one of its core impact areas in 2021, and committed to a net zero home finance portfolio to be achieved by 2050.</p> <p>Please refer to Gatehouse Bank's Sustainability Report 2022 – Gatehouse Bank and Environment for more details.</p> <p>Good levels of financial wellbeing are vital for improving the UK's performance on social measures like inequality and housing. Financial wellbeing is about being able to pay the bills, feel comfortable with money and plan effectively. The Bank found evidence that a regular savings habit is one of the most crucial factors in determining the financial wellbeing for individuals in the UK.<sup>7</sup> However, the country context leaves room for improvement on this measure. 10.7 million adults rarely or never save, and consequently 22% have less than £100 in savings. While having a low income makes it harder to save, many people in the UK who could otherwise save, are not doing so.</p> <p>Attitudes to saving and confidence with money are major driving forces for financial wellbeing. Therefore, it is of concern that only 52% of young people in the UK say they receive a meaningful financial education and 47% of UK adults do not feel confident making decisions with money.<sup>8</sup> In the UK, there are differences in the experience of financial capability across age groups, with younger age groups being less financially resilient than older age groups. Only 47% of those under 30 years reported that they could afford an unexpected expense compared with 71% of those over 60 years.<sup>9</sup> Based on the above, Gatehouse Bank identified Financial Health and Inclusion as one of its core impact areas in 2021 as through the right targets and commitments it can positively impact the communities it serves.</p> <p>Furthermore, based on advice received from the UN PRB and the Working Group on Financial Heath and Inclusion, in 2022, the Bank reviewed its own customer data through an analysis of its various transactions and surveys to gain further understanding and insights on its customers' savings habits, confidence and resilience. This analysis has helped in further refining and setting SMART targets to make an impact in this area.</p> <p>For more information, please refer to Gatehouse Bank Sustainability Report 2022: Financial Health and Inclusion.</p>	
	Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)[1]? Please disclose.		

2.1	Impact Analysis (Key Step 1)	Response	Links and reference
	<p>d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors &amp; industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health and inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex. If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this. The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</p>	<p>Yes, in 2021, the Bank identified two priority Impact Areas: Climate and Financial Health and Inclusion.</p> <p>To set these targets, the Bank drew insights from global reports and indicators supplied in the UNEP FI Portfolio Tool Country Cartography and UN SDG Index Dashboard to identify the UK's most pressing sustainable development challenges. Once the Bank identified these priorities and challenges, it engaged in insights from the UK government and civil society to build an understanding of national strategy and sustainable development priorities.</p> <p>Further based on the feedback received from the UN PRB in 2022, the Bank has refined its impact targets by making them SMART. For Financial Health and Inclusion, the Bank undertook an assessment of its transactional data to gain better insights of its customers with regards to their savings habit and use of technology (digital app and online banking) for banking transactions. The Bank also undertook a survey of its customers through a customer newsletter to gain insights into their financial confidence and resilience. These insights have helped the Bank to revise its KPIs and set SMART targets for 2023.</p> <p>These targets support the UK Strategy for Financial Wellbeing (2020-2030).<sup>11</sup> For more information on Climate and Financial Health and Inclusion please refer to Gatehouse Bank's Sustainability Report 2022: Climate and Financial Health and Inclusion.</p>	<p><a href="https://gatehousebank.com/downloads/Gatehouse-Bank-Sustainability-Report-2021-V2.pdf">https://gatehousebank.com/downloads/Gatehouse-Bank-Sustainability-Report-2021-V2.pdf</a></p> <p>Gatehouse Bank Sustainability Report; Climate Annex page 128 and Annex for Financial Health and Inclusion page 144.</p>
	(5) To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.		
	(6) To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.		
	<b>Self-assessment summary:</b>		
	Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?[1]		
	Scope: <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	Scope - Yes	
	Portfolio composition: <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	Portfolio composition - In Progress	
	Context: <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	Context - Yes	
	Performance measurement: <input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	Performance Measurement - In Progress	

2.1	Impact Analysis (Key Step 1)	Response	Links and reference
	Which most significant impact areas have you identified for your bank, as a result of the impact analysis?	Climate Change mitigation and Financial Health and Inclusion	
	Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify	Climate Change mitigation and Financial Health and Inclusion	
	How recent is the data used for and disclosed in the impact analysis?		
	<input type="checkbox"/> Up to 6 months prior to publication		
	<input type="checkbox"/> Up to 12 months prior to publication	Up to 12 months (January 2022- December 2022)	
	<input type="checkbox"/> Up to 18 months prior to publication		
	<input type="checkbox"/> Longer than 18 months prior to publication		
	Open text field to describe potential challenges, aspects not covered by the above etc.: (optional)		
Footnotes	(7) You can respond “Yes” to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.		
2.2	2.2 Target Setting (Key Step 2)		
	Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis. The targets have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:	The Bank has set 2 targets in significant impact areas: 1) Climate Change Mitigation 2) Financial Health and Inclusion.	
	(a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.  You can build upon the context items under 2.1.	<p><b>Climate:</b> The consequences of Climate Change can be seen through the intense droughts, water scarcity, severe fires, rising sea levels, flooding, melting polar ice, catastrophic storms and declining biodiversity.<sup>12</sup> In 2019, the UK became the first major economy to commit to achieving net zero greenhouse gas emissions by 2050.</p> <p>The UK's housing market has a major role to play in achieving the government's net zero ambitions. Energy use in homes accounts for 17% of the UK's total emissions.<sup>13</sup> To align with the UK's net zero strategy, Gatehouse Bank has consulted with independent sustainability experts, Greengage, to assess the emissions from the Bank's Home Finance portfolio from the baseline year 2020 and provide an emissions reduction strategy for the Bank and set net zero climate targets for its home finance portfolio. Greengage have advised the Bank of the best methodology being to align the home finance portfolio with the temperature goals of the Paris Climate Agreement.<sup>14</sup></p> <p>For more details, please refer to Gatehouse Bank's Sustainability Report 2022: Environment.</p>	<p>For more details, please refer to Gatehouse Bank's Sustainability Report 2022: Environment, Page 35.</p> <p>For more details, please refer to Gatehouse Bank's Sustainability Report 2022: Financial Health and Inclusion Page 56.</p>



2.2	Impact Analysis (Key Step 1)	Response	Links and reference
		<b>Financial Inclusion and Health</b> As part of the Bank's Impact Analysis in 2021, we drew on insights from Reports such as Money & Pension Service's report on 'Building financial capability of UK adults' <sup>15</sup> , Money & Pension Service's 'Financial Capability Survey, 2018', 'Building the UK's Financial Well-being in light of Covid-19' and 'Independent Challenge Charis' <sup>16</sup> to determine the best approach to support Financial Health and Inclusion within the context that the Bank operates. These targets were further refined in 2022 after the Bank received feedback from UN PRB and suggestions from the Working Group on Financial Health and Inclusion. These revised targets are aligned to the UK's Strategy for Financial Wellbeing 2020-2030. <sup>17</sup> For more details, please refer to Gatehouse Bank's Sustainability Report 2022: 'Financial Health and Inclusion'.	
	<p>“(b)Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.</p> <p>You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target. A package of indicators has been developed for climate change mitigation and financial health &amp; inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template. If your bank has prioritized climate mitigation and/or financial health &amp; inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators, and the corresponding indicator codes: “</p>	<p><b>Climate:</b></p> <p>The Bank has set a Net Zero target by 2050 for its home finance portfolio. The target is to reduce the absolute emissions of the growing home finance portfolio from the baseline figure of 4,374tCO<sub>2</sub>e (December 2020) and reduce the intensity of its home finance portfolio emissions (kg CO<sub>2</sub>e per m<sup>2</sup>) based on a study done by third-party consultants, Greengage.<sup>18</sup></p> <p>Details about the baseline and reduction trajectory for both absolute emissions and intensity reductions can be found in Gatehouse Bank's Sustainability Report 2022: Environment.</p> <p>The Bank has also reported on the indicators as provided by the UNPRB Annex. For complete details of the indicators please refer to the Sustainability Report 2022, Climate Annex (Sustainability Report 2022, Climate Annex page X.</p> <p><b>Financial Health and Inclusion</b></p> <p>As part of the Bank's Impact Analysis in 2021, we set our SMART target based on the baseline data from secondary resources such as Money &amp; Pension Service's 'Building financial capability of UK adults',<sup>19</sup> Money &amp; Pension Service's 'Financial Capability Survey, 2018', 'Building the UK's Financial Well-being in light of Covid-19' and 'Independent Challenge Chairs'.<sup>20</sup> Since then, the Bank has participated in the UN PRB's Working Group on Financial Health and Inclusion and has undertaken a baseline assessment of its customers on the targets set. The baseline assessment entailed an analysis of transaction data and a survey of the indicators that were provided by the Working Group. This baseline data has helped the Bank to revise its SMART targets and make them more aligned to its baseline data.</p> <p>The Bank's financial health and inclusion targets also support SDG's such as No Poverty (SDG 1), Zero Hunger (SDG 2), Reduced inequalities (SDG 10) among others. These revised targets are aligned to the UK's strategy for Financial Wellbeing 2020-2030,<sup>21</sup> more specifically Financial Foundation: 2 million more young people access a meaningful financial education by 2030; A Nation of Savers: 2 million more working age 'struggling' and 'squeezed' people get into the habit of regular saving by 2030."</p> <p>Full details of the Banks' baseline data and revised targets can be found in the Sustainability Report 2022, Financial Health and Inclusion.</p>	<p>More details are available in the Climate section of the Sustainability Report 2022, page 35</p> <p>More details available in Financial Health and Inclusion section of the Sustainability Report 2022, page 56.</p> <p>For complete details on the indicators please refer to the Sustainability Report 2022, Climate Annex page 128.</p>

2.2	Impact Analysis (Key Step 1)	Response	Links and reference
	Impact area	Indicator code	Response
	Climate change mitigation	...	Refer to Climate Annex: Sustainability Report 2022, page 128
	Impact area	Indicator code	Response
	Financial health & inclusion	...	Refer to Financial Health and Inclusion Annex: Sustainability Report 2022, page 144
	In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.		
Footnotes	[8] Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.		
Footnotes	[9] Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.		
	c) SMART targets (incl. key performance indicators (KPIs) Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.	The Bank had set SMART targets for its two most significant impact areas: Climate and Financial Health and Inclusion in 2021. <sup>22</sup> After receiving formal feedback from the UN PRB in September 2022 and the Bank participating in the UN PRB's working group on Climate and Financial Health and Inclusion, these SMART targets have been further revised with definite KPIs. Complete details of the SMART Targets, timelines and KPIs can be found in Gatehouse Bank's Sustainability Report 2022, Climate and Financial Health and Inclusion.	Please refer to Gatehouse Bank Sustainability Report 2022; Climate, page 35 for the SMART targets for Climate, and please refer to the Gatehouse Bank Sustainability Report 2022; Financial Inclusion and Health; page 56 for the SMART targets for Financial Inclusion and Health.

2.2	Impact Analysis (Key Step 1)	Response	Links and reference
	<p>d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe. Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.”</p>	<p><b>Climate</b></p> <p>Since setting a Net Zero Home Finance Target in 2021, the Bank launched a range of Green Home Finance products for UK homeowners and landlords in April 2022.</p> <p>The products are designed to incentivise customers to invest in homes with a higher energy efficiency rating.</p> <p>Customers acquiring or refinancing a property with an A or B energy efficiency rating will receive a 10bps reduction on the rental rate. Gatehouse Bank also offsets the carbon impact of the average UK property during the initial fixed term period of the product and for as long as the customer remains with the Bank, subject to their property meeting the required EPC rating of any green products chosen at that time.</p> <p>Since the launch of our Green Home Finance products in April 2022, we have received a total of 93 applications, 16 of which were successfully completed. (Of these 16, 7 were Buy-to-Let, and 9 were Home Purchase Plans).</p> <p>We offset 48tCO2 (@3tCO2/house/year- heating and lighting).</p> <p>In 2022, the Bank has also gained a better understanding of the EPC ratings of the properties it financed. We engaged with third-party consultants, Landmark, who conducted an independent assessment of the financial risks associated with Climate on our existing home finance portfolio. The physical risks for the home finance portfolio were mainly assessed in three potential areas, floods, subsistence and coastal erosion. They also provided a more comprehensive report on the EPC ratings of the properties financed, up to the first quarter of 2022. Based on this report, the Bank set SMART targets in 2022 to improve the EPC ratings of the properties financed. Complete details of the EPC ratings and revised SMART targets can be found in Gatehouse Bank's Sustainability Report 2022: Environment.</p> <p>In 2023, the Bank intends to develop additional Shariah-compliant finance, which, if approved, would be offered to new and existing customers who wish to undertake measures to improve the energy efficiency of their homes. We also plan to further engage our clients and customers through a series of awareness and educational sessions on how they can play a critical role in supporting the Bank's transition to Net Zero and measures to make their homes more energy efficient. The Bank would use its customer newsletters and run a few focus group discussions to gain insights from its critical stakeholders which include clients and customers.</p>	<p>The Action targets for Climate can be found in Sustainability Report 2022 Page 39 and Action for Financial Inclusion and Health can be found in Sustainability Report 2022 page 56.</p>
		<p><b>Financial Heath and Inclusion</b></p> <p>Gatehouse Bank had set SMART targets in 2021 to drive Financial Health and Inclusion. Gatehouse Bank's commitment to setting targets was based on 'The UK strategy for Financial Wellbeing 2020-2030' set by the Money and Pension Service. We primarily aimed to drive improvements and innovation to help our customers and communities to access appropriate financial products, build their knowledge on key financial topics and feel in control of their finances. Since setting our SMART targets in 2021, the Bank has taken a set of actions to drive and improve the financial health and wellbeing of its customers. In 2022, the Bank launched its first mobile savings app to provide easier access of its services to its customers and encourage digital accessibility.</p>	

2.2	Impact Analysis (Key Step 1)	Response	Links and reference
		<p>Since the launch of the app, we have seen 19% of our total savings customers registering for the app in the first year.</p> <p>The Bank also relaunched its Easy Access Account, with a minimum deposit of £1 to encourage more young savers aged 18-30 to access a savings account and get into the habit of savings. In 2022, we saw an increase in young savers go up from 3% (2021) to 4% in 2022. In September 2022, the Bank received formal feedback from the UN PRB on its initial Self-Assessment report and targets set in 2021. Based on the recommendations made by the UN PRB, and further guidance received from the Working Group on Financial Health and Inclusion, the initial targets set by the Bank have been further revised and changed to be SMART. The Bank also conducted a survey of its customers to gain better insights on their levels of confidence and financial resilience. The survey insights have also led the Bank to define and improve its targets going forward. In 2023, the Bank will launch a financial education program for customers and community. There are other SMART targets and KPIs identified for 2023. For complete details please refer to Gatehouse Bank's Sustainability Report 2022, Financial Health and Education.</p>	
Self-assessment summary			
Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...			
	...first area of most significant impact: ... (Climate)	... second area of most significant impact: ... Financial Inclusion & Health)	(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)
Alignment	Yes	Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> In progress
			<input checked="" type="checkbox"/> No
Baseline	Yes	Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> In progress
			<input checked="" type="checkbox"/> No
SMART targets	Yes	Yes	<input type="checkbox"/> Yes
			<input type="checkbox"/> In progress
			<input checked="" type="checkbox"/> No
Action plan	In progress	In progress	<input type="checkbox"/> Yes
			<input type="checkbox"/> In progress
			<input checked="" type="checkbox"/> No

2.3	2.3 Target implementation and monitoring (Key Step 2)		
	<p>Show that your bank has implemented the actions it had previously defined to meet the set target. Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2. Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/ review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.</p>	<p>Gatehouse Bank's ESG Steering Group, made up of Executive Committee members and External Directors, is responsible for monitoring and tracking the performance of Sustainability related targets and commitments which includes its UN PRB commitments. In 2021, the Bank set two impact targets under its commitment to the UN PRB, Climate and Financial Health and Inclusion. Since setting these targets, the Bank has made progress in both its impact areas. The SMART targets in both Climate and Financial Health and Inclusion have also been further defined based on feedback received from the UN PRB in September 2022 as part of the recommendation received from working groups on climate and financial health and inclusion.</p> <p>Complete details of the progress in each of the above two impact areas, revised SMART targets and actions planned for 2023 can be found in Gatehouse Bank's Sustainability Report 2022- 'Environment' and 'Financial Health and Inclusion'. Also, the Annex on Climate and Financial Health and Inclusion captures the baseline information on the indicators finalised by the UN PRB's working groups.</p>	<p>The Action targets for Climate can be found in Sustainability Report 2022; Annex Pages 128 and Action for Financial Inclusion and Health can be found in Sustainability Report 2022; Annex pages 144.</p>



Principle 3 - Clients and Customers

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

3.1	Client engagement	Response	Links and reference
	Does your bank have a policy or engagement process with clients and customers[1] in place to encourage sustainable practices?		
	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	In Progress	
	Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?		
	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	In Progress	
	Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities[2]). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.	<p>The Bank's core product offering enables sustainable economic activities through an exclusion list that prohibits the funding of sectors that are against Shariah principles and risk counteracting society's goals. The Bank never uses its funds and customer savings, or approves property finance, if it supports industries such as alcohol, gambling, adult entertainment, tobacco or weapons and military equipment. (SDG 16 Peace, Justice and Strong Institutions, SDG 3 Good Health and Wellbeing and SDG 9 Decent Work and Economic Growth). More details on how we engage with our various stakeholders can be found in the Sustainability Report 2022: Stakeholder Engagement.</p> <p>In 2022, the Bank introduced its first customer newsletter. Since its introduction in July 2022, we reached out to 9,066 customers in July, and 11,365 customers in November 2022. Through the newsletter, we created awareness on topics such as EPC ratings and how to save household energy.</p> <p>Both these topics directly relate to the Bank's Net Zero Home Finance strategy. Through the November newsletter, we also carried out a customer survey to understand the financial confidence and wellbeing of our customers. This is also an impact area for the Bank under Financial Health and Inclusion.</p>	<p>Gatehouse Bank Sustainability Report; Stakeholder engagement page 12.</p> <p>Gatehouse Bank Sustainability Report 2022; Stakeholder engagement; page 12.</p> <p>Gatehouse Bank Sustainability Report 2022;Financial Health and Inclusion; page 56.</p> <p>Gatehouse Bank Sustainability Report 2022; Preventing Financial Crime; page 81.</p>



3.1	Client engagement	Response	Links and reference
		<p>230 customers responded to the survey. More details on the outcome of the survey can be found in Gatehouse Bank Sustainability Report 2022: Financial Health and Inclusion.</p> <p>The Bank is committed to the fair treatment of customers and adheres to preventing and safeguarding our customers from financial crime and fraud. More information on fair treatment of customers and preventing financial crime can found in the Gatehouse Bank's Sustainability Report 2022: Preventing Financial Crime.</p>	
	This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).		

3.2	Business opportunities	Response	Links and reference
	<p>Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g., green mortgages – climate, social bonds – financial inclusion, etc.).</p>	<p>To drive our Net Zero Home Finance strategy, the Bank saw a business opportunity to increase positive impact through its home financing and launched its Green Home Finance product range in April 2022.</p> <p>The Bank's green home finance products are designed to support UK homebuyers and landlords who are purchasing or refinancing a more energy efficient home, with EPC ratings A or B. They offer customers the opportunity to access reduced monthly payments and offset the carbon emissions of their homes as long as they remain customers of the Bank.</p> <p>In 2021, the Bank launched its Woodland Saver Accounts to generate UK woodland growth and forests (SDG 15 Life on Land). As a result, in the last two years, 2021 and 2022, the Bank planted over 20,000 trees on behalf of its customers.</p> <p>Furthermore, having recognised an opportunity to drive financial health and inclusion and support its customers to be more digitally aware, the Bank launched a digital savings app to provide easy access to its services and encourage the use of technology for banking purposes.</p> <p>The Bank also relaunched its Easy Access savings account with a minimum deposit of £1, thereby creating an opportunity for younger people aged 18- 30 to start saving.</p> <p>The Bank's total Home Finance portfolio makes up 94% of all financing, of which 33% accounts for green home finance. The Bank's retail deposit taking activity accounts for 98% of its portfolio, of which 62% accounts for its Woodland Saver Accounts.</p>	<p>More information on Business Opportunity in Climate can be found in Sustainability Report 2022 ; Environment page 35 and Business Opportunity in Financial Health and Inclusion can be found in Sustainability Report 2022, Financial Health and Inclusion page 56.</p> <p>Details of wood land saver account can be found in: <a href="https://www.gatehousebank.com/personal/savings">https://www.gatehousebank.com/personal/savings</a></p>
Footnotes	[11] A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.		
Footnotes	[12] Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.		



Principle 4 - Stakeholders

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

4.1	Stakeholder identification and consultation	Response	Links and reference
	"Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups) you have identified as relevant in relation to the impact analysis and target setting process?	Yes, more details of how Gatehouse Bank engages with stakeholders can be found in the 'Our Stakeholders' and the 'Memberships and Affiliations' sections of this report.	Gatehouse Bank Sustainability Report 2022; Our Stakeholders, page 12 and Partnerships and Affiliations, page 87.
	Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.	<p>The Bank recognises that it is part of a global community and is committed to strengthening its network and deepening its engagement with sustainability issues and partnering with like-minded organisations to achieve society's goals.</p> <p>Details of how Gatehouse Bank engages with stakeholders is set out in the 'Our Stakeholders' and the 'Memberships and Affiliations' sections of this report. Input and insight from the Bank's stakeholders including colleagues, customers, investors, government/regulators, industry and civil society is sought through engagements, partnerships, surveys, and research. This informs the Bank's material sustainability topics and the Bank's implementation of the UN PRB's principles and wider sustainability agenda.</p>	
Footnotes	[13] Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations		



Principle 5 - Governance & Culture

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

5.1	Governance Structure for Implementation of the Principles	Response	Links and reference
	Does your bank have a governance system in place that incorporates the PRB? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<p>Yes. Our Board of Directors and Executive Committee are committed to maintaining high standards of corporate governance. As an ethical and responsible Bank, it is imperative that we keep our stakeholders informed of all our activities and that our financial disclosures meet high standards. We are committed to abiding by the laws and fulfilling all our regulatory requirements.</p> <p>We are also governed by a strong code of ethics, which is necessary in providing clear parameters about acceptable principles within which our staff, at all levels, are empowered to act and make decisions. The Bank has made significant progress in strengthening sustainability in the Bank with a Board-approved Environmental Social Governance Steering Group headed by the CEO. The steering group comprises of a Board-approved Non-Executive Director, a few members of ExCo, Board members and direct reports to ExCo, while the Board has an oversight of all areas pertaining to ESG. The steering group meets quarterly to provide leadership and direction in steering the Bank's ESG matters and monitors the progress made against the targets set. For more information, please refer to Gatehouse Bank's Annual Report 2022 and Sustainability Report 2022.</p>	Gatehouse Bank Website <a href="https://www.gatehousebank.com/our-shariah-approach">https://www.gatehousebank.com/our-shariah-approach</a> Gatehouse Bank Annual Report 2022 Gatehouse Bank Sustainability Report 2022; Governance, page 18.
	"Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the principles. This includes information about • which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to)	<p>As a Shariah-compliant Bank, Gatehouse has policies and procedures in place which ensure its activities comply with Shariah principles, including not financing industries with the potential to cause harm to society and risk counteracting society's goals. The Bank's compliance with Shariah principles is overseen by its Shariah Supervisory Board, which is comprised of independent Shariah finance experts.</p> <p>The Bank has an ESG Steering Group in place which is headed by the CEO. It comprises of members made from Executive Committee and External Directors. They monitor sustainability issues at the Bank quarterly and are responsible for setting and tracking the performance of Sustainability-related targets and commitments and the UN PRB's targets and commitments.</p>	Gatehouse Bank Annual Report 2022 Sustainability Report 2022; page 18.

5.1	Governance Structure for Implementation of the Principles	Response	Links and reference
	<ul style="list-style-type: none"><li>• details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as</li><li>• remuneration practices linked to sustainability targets."</li></ul>	The ESG Steering Group reports to the Executive Management Committee (ExCo) and the ESG Steering Group's meeting minutes are shared with ExCo, who meet monthly. The Board has overall responsibility for the Bank's governance. Independent Non-Executive Directors and external auditors provide regular structured audits of the governance framework and sustainability.	

5.2	Promoting a culture of responsible banking:	Response	Links and reference
	Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion	As part of our new staff induction process, all new recruits undergo one hour of mandatory training on 'Responsible Banking'. The session includes topics on environment, social, economic and governance. It makes them aware of the challenges and what role they could play by being a 'force for good'. There are also training programs offered on allyship, diversity and inclusion, vulnerable customers and various other mandatory trainings.	For more details please refer to Gatehouse Bank Sustainability Report 2022- People and Culture; learning and development page 27.

5.3	Policies and due diligence processes	Response	Links and reference
	<p>“Does your bank have policies in place that address environmental and social risks within your portfolio? Please describe.</p> <p>Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/ salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.”</p>	<p>The Bank has a Risk Management Framework, Compliance Monitoring Framework, Anti-Bribery and Corruption Policy, and mandatory annual training on regulatory requirements such as financial crime. The Bank also conducts regular compliance reviews and conducts due diligence on important suppliers.</p> <p>The Board holds responsibility for the Bank’s sustainability strategy and the ESG Steering Group monitors the progress against the targets made and provides strategic direction to deliver on the UN PRB’s commitment and drive the Bank’s sustainability strategy forward.</p> <p>Compliance monitoring and annual risk assessment of bribery and corruption is done through the MLRO report. With regards to Climate Risk specifically, we as a Bank have a business model of collecting savings deposits and financing residential property purchases. There is no exposure to fossil fuel intensive industries. The Bank’s principal risks include credit risk, market risk, operational risk, strategic risk, regulatory risk and conduct risk.</p> <p>For climate risk, our key concerns in 3-5 years include compliance with existing regulatory requirements (as and when they come into effect), improving EPC ratings on residential properties and any new regulations that may come about suddenly without giving us much time to transition. Our social risk is around the cost-of-living crisis, and its impact on our business and customers. We support our customers facing financial hardship through our vulnerable customer policy. More details around how we support our customers can be found in Gatehouse Bank’s Sustainability Report 2022: Supporting Vulnerable Customers.</p> <p>With regards to Governance, the Board’s Risk and Compliance Committee meet quarterly and take an overview of entire risk.</p> <p>The Bank’s ESG Steering Group meets quarterly to review on progress made against the UN PRB and Sustainability targets and give strategic insights.</p>	<p>Gatehouse Bank’s website <a href="https://www.gatehousebank.com/governance">https://www.gatehousebank.com/governance</a></p> <p>Gatehouse Bank Sustainability Report 2022: Climate Risk, page 50.</p> <p>Gatehouse Bank Sustainability Report 2022: Supporting Vulnerable Customers, page 75.</p>
Footnotes	<p>[14] Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.</p>		

5.3	Policies and due diligence processes	Response	Links and reference
	Self-assessment summary		
	Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank’s governance system?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Yes	
	Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Yes	
	Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?		
	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	Yes	





Principle 6 - Transparency and Accountability

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

6.1	Assurance	Response	Links and reference
	Has this publicly disclosed information on your PRB commitments been assured by an independent assurer? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> Partially <input type="checkbox"/> No If applicable, please include the link or description of the assurance statement.	Yes	The assurers' statement can be found here page 102.

6.2	Reporting on other frameworks	Response	Links and reference
	Does your bank disclose sustainability information in any of the listed below standards and frameworks? GRI <input type="checkbox"/> SASB <input type="checkbox"/> CDP <input type="checkbox"/> IFRS Sustainability Disclosure Standards (to be published) <input type="checkbox"/> TCFD <input type="checkbox"/> Other: .....	GRI	Gatehouse Bank Sustainability Report 2022 in accordance with GRI. Please see Assurer's statement on page 102.

6.3	Outlook	Response	Links and reference
	What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis[1], target setting[2] and governance structure for implementing the PRB)? Please describe briefly.	The Bank aims to review its materiality topics for 2023 to ascertain whether there are new topics that need to be further considered for inclusion in the Bank's significant impact areas. The Bank will continue to deliver, monitor and report against all sustainability and the UN PRB's commitments. The ESG steering group will continue to meet quarterly to monitor and provide strategic leadership and direction in driving the Bank's sustainability agenda and the UN PRB's commitment. In the Net Zero Home Finance sector, the Bank will undertake an assessment in 2023 to ascertain its emission based on the baseline year 2022 portfolio and will include other streams of business within Gatehouse Bank i.e., Build to Rent and Ascend to determine emissions and reduction pathways aligned to the Paris Climate Agreement. The Bank will commence its financial education project for its customers and community in 2023 and measure the impact it has on learning levels.	Gatehouse Banks Annual Report 2022 Gatehouse Bank's PLC Sustainability Report 2022.
Footnotes	[15] For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement.		
Footnotes	[16] For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.		

6.4	Challenges	Response	Links and reference
	Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks. What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question). If desired, you can elaborate on challenges and how you are tackling these <input type="checkbox"/> Embedding PRB oversight into governance <input type="checkbox"/> Gaining or maintaining momentum in the bank <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning <input type="checkbox"/> Conducting an impact analysis <input type="checkbox"/> Assessing negative environmental and social impacts <input type="checkbox"/> Choosing the right performance measurement methodology/ies <input type="checkbox"/> Setting targets <input type="checkbox"/> Other: ... <input type="checkbox"/> Customer engagement <input type="checkbox"/> Stakeholder engagement <input type="checkbox"/> Data availability <input type="checkbox"/> Data quality <input type="checkbox"/> Access to resources <input type="checkbox"/> Reporting <input type="checkbox"/> Assurance <input type="checkbox"/> Prioritizing actions internally	Out of these, engaging customers for driving sustainability is a challenge. As a strategic stakeholder engagement process, we have started the engagement from 2022, through our customer newsletters and surveys. However, as a Bank, we realise that in order to achieve our Net Zero targets in home finance, customer engagement, their buy in and behaviour change is very crucial. In 2023, the Bank aims to introduce a Shariah-complaint additional finance, which will be available to customers who wish to improve the energy efficiency of their homes. During the current cost-of-living crisis, the number of customers willing to undertake such measures however is challenging to ascertain. Through our customer newsletter and other methods such as surveys and focus group discussions the Bank will continue to engage with its customers to seek their support and engagement in delivering on the Bank's sustainability agenda and commitment to the UN PRB. The Bank will also engage with other peer banks and financial institutions and third sectors such as Energy Saving Trust to learn from their methods, engagement strategies, sharing knowledge and creating awareness.	

6.4	Challenges	Response	Links and reference
	If desired, you can elaborate on challenges and how you are tackling these:		

References

<sup>1</sup> Portfolio Impact Tool - [https://www.unepfi.org/positive- impact/unep-fi-impact-analysis-tools/portfolio-impact-tool/](https://www.unepfi.org/positive-impact/unep-fi-impact-analysis-tools/portfolio-impact-tool/)

<sup>2</sup> Gatehouse Bank PLC Sustainability Report 2022

<sup>3</sup> <https://dashboards.sdgindex.org/profiles>

<sup>4</sup> <https://gatehousebank.com/downloads/Gatehouse-Bank-Sustainability-Report-2021-V2.pdf>

<sup>5</sup> <https://www.gov.uk/government/publications/green-finance-strategy>

<sup>6</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/936660/improving-home-energy-performance-through-lenders-impact-assessment.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/936660/improving-home-energy-performance-through-lenders-impact-assessment.pdf)

<sup>7</sup> <https://www.fincap.org.uk/en/articles/financial-capability-survey>

<sup>8</sup> <https://www.fincap.org.uk/en/insights/financial-capability-in-the-uk--results-from-the-2018-survey>

<sup>9</sup> <https://www.ons.gov.uk/peoplepopulationandcommunity/wellbeing/bulletins/personalandeconomicwellbeingintheuk/may2021>

<sup>10</sup> <https://dashboards.sdgindex.org/chapters>

<sup>11</sup> <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/01/UK-Strategy-for-Financial-Wellbeing-2020-2030-Money-and-Pensions-Service.pdf>

<sup>12</sup> <https://www.ipcc.ch/2021/08/09/ar6-wg1-20210809-pr/>

<sup>13</sup> [https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/1031805/CCS0821102722-006\\_Green\\_Finance\\_Paper\\_2021\\_v6\\_Web\\_Accessible.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1031805/CCS0821102722-006_Green_Finance_Paper_2021_v6_Web_Accessible.pdf)

<sup>14</sup> <https://www.greengage-env.com/>

<sup>15</sup> <https://www.fincap.org.uk/en/articles/financial-capability-survey>

<sup>16</sup> <https://www.ukyouth.org/wp-content/uploads/2020/10/Building-the-UKs-financial-wellbeing-in-the-light-of-Covid-19-FINAL-1.pdf>

<sup>17</sup> <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/01/UK-Strategy-for-Financial-Wellbeing-2020-2030-Money-and-Pensions-Service.pdf>

<sup>18</sup> <https://www.greengage-env.com/>

<sup>19</sup> <https://www.fincap.org.uk/en/articles/financial-capability-survey>

<sup>20</sup> <https://www.ukyouth.org/wp-content/uploads/2020/10/Building-the-UKs-financial-wellbeing-in-the-light-of-Covid-19-FINAL-1.pdf>

<sup>21</sup> <https://moneyandpensionsservice.org.uk/wp-content/uploads/2020/01/UK-Strategy-for-Financial-Wellbeing-2020-2030-Money-and-Pensions-Service.pdf>

<sup>22</sup> <https://gatehousebank.com/downloads/Gatehouse-Bank-Sustainability-Report-2021-V2.pdf>

<sup>23</sup> <https://gatehousebank.com/personal/savings/easy-access>

<sup>24</sup> [file:///O:/reading%20Resource/Net%20Zero%20Homes%20Report%202022%20\(002\).pdf](file:///O:/reading%20Resource/Net%20Zero%20Homes%20Report%202022%20(002).pdf)



# Annex - Climate Change Mitigation

## Gatehouse Bank and the Environment



Impact area	Practice (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	A.1.1	<b>Climate strategy:</b> Does your bank have a climate strategy in place?	Yes / In progress / No  Yes, the home finance portfolio has a Net Zero target in place	A.2.1	<b>Client engagement process:</b> Is your bank in an engagement process with clients regarding their strategy towards a low(er)-carbon business model (for business clients), or towards low(er)-carbon practices (for retail clients)?	Yes / Setting it up / No;  <i>If yes:</i>  Please specify for which clients (types of clients, sectors, geography, number of clients etc.)  Yes – The bank is in the process of engaging clients and customers. We are currently engaging with clients through our sustainable procurement policy, where the Bank is trying to communicate, as well as understand and manage the environmental and social aspects of its supply chain. Since the policy was approved in 2021,(applicable to all the new suppliers being onboarded from 2021 onwards), we reviewed the data being collected on the sustainability matrix in 2022.  Further to the review, we observed that there was a scope to improve on the quality of data that was being collected from suppliers.

			Impact		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A.3.1	<b>Financial volume of green assets/low-carbon technologies:</b> How much does your bank lend to/ invest in green assets / loans and low-carbon activities and technologies?	bln/mn USD or local currency, and/or % of portfolio;  please specify the definition of green assets and low-carbon technologies used.  33% of our total residential property finance accounts for green home finance.	A.4.1	<b>Reduction of GHG emissions:</b> how much have the GHG emissions financed been reduced?	% over time; baseline and tracking GHG emissions in kg of CO2e (or applicable metrics) <sup>17</sup> .  The bank launched a green home finance product range in 2022. The products are designed to incentivise new and existing customers, to invest in homes with a higher energy efficiency rating (EPC A and B only). Due to the products having been launched in 2022, we do not have sufficient data to suggest a clear trend in the reduction of GHG emissions. However, it being known that properties with a higher efficiency rating have low greenhouse gas emissions, we hope to start seeing and capturing a progression towards more energy efficient homes being financed from 2023 onwards.  We are also working closely with our Shariah team to introduce additional finance for our customers in order to enable them to make their homes more energy efficient by adopting low carbon technologies such as solar or heat pump.



Annex - Climate Change Mitigation  
(Continued)

Impact area	Practice (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	A.1.1			A.2.1		<p>Hence a proposal to revise the supplier onboarding form was submitted to our Executive Committee in December 2022, which has not yet been approved. We will now be able to more accurately and objectively capture ESG specific data provided by the suppliers and the Bank will be better able to work and align with the suppliers who align with the Bank's responsible business values and net zero commitments.</p> <p>We also reached out to our customers through our customer newsletter, reaching 9,066 customers in July 2022 to educate about EPC ratings, and 11,365 customers in November 2022 to educate on energy saving tips in their homes and how to save energy and money.</p>

			Impact		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A.3.1			A.4.1		

Annex - Climate Change Mitigation  
(Continued)

Impact area	Practice (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	A.1.2	<b>Paris alignment target:</b> Has your bank set a long-term portfolio-wide Paris-alignment target? To become net zero by when?	Yes / In progress / No;  If yes:  - please specify: to become <b>net zero</b> by when?  - <b>Emissions baseline / base year:</b> What is the emissions baseline / base year for your target?  <b>Climate scenario used:</b> What climate scenario(s) aligned with the Paris climate goals has your bank used?  Yes  As a founding signatory to the UN PRB, the Bank has aligned its home finance portfolio to the temperature goals set out by the Paris Climate Agreement and is committed to achieve Net Zero by 2050. (The base year of our target was 2020)  - please specify: to become <b>net zero</b> by when?	A.2.2	<b>Absolute financed emissions:</b> What are your absolute emissions (financed emissions = scope 3, category 15) in your lending and/ or investment portfolio?  <i>(please also disclose what is excluded for now and why)</i>  4,374 tCO <sub>2</sub> e (Baseline year 2020)  This comprises our home finance portfolio - Home Purchase Plans and Buy-to-Let.  This doesn't include Build to Rent, as this business area was still in its early stages at this point. The Bank will continue to reassess the entirety of its home finance portfolio in 2023 along with a clear strategy for its Build to Rent portfolio, which now falls under the Gatehouse Investment Management umbrella, as of early 2023.	Total GHG emissions or CO <sub>2</sub> e

			Impact		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A.3.2	<b>Financial volume lent to / invested in carbon intensive sectors and activities and transition finance:</b> How much does your bank lend to / invest in carbon-intensive sectors and activities <sup>18</sup> ? How much does your bank invest in transition finance <sup>19</sup> ?	bln/mn USD or local currency, and/or % of portfolio  In our lending portfolio: 6% is commercial finance (which the Bank has discontinued since 2021). The Bank's home finance portfolio makes up 94% of all financing of which 33% accounts for green home finance (transition finance).	A.4.2	<b>Portfolio alignment:</b> How much of your bank's portfolio is aligned with Paris (depending on the target set [A.1.2] either 1.5 or 2 degrees)?	% of portfolio ( <i>please specify which portfolio; for corporate and business clients: % of sectors financed</i> )  Out of the Bank's entire portfolio, 94% is the home finance portfolio in 2022.  Home finance portfolio aligned by the Bank to the Paris Agreement was based on the 2021 data, which was then 80% of the portfolio of the Bank.

Annex - Climate Change Mitigation  
(Continued)

Impact area	Practice (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	A.1.2		<p>The Bank is committed to be Net Zero by 2050 for the Home Finance Portfolio.</p> <p>- <b>Emissions baseline / base year:</b> What is the emissions baseline / base year for your target?</p> <p>The emissions baseline year is 2020.We consulted with independent sustainability experts, Greengage, to assess the findings and create an emissions reduction strategy for the Bank. They advised us that the best methodology to adopt to appropriately align the portfolio with the temperature goals of the Paris Climate Agreement and avoid runaway climate change would be the Absolute Contraction Methodology, defined as an overall reduction in the amount of greenhouse gas emissions emitted to the atmosphere, relative to the base year.</p>	A.2.2		

			Impact		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A.3.2			A.4.2		



Annex - Climate Change Mitigation  
(Continued)

Impact area	Practice (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	A.1.2		<p>(For more details, please refer to Gatehouse Bank Sustainability Report 2022, Section – Environment.)</p> <p>- <b>Climate scenario used:</b> What climate scenario(s) aligned with the Paris Climate goals has your bank used?</p> <p>The Bank assessed several scenarios that look at internal factors within the Bank's control, such as customer incentives, product design and engagement as well as external factors largely outside of our control, like trends in consumer behaviour and climate technology solutions.</p> <p>Greengage advised the Bank of the best methodology to adopt to appropriately align the portfolio with the temperature goals of the Paris Climate Agreement and avoid runaway climate change would be the Absolute Contraction Methodology,</p>	A.2.2		

			Impact		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A.3.2			A.4.2		

Annex - Climate Change Mitigation  
(Continued)

Impact area	Practice (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	A.1.2		defined as an overall reduction in the amount of greenhouse gas emissions emitted to the atmosphere, relative to the base year.	A.2.2		
	A.1.3	<b>Policy and process for client relationships:</b> has your bank put in place rules and processes for client relationships (both new clients and existing clients), to work together towards the goal of transitioning the clients' activities and business model?	Yes / In progress / No  In progress.  Please refer above to A.2.1. In 2023, the Bank intends on developing this further to also include brokers who are very critical stakeholders.	A.2.3	<b>Sector-specific emission intensity</b> (per clients' physical outputs or per financial performance): What is the emissions intensity within the relevant sector?	<p>Please specify which sector (depending on the sector and/ or chosen metric): kg of CO<sub>2</sub>e/ kWh, CO<sub>2</sub>e / m<sub>2</sub>;</p> <p>kg of CO<sub>2</sub>e/USD invested, or kg of CO<sub>2</sub>e/revenue or profit</p> <p>The Bank has two large portfolios: Home Finance and Savings. The Home Finance portfolio was assessed in 2020 with 4,374 tCO<sub>2</sub>e.</p> <p>(4374/2,085,000) = profit after tax for 2020 = 0.00209784...)</p> <p>In 2023, we will reassess the CO<sub>2</sub> emission for residential finance and Gatehouse Investment Management.</p>

			Impact		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A.3.2			A.4.2		

Annex - Climate Change Mitigation  
(Continued)

Impact area	Practice (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	A.1.4	<b>Portfolio analysis:</b> Has your Bank analyzed (parts of) its lending and/ or investment portfolio in terms of financed emissions (Scope 3, category 15); technology mix or carbon-intensive sectors in the portfolio?	Yes  <i>If yes:</i>  please specify which parts of the lending and investment portfolio you have analysed.  Yes, the bank has analysed its home finance portfolio to conclude an emission rate of 4,374 tCO2e in 2020.	A.2.4	<b>Proportion of financed emissions covered by a decarbonization target:</b>  What proportion of your Bank's financed emissions is covered by a decarbonization target, i.e. stem from clients with a transition plan in place?	%  <i>(denominator: financed emissions in scope of the target set)</i>  How much is our % of home finance in portfolio. In 2022, our financing consisted of approximately 1.12bn (63m in commercial finance and 1.06bn in residential finance) and in deposits – 1.17bn.  Our decarbonisation target (net zero target) is based on the financed emission for residential properties, which is 1.06bn.
	A.1.5	<b>Business opportunities and financial products:</b> Has your bank developed financial products tailored to support clients' and customers' reduction in GHG emissions (such as energy efficient mortgages, green loans, green bonds, green securitizations etc.)?	Please specify which ones, and what financial volume and/or % of the portfolio they account for  Yes  The Bank launched a green home finance product range in April 2022. The products are designed to incentivise customers, both existing and new, to invest in homes with a higher energy efficiency ratings (EPC A and B only).			

			Impact		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics



Annex - Climate Change Mitigation  
(Continued)

Impact area	Practice (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	A.1.5		<p>Gatehouse also offsets the carbon impact of the property during the initial fixed rental rate period of the product and continue to offset the carbon footprint of the property for however long a customer remains with the Bank, subject to their property meeting the required EPC rating of any green products chosen at that time. The Bank received a total of 93 applications for green home finance in 2022, out of which 16 were successfully completed.</p> <p>The Bank also has a Woodland Saver account which was launched in 2021 and supports woodland growth in the UK. For more information, please refer to the Gatehouse Bank Sustainability Report 2022, Environment.)</p>			

			Impact		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics

# Annex - Financial Health and Inclusion

The UN PRB and the working group on Financial Health and Inclusion produced a set of indicators for assessing the impact of Financial Health & Inclusion. These indicators will support in showing progress against PRB implementation. A Theory of Change approach has been used to develop the set of indicators below. The Theory of Change shows the pathway to impact and considers the relationship between inputs, actions, outputs and outcomes in order to achieve impact. The Theory of Change allows us to identify metrics and set targets which align with a bank's maturity. The indicators below are connected to a bank's impact and can be considered as steps towards measuring impact.

Impact area	Practice <sup>9</sup> (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
A. Financial health	B.1.1 *	# of products and services in the portfolio with a focus on financial health	Internal data based. Measures how many of the products and services in the portfolio have a financial health focus. We deem a product or service to have this focus when it facilitates decision making and supports financial health increase based on our definition of financial health. This covers products and services embedded with nudges to simplify decision making, round-up, high yield savings accounts, easy investment tools, etc.	B.2.1 *	# of individuals supported with dedicated and effective financial and/or digital education initiatives	Based on internal data. Measures the number of users (customers and non-customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group).
			All our products have a focus on Financial Health and Inclusion as part of Financial Conduct Authority's regulation on, Treating Customers Fairly.			Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual, so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.

			Impact <sup>10</sup>		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B.3.1 *	% of individuals with a good and/or very good level of financial skills	Assessment based.  Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.  Once the financial education Program is rolled out for Bank's, customers and the community in 2023, we will be able to measure and report on the level of learning acquired, subject to them completing the assessment.	B.4.1	% of customers with a high level of financial health	Survey and/or transactional data based. Measures the percentage of customers with a high level of financial health according to the score chosen by the financial institution.  The Bank conducted a survey through its customer newsletter, delivered to 11,365 customers. Out of this, 6,659 customers opened the newsletter and 230 customers responded.  From the survey, we cannot ascertain the level of financial health of our customers. However, 79% of total customers who responded to the survey feel confident about their financial situation for the next 12 months.

Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>9</sup> (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	B.1.1 *		<p>Our Easy Access product has a greater focus on financial health and inclusion which was launched in 2021 with a minimum deposit of £1 as against earlier with an intention to attract more savers, particularly younger people, as it removed barriers to begin saving.</p> <p>The same was removed from the market as we received 95 million applications in a very short span, which posed a high risk to the bank. Easy Access Cash ISA.</p>	B.2.1 *		<p>The Bank will launch its financial education Program for its customers and community in 2023.</p> <p>In 2022 the Bank engaged in dialogue and conversation with various organisations to understand various aspects involved in imparting and evaluating such programs.</p>
	B.1.2 *	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results	B.2.2 *	% of customers actively using the online/mobile banking platform/ tools	<p>Transactional data-based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools).</p> <p><b>Mobile App:</b> In 2022, the Bank's baseline revealed</p>

			Impact <sup>10</sup>		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B.3.1 *			B.4.1		
B.3.2 *	% of customers who use the bank's services to create a financial action plan with the bank	<p>Transactional and/or survey data based. Measures the percentage of customers who create a financial action plan with the Bank using the Bank's services. A financial action plan is anything that helps the customer build financial resilience. It is done "with the bank" if the bank can visualise, through the transactions of the customer, the results of the plan.</p> <p>The Bank conducted a</p>	B.4.2	% of customers for which spending exceeded 90% of inflows for more than 6 months last year	<p>Survey and/or transactional data based. Measures the percentage of customers with a transaction account and/or savings/ investment accounts for which spending exceeded 90% of inflows for more than 6 months in the year within the reporting period compared to the total of customers within the PRB's scope. Focus on main financial institution customers.</p> <p>The Bank only offers</p>



Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>9</sup> (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	B.1.2 *		<p>of stronger skills, and thus, any individual that is supported by the initiative will achieve the desired results. Relevant employees are those the bank prioritises in the training program due to their direct impact on the customers' financial health.</p> <p>100% of all direct advisors must hold the full CEMAP (or equivalent) qualification before starting their role. They operate under a regulated training and competency scheme and have regular quality checks undertaken and training provided that can be evidenced via their training and competency records. All advisors must obtain and maintain competency as per the requirement of the scheme and this must be demonstrated on a continual basis to maintain competency.</p> <p>An annual product and suitability</p>	B.2.2 *		<p>that between June and December 2022, the Bank had 5,318 customers registered on the mobile app and on average, there were 15,480 logins in this 6-month span.*</p> <p><b>Online Banking:</b> 100% of our customers have access to online banking as it's a mandatory requirement. The average logins between June and December for online banking were 11,274. Based on the above, the Bank has set targets to improve active and consistent use of its mobile app by its customers.</p>

			Impact <sup>10</sup>		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B.3.2 *		<p>survey through its customer newsletter, delivered to 11,365 customers. (Only where the marketing preferences allow). Out of this, 6659 customers opened the newsletter, and 230 customers responded.</p> <p>As part of the survey, the following question was asked:</p> <p><i>"Do you want Gatehouse Bank to assist you with information that will enable you to anticipate important financial steps in your life?"</i></p> <p>As a response to this, 35% responded with yes/maybe, with regards to requiring some assistance.</p>	B.4.2		<p>savings accounts, it is not in a position to report on the above indicator.</p>

Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>9</sup> (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	B.1.2 *		knowledge test must be passed within three attempts. There are three competent supervisors who provide support and training to ensure advisors remain competent.  At the end of 2022, all advisors held competent advisor status.	B.2.2 *		
	B.1.3	# of partnerships active to achieve financial health and inclusion targets	Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the reportcommentary.  The Bank has been actively speaking to organisations such as Money and Pension Services and charities such as Money Works and MyBnk to gain a deeper understanding of imparting financial education to			

			Impact <sup>10</sup>		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B.3.2			B.4.2		
B.3.3	% of customers using overdraft regularly	Transactional data based. Measures the percentage of customers using the overdraft option in their accounts or credit cards, regularly. Overdraft can be used to handle unexpected emergencies but more than 1/3 of the year (banks may deviate if proper reasons are provided) denotes regularity and a precursor to lower financial health.  The bank does not provide this service.	B.4.3	% of customers that feel confident about their financial situation in the next 12 months	Survey based data. Measures the percentage of customers that answered positively to feeling confident about their financial situation in the next 12 months compared to the total number of customers surveyed. By confident we mean not feeling worried about their financial situation.  The Bank conducted a survey through its customer newsletter, delivered to 11,365 customers. (Only where the marketing preferences allow). Out of this, 6,659 customers opened the newsletter, and 230 customers responded.  Of the 230 customers who responded, 79% said they felt confident

Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>9</sup> (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	B.1.3		customers and communities. That apart, the Bank has also joined the Financial Education Committee, led by UK Finance wherein the Bank will work along with other leading banks and financial institutions to understand and deliver financial education to customers and community in 2023.			

			Impact <sup>10</sup>		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B.3.3			B.4.3		about their financial situation in the next 12 months.
B.3.4	% of customers with a non-performing loan	Transactional data based. Measures the percentage of customers with past-due loans ("past due" defined by individual policies at each bank) compared to the total amount of customers with loans in the bank's lending portfolio.  0.72% of our customers have non-performing finance.	B.4.4	% of customers with products connected to long-term saving and investment plans	Transactional and/or survey data based. Measures the percentage of customers with products connected to long-term saving and investment plans. "Long-term" will depend on each bank's definition.  The Bank only offers savings products, which are designed to primarily help customers save and plan on a long-term basis.
B.3.5	% of customers showing an increase or stable amounts in savings, deposit and/or investment account balances, quarter on quarter.	Transactional data based. Measures the percentage of customers showing an increase or stable amounts in savings and/or deposit AND/OR investment accounts balances, quarter on quarter.	B.4.5	% of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense	Survey based data. Measures the percentage of customers that would struggle to raise emergency funds or cover with insurance a major unexpected expense. We consider a major unexpected expense, one that the



Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>9</sup> (pathway to impact)					
	1. Action indicators			2. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics

<sup>5</sup> For more information on these products, please refer to the Gatehouse Bank website at: [gatehousebank.com/personal/savings](https://gatehousebank.com/personal/savings)

			Impact <sup>10</sup>		
3. Outcome indicators			4. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
B.3.5		<p>Of the total 2,910 customers who accessed the savings product which lets customers save regularly, 219 customers (4.43%) saved and increased their balance for the duration they held the account for the year 2022. Out of these 219 customers, 8 (0.27% of total 2,910 saving customers) were of age 30 and under, who showed regular savings habits and an increase in their balance.</p> <p><i>**This data is only for customers who opened accounts with the Bank prior to April 2022, as after this date we didn't have enough data to quantify if their savings were regular.</i></p>	B.4.5		<p>customer hadn't planned for and would require them to spend more than what they have available for secondary expenses in their monthly budget or 1/20th of the country's Gross National Income (banks may deviate if proper reasons are provided). A good example is: unforeseen medical bills, large appliance malfunctioning, car repair, etc. Survey based using the question: "If a major unexpected expense arises, how can you cover it right now?" and give the multiple choice options of insurance, emergency funds, loan, credit card, family/friends, etc.</p> <p>Based on a survey conducted in 2022, we asked our customers "If you had to cover an unexpected expense of more than £500 tomorrow, how would you cover it?"</p> <p>94% of those who responded said they would use personal savings and 6% also said they had insurance that covers emergencies.</p>

<sup>6</sup> For more information on these products, please refer to the Gatehouse Bank website at: [gatehousebank.com/personal/savings](https://gatehousebank.com/personal/savings)

Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>11</sup> (pathway to impact)					
	5. Action indicators			6. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
C. Financial health	C.1.1 *	# of products and services in the portfolio with a focus on financial inclusion	<p>Internal data based. Measures how many of the products and services in the portfolio have a focus on financial inclusion. We deem a product or service to have this focus when its design facilitates the access and usage by the prioritized customer. For example, no-fee savings account, low interest microloan, offline access or sim-based banking apps, etc.</p> <p>We are not able to offer children's products due to third party limitations. We only offer savings and home finance products which are Shariah compliant and all our saving products have a focus on financial inclusion.</p> <p>Our Easy Access accounts have a greater focus on financial inclusion which as launched with a minimum deposit of £1 as against earlier (£1000), with an intention to attract more savers,</p>	C.2.1	# of individuals supported with dedicated and effective financial and/or digital education initiatives	<p>Based on internal data. Measures the number of users (customers and non-customers) of financial and/or digital skills-building initiatives offered by the bank. An initiative encompasses courses, programs, training videos, articles, SMS education campaigns, etc. Dedicated means that the initiative was specially created for a defined group of individuals (in many cases a prioritized group). Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger financial skills, and thus, any individual that is supported with the initiative will achieve the desired results. A bank can't count a click as an individual so we encourage that the data is presented as # of individuals for deanonymized users and # of interactions for anonymized users.</p>

			Impact <sup>12</sup>		
7. Outcome indicators			8. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
C.3.1 *	% of individuals with a good and/or very good level of financial skills	<p>Assessment based. Measures the percentage of individuals with a good and/or very good level of financial skills according to the assessment chosen by the financial institution. Should be measured on individuals benefitting from the bank's financial education initiatives.</p> <p>Once the financial education program is rolled out for the Bank's, customers and the community in 2023, we will be able to measure and report on the level of learning acquired, subject to them completing the assessment.</p>	C.4.1	% of customers with 2 or more active financial products, from different categories, with the bank	<p>Transactional data based. Measures the percentage of customers with 2 or more active financial products, from different categories, with the bank. By active we mean there's at least one usage per month. By category we mean credit/debt, savings/deposit/payment, insurance, investment, etc. Once a target has been set for this indicator, we encourage banks to ensure responsible selling policies or other initiatives so that the target doesn't become a toxic incentive.</p> <p>79% of customers have product holding across different categories within the Bank's savings accounts, however the bank does not track customers from different financial products such as home finance and Savings.</p>

Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>11</sup> (pathway to impact)					
	5. Action indicators			6. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	C.1.1 *		particularly younger people, as they remove barriers to begin saving.	C.2.1		Financial education program to be rolled out to customers and non-customers in 2023.  In 2022, the Bank engaged in dialogue and conversation with various organisations such as Money and Pension services, MyBnk and MoneyWorks to understand various aspects involved in implementing and evaluating a financial education program for customers and non-customers.
	C.1.2 *	% of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health	Based on internal data. Measures the percentage of relevant employees supported with effective training on financial inclusion, responsible credit and/or financial health. Including training to attend the needs of prioritized groups. Effective means that the bank has measured if the initiative is successful in generating the desired results of stronger skills, and thus, any individual that is supported	C.2.2	% of customers with effective access to a basic banking product	Transactional data based. Measures the percentage of customers with effective access to a basic banking product. By effective we mean the usage beyond first access. Basic banking products vary by bank. Good examples are: checking accounts, payment accounts, credit cards, saving accounts, deposit accounts, e-money accounts, etc.  The Bank offers only savings

			Impact <sup>12</sup>		
7. Outcome indicators			8. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
C.3.1 *			C.4.1		
C.3.2	% of customers supported with dedicated customer journey/advisory services	“Transactional data based. Where dedicated customer journey/advisory services are in place for prioritized groups , this indicator measures the percentage of customers using such services. Depending on size of bank, either number or percentage can be the unit of measure.			



Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>11</sup> (pathway to impact)					
	5. Action indicators			6. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	C.1.2 *		<p>by the initiative will achieve the desired results. Relevant employees are those the bank prioritises in the training program due to their direct impact on the customers' financial health.</p> <p>100% of all direct advisors must hold the full CEMAP (or equivalent) qualification before starting their role. They operate under a regulated training and competency scheme and have regular quality checks undertaken and training provided that can be evidenced via their training and competency records. All advisors must obtain and maintain competency as per the requirement of the scheme and this must be demonstrated on a continual basis to maintain competency. An annual product and suitability knowledge test must be passed within three attempts. There are three competent supervisors who provide support and training to ensure advisors remain competent.</p>	C.2.2		<p>products and hence all savings customers have access to their savings products.</p>

			Impact <sup>12</sup>		
7. Outcome indicators			8. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
C.3.2 *		<p>Circa 35% of the Bank's home finance business came via the Direct Home Finance team. Every customer has a dedicated advisor and assistance from our support officers. All home purchase plan customers received full advice and recommendations on their transactions. In the event that a customer is deemed vulnerable, the team would follow the Bank's vulnerable customer policy, and guidelines.</p> <p>Savings is a non-advisory service.</p>			

Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>11</sup> (pathway to impact)																																			
	5. Action indicators			6. Output indicators																																
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics																														
	C.1.2 *		At the end of 2022, all advisors held competent advisor status.	C.2.2																																
	C.1.3	# of partnerships active to achieve financial health and inclusion targets	<p>Based on internal data. Measures the number of partnerships currently active to achieve financial health and inclusion targets. By active we mean that are currently undergoing actions and generating results. We suggest disclosing the results of the partnerships in the reportcommentary.</p> <p>The Bank has been actively speaking to organisations such as Money and Pension Services and charities such as MoneyWorks and MyBnk to gain a deeper understanding of imparting financial education to customers and communities. That apart, the Bank has also joined the Financial Education Committee, led by UK Finance wherein the Bank will work along with other leading banks and financial institutions to understand and deliver financial education to customers and community in 2023.</p>	C.2.3	# of new customers per month	<table><tr><td colspan="2">Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.</td></tr><tr><th>Month</th><th>New Customers</th></tr><tr><td>Jan</td><td>874</td></tr><tr><td>Feb</td><td>-78</td></tr><tr><td>Mar</td><td>-8</td></tr><tr><td>Apr</td><td>556</td></tr><tr><td>May</td><td>1289</td></tr><tr><td>Jun</td><td>100</td></tr><tr><td>Jul</td><td>10</td></tr><tr><td>Aug</td><td>778</td></tr><tr><td>Sep</td><td>1952</td></tr><tr><td>Oct</td><td>1457</td></tr><tr><td>Nov</td><td>1093</td></tr><tr><td>Dec</td><td>268</td></tr><tr><td>Total new customers</td><td>8291</td></tr></table>	Transactional data based. Measures the number of new customers per month. Once the bank sets a target, this indicator can become a KPI to measure the percentage of new customers from the prioritized groups, per month.		Month	New Customers	Jan	874	Feb	-78	Mar	-8	Apr	556	May	1289	Jun	100	Jul	10	Aug	778	Sep	1952	Oct	1457	Nov	1093	Dec	268	Total new customers	8291
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			Impact <sup>12</sup>		
7. Outcome indicators			8. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
C.3.2 *					
C.3.3 *	% of customers actively using the online/mobile banking platform/tools	<p>Transactional data based. Measures the percentage of customers logging in, at least once a month, to one of the following digital platforms (measure those applicable for your bank): Online internet banking and/or mobile phone banking and/or digital tools (including financial health tools, if applicable).</p> <p><b>Mobile App:</b> In 2022, the Banks baseline has revealed that, between June and December 2022, the Bank has 5,318 customers registered on the mobile app and on an average, there have been 15,480 logins in this 6-month span.*</p> <p><b>Online Banking:</b> 100% of our customers have access to online banking as it's a mandatory requirement. The average logins between June and December for online banking were 11,274.</p> <p><i>Based on the above, the Bank has set targets to ensure that customers are using mobile app regularly and consistently.</i></p>			

Annex - Financial Health and Inclusion  
(Continued)

Impact area	Practice <sup>11</sup> (pathway to impact)					
	5. Action indicators			6. Output indicators		
	Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
	C.1.3 *			C.2.3		Home Finance – Number of new customers per month

			Impact <sup>12</sup>		
7. Outcome indicators			8. Impact indicators		
Code	Indicator	Response options & metrics	Code	Indicator	Response options & metrics
C.3.3 *					



# Annex - Financial Health and Inclusion

## (Continued)

Additional Indicators – Financial Inclusion

Indicator Name	Definition	Rationale	Date Source
Decent job generation (client focus: MSMEs)	Number of jobs generated (created/preserved) due to financing or other actions carried out by the Bank. By decent we mean of productive work that delivers a fair income with security and social protection, safeguards basic rights, offers equality of opportunity and treatment, prospects for personal development and the chance for recognition and freedom of expression (ILO's definition)	Measure the direct impact the Bank had in the generation of decent jobs in an economy	Survey data
Total paid remittance transactions (tx) deposited to the bank	% of total amount of remittances paid to accounts in Bank	To understand the growth in effective usage of this service plus inflows of capital from abroad to improve conditions of families locally	Transactional data
# of events of inaccessibility of channels and/or complaints about them per month (reported by bank and by users)	% of total amount of remittances paid to accounts in bank	Accessibility is key to render a product and service relevant for the intended user. If accessibility is failing, the Bank won't see recurrent/active usage at the outcome level	Internal data
% of clients that improved their economic conditions due to the bank's actions (e.g. increased savings, increased income, sales, etc)	% of clients that improved their economic conditions due to the bank's actions (e.g. increased savings, increased income, sales, etc)	Conduct a survey to find out if the customer considers that if there was an improvement in their economic conditions, this was attributable to an action carried out by the Bank.	Survey data

Banks response	Unit of measure	Output/ Outcome/Impact
200	# of jobs	Impact
Nil (in total paid remittance)	Monetary Units	Outcome
Website: 2022 up time: 99.90 % 2022 downtime events: 12 Phones: In 2022 we had zero outage on our phone lines between 9am to 5pm.	# of events/ complaints	Output
In a survey conducted through our customer newsletter which was sent out to 11,365 customers (who had consented to marketing preferences), out of whom 6,659 customers opened the newsletter. From those who opened the newsletter, 230 responded by completing the survey.  We asked the question: <i>"If there was an improvement in your financial conditions in the past 12 months (e.g. increased savings), to what extent this was this due to Gatehouse Bank's products or services?"</i> and found that 44% said any improvement made to their financial situation was due to or partially due to the Bank.	% of clients	Impact

# Annex - Financial Health and Inclusion (Continued)

Additional Indicators – Financial Health

Indicator Name	Definition	Rationale	Date Source
% of customers who feel that the Bank enables them to be in control of their day-to-day finances.	Survey data based. Measures the percentage of customers who feel that the Bank enables them to be in control of their day-to-day finances	To understand the feeling of financial empowerment provided by the bank	Survey
% of customers who feel that the bank enables them to anticipate important steps in life	Survey data based. Measures the percentage of customers who feel that the bank enables them to anticipate important steps in life (future-finances oriented)	To understand the feeling of financial empowerment provided by the Bank	Survey data
% of customers experiencing 8 or more payment declines in the last 12 months	Transactional data based. Measures the percentage of customers experiencing 8 or more payment declines in the last 12 months (Banks may deviate if proper reasons are provided). Applies to both credit and debit products when using for payments, not for withdrawals.	Indicates the type of usage that the customer has of credit and debit products. Allows us to see if the customer is overspending or continuously using a product wrong.	Transactional data
% of reported cases of financial fraud or scam within last year (self-reported and transactional)	Proportion of people responding yes to the question “In the past year, have you been a victim of financial fraud or a financial scam?” in addition to internal data	Certain financially vulnerable populations are more likely to experience financial fraud or scams.	Survey/ transactional data

Banks response	Unit of measure	Output/ Outcome/Impact
<p>In a survey conducted through our customer newsletter which was sent out to 11,365 customers (who had consented through their marketing preferences), out of whom 6,659 customers opened the newsletter. From those who opened the newsletter, 230 responded by completing the survey.</p> <p>We asked the question:</p> <p><i>“On a scale of 1 to 10, 10 being highest, 1 being lowest, how have Gatehouse Bank’s products or services helped you in the following areas: ‘To be in better control of my finances on a day-to-day basis’, 79% of customers have given a score of 5 or more.</i></p>	Percentage	Impact
<p>In a survey conducted through our customer newsletter which was sent out to 11,365 customers (who had consented through their marketing preferences), out of whom 6,659 customers opened the newsletter. From those who opened the newsletter, 230 responded by completing the survey.</p> <p>We asked the question:</p> <p><i>“Customers who would like Gatehouse Bank to assist them with information to anticipate important financial steps” and found that 35% responded saying yes or maybe with regards to anticipating important financial steps in life.</i></p>	Percentage	Impact
0% were identified	Percentage	Output
0% were identified	Percentage	Outcome

# Annex - Financial Health and Inclusion (Continued)

Indicator Name	Definition	Rationale	Date Source
% of customers who ONLY make the minimum repayments for interest bearing credit cards in the last 6 months	Percentage of customers who are only making the minimum repayments for credit cards. 6 months to show a trend	Indicates the type of usage that the customer/customer has of credit products. Combined with other indicators, it allows us to understand if the configuration of the product, as well as the education/ advice given to customers is working to reduce this from happening as only making the minimum repayments talks of over spending, paying higher interests, etc.	Transactional data/ survey

Based on the above, some of our targets are as below:

Indicator Number	Description	2023
B.1.1	Total number of products and services in the portfolio with a focus on financial inclusion	Total number of products and services in the portfolio with a focus of financial inclusion will go up from 2 to 3. We will aim to develop and roll out one additional product in 2023.
B.1.2	% of relevant employees supported with effective training on financial inclusion, responsible credit and/ or financial health	We will aim to offer effective training on financial inclusion, responsible credit and/ or financial health to staff from product management teams and broker teams.
B.1.3	No of partnerships active to achieve financial health and inclusion targets	We aim to develop this more by actively working and engaging with more partners.

Banks response	Unit of measure	Output/ Outcome/Impact
<p>In a survey conducted through our customer newsletter, sent out to 11,365 customers (who had consented through their marketing preferences), out of which 6,659 customers opened the newsletter. From those who opened the newsletter, 230 responded by completing the survey.</p> <p>We asked the question:</p> <p><i>“Are you currently only making the minimum repayment on any credit cards you may have?”</i> to which 4% responded yes or sometimes.</p>	Percentage	Outcome







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