

2022 Sustainability Report



Welcome to our report

This is our second annual Sustainability Report. Whilst our commitments and targets remain the same, we’ve brought to life what we’re doing to deliver on them and we’ve got some great progress to talk about.

We are seeing the impact we’re having across our Environmental, Social and Governance (ESG) agenda. Our stories and case studies get to the heart of this. This year’s report balances the technical requirements of our sustainability disclosures with the human reasons for doing what we do.

The report covers the activities of Coventry Building Society and its subsidiaries during 2022 unless it says otherwise. This supplements information in our 2022 Annual Report & Accounts.

We’re very aware of the need for rigour and transparency in reporting our progress and have used the Global Reporting Initiative (GRI) Standards in preparing this year’s report. By doing so, we believe we’re disclosing the most critical impacts of our activities on the environment, society and the economy.

The report has been prepared by experts throughout the business and overseen by the Society’s Chief People Officer. It’s been reviewed and endorsed for publication by our ESG Steering Group, as well as the Board Audit Committee and the Board. Review and challenge have also been provided by our independent Audit function.

Our aim is to show accurately and transparently what we’re striving for, the progress we’re making and our future priorities. We’re always looking to improve what we do and welcome any feedback on the report itself or our sustainability plans. Just contact us at

Thank you.



Please find below the new structure for our 2022 report. We will look at each of these topics in detail throughout the report.

Environmental

We believe that climate change is a critical issue for the UK and the wider world. We are committed to making a positive contribution to the challenge of climate change by reducing the environmental impact of our business activities. At the heart of this commitment is our decarbonisation strategy which aims to deliver on a Net Zero ambition by 2040.

Social

As a people and purpose-led organisation, we aim to meet the needs of multiple stakeholders. For members, this means offering long-term fair value, good customer outcomes and superior customer service. For colleagues, it means providing work that supports, engages and enables them to unlock their full potential. And we support local communities and national causes, creating opportunities and better outcomes for the most disadvantaged in society.

Governance

Maintaining the highest standards of governance is integral to the successful delivery of the Society’s strategy, in a highly regulated industry. Our governance framework ensures that the Board is effective in making decisions and maintaining oversight, whilst keeping to our well-established purpose, mutual belief and values.

Introduction



Environmental



Social



Governance

Appendix

Contacts

The Society’s Media team acts as the point of contact for sustainability related enquiries:

Coventry Building Society Principal Office:
Coventry House, Harry Weston Road, Binley,
Coventry, West Midlands CV3 2TQ

At a glance

Who we are

We are a mutual building society and have been providing savings and residential mortgages to our members and customers for 138 years. We lend over £48 billion and have nearly two million customers.



What we do

We provide residential mortgages to people to enable them to buy their own home or a property as an investment. We are a low-risk lender, so our members' savings are always safe and secure. We provide savings accounts to suit the needs of our members.



How we do it

We earn interest and fee income from mortgage loans to members buying their own homes and private sector landlords. We pay interest to savings members and wholesale investors who have placed deposits with us or bought our debt securities.



Our purpose

Making people better off through life.



138
Years of history



64
Branches

2,847
Colleagues



Nearly
2 million
Customers

Our values

Our values act as a key driver of employee trust, influence how we deal with members and customers, and sustain a strong culture across all areas of our business.

- Caring
- Ambitious
- Responsible
- Empowering
- Straightforward



Our products

Whether buying a first home or saving for retirement, our wide range of products help our members achieve their goals.

Cash ISAs

Easy Access
Savings

Buy-to-Let
Mortgages

Junior
Cash ISA

Fixed Rate
Bonds

Residential
Mortgages

Our 2022 highlights

Environmental

ISO 14064-1¹ Accredited

We are certified under the Carbon Reduce Scheme, a leading global standard for calculating emissions.

5% Reduction in carbon emissions for Scopes 1, 2 and 3 (compared to 2020)

Zero Waste sent to landfill (since 2017)

Carbon Neutral
We are Carbon Neutral for our own operations since 2021

Social

77%
Great Places to Work Trust Index^{®2} score

81%
Colleagues supported with a cost of living allowance

Over 3,500
Young people helped through our education and employability programmes

£3.2m³
Invested in our communities



Governance

43%
of key suppliers rated green by EcoVadis

38%
of senior manager and above roles held by women

Launched
Supplier diversity initiative

Zero
Identified thefts, leaks or losses of customer data in 2022



1. An international standard that quantifies the reporting and verification of greenhouse gas emissions (GHG)
2. A measure indicating a trust-based people first workplace based on positive responses to the annual Great Place to Work[®] survey.
3. Full details of our total community investment, including the BS4I assurance statement can be found



All together, better

We exist to make people better off through life.

Our business is made up of a network of relationships with multiple stakeholders and we need to balance all of their interests. Delivering on our purpose will empower our customers, colleagues and others to help to create a wider society that is fair, confident and resilient. We talk about our purpose as adding up to something All together, better.



A view from the Board on the importance of sustainability

In conversation with Steve Hughes, our Chief Executive Officer (CEO), and Shamira Mohammed, our Non-executive Director who has a specific Board role when it comes to sustainability.



Tell us why sustainability matters to you and the Society?

Steve

I think sustainability is in our DNA. Mutual building societies such as our Society were built on groups of people coming together for a common goal. They all chipped in to help each other. It was a sustainable way of achieving home ownership, harnessing the power of the collective to improve the lives of individuals. Today, sustainability, in all its forms, is still about people working together to make a difference.

I'm really energised by what we're doing to make the Society a sustainable organisation in the context of today's challenges, not just looking internally but bringing together our skills, knowledge and resources to support others too. It can be easy to think that sustainability is just about environmental matters, and whilst it's an important part of the picture, it's not all of the picture. We've set ambitious goals to transform local communities, achieve Net Zero and change the way we do business, and we're delivering.

Shamira

Steve talks from the heart, and I completely agree with him about the links between mutuality and sustainability. In the challenges we face as individuals, organisations and countries, we're seeing a need to do

things differently. There are expectations on businesses that come from the public and customers, as well as government and regulators, to work collaboratively to solve common problems. We have a responsibility to protect the environment, to play our part in addressing social problems and to act appropriately and with transparency in everything we do. It matters to our stakeholders and it matters to us.

What is the biggest challenge in delivering your sustainability agenda?

Shamira

The more we learn about the problems facing many people in society, the more challenging these appear. We've really thought about the difference we can make as a big employer in and around Coventry, with lots of skilled people who want to make a difference and are given the opportunity to do so. By spending a lot of time listening to charities and community groups, local authorities and other stakeholders, we're getting to really understand what's needed and the things we should focus on. We're delivering programmes that target homelessness and access to housing, supporting young people in preparing for work and help people experiencing isolation and vulnerability. There is so much to do, and increasingly we're seeing the transformational power of partnerships, as we work together with organisations across the public, private and voluntary sectors to make a sustainable difference.

Steve

I don't think we're under any illusions about the challenge of our ambition to deliver Net Zero by 2040. We're working our way through a really stretching plan that focuses in these first few years on the things we can control – such as sourcing renewable energy, installing solar panels on our buildings, using electric vehicles and so on. Applying the most rigorous monitoring and measurement to making sure we're doing the right things and making the difference we're aiming for. The good news is, we are making great progress in the areas where we have control.

Looking ahead, the challenge of achieving Net Zero goes beyond what we can control directly and into working with third parties, particularly customers and suppliers. We're already making progress with suppliers, many of whom share our ambition in this regard. Upgrading the UK housing stock is a massive challenge though, and will need the combined forces of government, the regulators and the building and construction industry, as well as lenders like us, to make the change happen.

What are you most proud of?

Steve

I'm proud of our ambition. We have been around for 138 years and supported countless generations of members in that time. Sometimes the challenges we face, whether it's the global crisis of climate change or the significant challenges our communities face, can seem overwhelming. It's when times get tough, as they have been this year with the cost of living crisis, that we are better placed to help. Our additional £1 million donation to local charities facing this crisis, is a great example of how our purpose and our work on sustainability are driving decision making.

However, despite those challenges, we have set ourselves ambitious goals, we were the first building society to sign The Climate Pledge. We have taken our Climate Action Plan to the members and got their endorsement. We have signed up to the Race at Work Charter and the Women in Finance Charter. We are making commitments and we're delivering on them. Our work is being recognised by external bodies, partners and colleagues, and is increasingly understood as part and parcel of the Society's purpose.

Shamira

I'm proud of the accountability and transparency of what we're doing. This is central to good governance, and you might think that being a mutual organisation gives us a bit of a head start on this – our customers own the Society after all. But we didn't just talk about our Climate Action Plan at our Annual General Meeting, we made it a resolution for our members to vote on and endorse. We regularly ask the 10,000 people who sit on our Member Panel what they think our priorities should be. We engage with our colleagues too, through our My Society employee forum, which is always attended by a Board member. I think this report, which is a step on from last year's first Sustainability Report, shows how seriously we take accountability and transparency. It's easier to read and understand. It shows the importance we place on accurately reporting our progress and that we're using the most credible standards to do so. We take this really seriously, and I hope that people take the time to read the report and let us know what they think.

What more can we expect?

Shamira

I think there's more to come in terms of working with others. We're learning all the time what sustainability means in practice, and one consistent theme is the power of partnerships. Getting the right people and organisations involved reduces waste and duplication, and makes solutions far more effective. I think this will become an increasingly important part of delivering on our commitments.

Steve

Delivery. We've set out our plans and whilst some things will undoubtedly change along the way, our focus is to deliver what we've committed to. Whether it's our Climate Action Plan, or our support for local communities, we will make a difference.



Our strategic priorities

These strategic priorities focus on our purpose, our members and our people. They guide what we do, supporting our targets and the way we measure our performance.

Making people better off through life	
A purpose-led approach to business, the environment and wider society	As a responsible business, we will support sustainable growth and employment, while reducing our carbon footprint and use of natural resources. We will continue to provide lending to support customers to lower the carbon footprint of their homes. Our purpose extends to supporting our local communities, changing our city for the better through increasing financial literacy and career aspirations, improving access to quality housing and reducing isolation and loneliness. Our purpose also drives us to be open, honest and transparent in our dealings with our members, employees, partners and regulators, and in reporting our performance.
An inclusive and inspiring workplace for everyone	We are creating an inspiring place to work which better reflects the diversity of our city and communities. We provide a safe, inclusive and engaging workplace for our employees, supporting their health and wellbeing.
Offering the best value products and services we can	
Making home ownership a reality and building a society of savers	Empowering customers to make better financial decisions and helping them achieve their financial and life goals through simple mortgage and savings propositions that offer good long-term value.
Market-leading digital first, human always customer service	We want customers to feel confident they have chosen the right provider for their mortgage and savings by: <ul style="list-style-type: none">• Better digital capabilities offering an improved choice of product options, better servicing and better technology for our colleagues.• Backed up by friendly, caring and well-trained employees offering tailored support and guidance to customers when they need it most.
All delivered in a resilient way	
Protecting our members' money and operational resilience	We will keep our members' money safe and accessible, and their information secure, by investing in resilient technology, processes and infrastructure.
A strong and sustainable financial performance	Our strategy is to deliver a sustainable and resilient financial performance, consistent with continuing to support UK economic growth and employment, whilst ensuring good outcomes for our customers. To achieve this, we stress test our capital and liquidity resources to ensure we can continue to grow and remain profitable under severe but plausible stress. We are also careful to spend our members' money wisely and efficiently as an enabler of growth, good long-term value and market-leading customer service, whilst continuing to invest to meet stakeholder and regulatory expectations.

More information on our strategy and 2022 business performance can be found in the Strategic Report section of our Annual Report & Accounts. Although the Society does not formally follow the precautionary principle, we assess risks in line with the processes described in the Risk Management section of our Annual Report & Accounts.

Our external associations

Our external associations reflect our ambition to deliver sustainable financial services through our purpose, the products and services we offer, and the way we operate our business. We are proud to have signed up with key signatories that align to our ambitions, and are pleased to have achieved Fair Tax Mark and ISO 14064-1 accreditations. We also align to the Task Force on Climate-related disclosures (TCFD), with a section in our Annual Report & Accounts which describes our understanding of the risks and opportunities of climate change. Our sustainability performance is reported in accordance with industry-leading ESG frameworks and is underpinned by our memberships, as highlighted below. Further information on each of these can be found by clicking onto the icons.







Signatories



Memberships/Accreditations



ESG reporting frameworks





Our 2022 achievements

Coventry Building Society is committed to supporting the United Nations Sustainable Development Goals (UN SDGs) by integrating sustainability into the products we offer, the way we operate our business and the contribution we make to broader society.

In 2020, we completed a detailed review of the UN SDGs, identifying those where the Society could make a material difference. In keeping with best practice, we chose four goals to be our areas of focus. We’re making great progress against these targets. They’re discussed in more detail throughout this report, but below you can read a summary of our commitments and progress in 2022.

SDG	Why we make a difference	Our targets and ambitions	In 2022, we delivered
	<ul style="list-style-type: none">• We are a leading local employer, wanting to provide employment opportunities for our local communities.• We are committed to enhancing the skills of our employees.• We have the resources to make a positive impact on education in Coventry.	<ul style="list-style-type: none">• 250 apprenticeships over five years from 2021.• 50% of senior management roles from internal recruits by 2025.• 10,000 children and young people in Coventry supported via education programmes over the three years from 2021.	<ul style="list-style-type: none">• 103 apprentices since 2021.• 57% of senior management roles from internal recruits in 2022.• 14,984 children and young people supported since 2021.
	<ul style="list-style-type: none">• We provide career opportunities at differing levels of seniority.• We spend over £172 million annually with our supply chain, enabling us to drive positive changes with our suppliers.• We can offer underrepresented groups career pathways.	<ul style="list-style-type: none">• Offer career development to enable colleagues to achieve their potential.• Progress the sustainability agenda with our suppliers.• 40% of all senior manager and above roles held by women by 2025.• 25% of manager and above held by colleagues from ethnic minority groups by 2025.• All key suppliers have committed to the Society’s Supplier Code of Conduct by 2023.	<ul style="list-style-type: none">• 45% of roles filled by internal candidates in 2022, giving 440 colleagues the opportunity to take on a new role.• Sustainability questions feature in supplier due diligence questionnaires and request for proposal documents.• 38% of all senior manager and above roles held by women in 2022.• 12% of manager and above roles held by colleagues from ethnic minority groups.• 100% of our suppliers committed to the Society’s Supplier Code of Conduct.
	<ul style="list-style-type: none">• We provide financing for housing and can help first time buyers onto the housing ladder.• We can help homeowners with the transition to Net Zero.• Our community programme focuses on access to housing.	<ul style="list-style-type: none">• Number of people supported through Access to Housing is 1,000 between 2021 and 2025.• Double first time buyer numbers in 2021 (3,200 to 7,500) and move to supporting 10,000 first time buyers annually by 2023.	<ul style="list-style-type: none">• 561 people supported through Access to Housing as a result of funding from the Society and our members.• We supported 5,400 first time buyers and are working on new build propositions to help them. The improved energy efficiency of these new builds will also align to our sustainability strategy.
	<ul style="list-style-type: none">• Our own operations emit GHG emissions.• Our borrowing customers will need help to deal with the transition to Net Zero.	<ul style="list-style-type: none">• Carbon Neutral Scope 1 and claim Net Zero merits for Scope 2 emissions by the end of 2021.• Net Zero Scope 3 upstream emissions by the end of 2030.• Ambition to be entirely Net Zero by 2040.• 50% reduction in paper by 2023 compared with 2017 levels.	<ul style="list-style-type: none">• Remained Carbon Neutral for Scope 1 and Net Zero for Scope 2 emissions.• We have reduced our Scope 3 emissions by 5%.• Reduced our Scope 1 and 2 emissions by 16%.• 49% reduction in paper consumption since 2017.

Our stakeholders

The Society’s activities are based on understanding and responding to the views of its stakeholders. The Society’s Board formally reviewed and identified its stakeholders as the following groups – members/customers; colleagues; investors; suppliers; community groups; and the environment. More information on who our stakeholders are and how we engage with them is set out below and in the Governance section of our 2022 Annual Report and Accounts.

Stakeholder group	What do they expect from us?	How we engaged	What’s material to them
Members/Customers	<ul style="list-style-type: none"> • Great value savings and mortgage products. • Excellent service through whatever channel they use to interact with us. • Human service where that is the most convenient option with a branch network in our heartland. • A business model which is resilient, so we are safe and secure over the long term. • High availability of IT systems with data kept secure • Simple and clear communications. 	<ul style="list-style-type: none"> • Our Member Panel, which is an online forum of 10,000 members. • Regular research with customers, prospects and intermediaries. • Complaints monitoring. • Regular events for executives and Board members to meet customers online and in person. • Our Annual General Meeting where members vote on key matters to the Society and interact with the Board. 	<ul style="list-style-type: none"> • Products that reward loyalty and offer good long-term value. • The ability to access our online services in an easier way whilst maintaining security standards. • Maintaining a consistent presence in the mortgage market. • A safe environment for customers using our branch network. • Less paper and a mobile savings app.
Colleagues	<ul style="list-style-type: none"> • An inclusive and inspiring workplace for everyone. • A great place to build and develop their careers. • An approach to reward which is fair and consistent. • Support for career development and training. • A culture which promotes wellbeing, supported by straightforward policies and processes. 	<ul style="list-style-type: none"> • My Society, our employee forum. • The annual Great Place to Work® survey and surveys on specific issues. • Structured meetings with the Chief Executive and other executives. • Online internal communications tools and networks. • Through our recognised union, Unite. 	<ul style="list-style-type: none"> • Helping everyone stay safe and connected during the pandemic. • Our remuneration strategy and focus on financial wellbeing. • Creating an inclusive workplace and progress against published diversity and inclusion (D&I) ambitions. • Maintaining positive wellbeing, including mental health support. • Improving opportunities for career development.
Investors	<ul style="list-style-type: none"> • A stable and sustainable performance, with resilient capital and liquidity levels. • An organisation that is focused on the mortgage and savings markets, that is well governed and manages risks effectively. • Clear disclosures to enable informed investment decisions to be made. • Focus on environmental social and governance impacts. 	<ul style="list-style-type: none"> • A programme of investor and analyst meetings. • Public updates on our performance or other material matters for disclosure. • Information about our funding programmes and the Annual Report & Accounts published on our website. 	<ul style="list-style-type: none"> • Impact of the cost of living crisis on our borrowers and how we are supporting our members through these difficult times. • The Society’s roadmap to achieving Net Zero Scope 3 by 2040. • Products/propositions aimed at helping our members to improve the energy efficiency of their homes. • Our plans for a green or social bond.

Our stakeholders

Stakeholder group	What do they expect from us?	How we engaged	What’s material to them
Suppliers	<ul style="list-style-type: none">• To do business with us on terms which are commercially beneficial.• To be paid promptly.• To work with consistent and understandable procurement processes.• Decisions that are made in a consistent, ethical and fair way.• For local SME suppliers, procurement processes which are proportionate and straightforward.	<ul style="list-style-type: none">• Regular governance meetings with key suppliers. Suppliers are provided with feedback on sourcing activities they are involved in, including debriefing unsuccessful suppliers.• Supplier awards where all suppliers were invited to self-nominate.• Bi-annual supplier survey to gain an understanding of the views of our suppliers.• Diverse supplier event for prospective suppliers, with current local, small and micro business and social enterprise suppliers providing best practice experiences.	<ul style="list-style-type: none">• Understanding more about our strategy.• Prompt payment.• Finding out about opportunities that might be available to local suppliers.
Community groups	<ul style="list-style-type: none">• Support – financial and in kind – and to benefit from our skills and knowledge.• Help to raise awareness of key issues and signposting those in need.• A community strategy which makes clear what we support and how this can be accessed.• Funding commitment across the medium term.	<ul style="list-style-type: none">• Engaging regularly with our strategic partnerships, charities, public sector and schools both individually and as part of the Coventry Business in the Community Leadership Group.• We have established key points of contact in each of the organisations we work with.	<ul style="list-style-type: none">• Building successful partnerships which bring value to community organisations.• Certainty of funding as well as responding to changing external events, e.g. providing additional funding to partner organisations to help maintain their support through the cost of living crisis.• Creating access to opportunities and raising aspirations.
The environment	<ul style="list-style-type: none">• To contribute towards tackling climate change.• Measurement and reporting of our emissions.• The reduction of our own emissions and broader environmental impacts.• Helping customers make the transition to homes which reduce GHG emissions.	<ul style="list-style-type: none">• Working with a range of external bodies and suppliers to monitor, manage and reduce our environmental impacts.• Working with third parties for to conform with ISO 14064-1 standards to validate our GHG emissions data.	<ul style="list-style-type: none">• Our Climate Action Plan outlining our progress towards improving our impact on the environment.• Detailing our approach to a Net Zero future.

Our materiality assessment

In 2021, we carried out a materiality assessment, asking our stakeholders about the things that mattered most to them as we developed our sustainability plans and priorities.

In 2022, our ESG Steering Group, led by the Chief People Officer, reviewed the shortlist of material issues identified by these stakeholders. We wanted to understand whether there were any new challenges, or whether we needed to update our existing priorities. The review reassessed how important these issues were to the Society, given the developments of the last 12 months and the current external and economic environment. We added two new material topics to the overall shortlist.

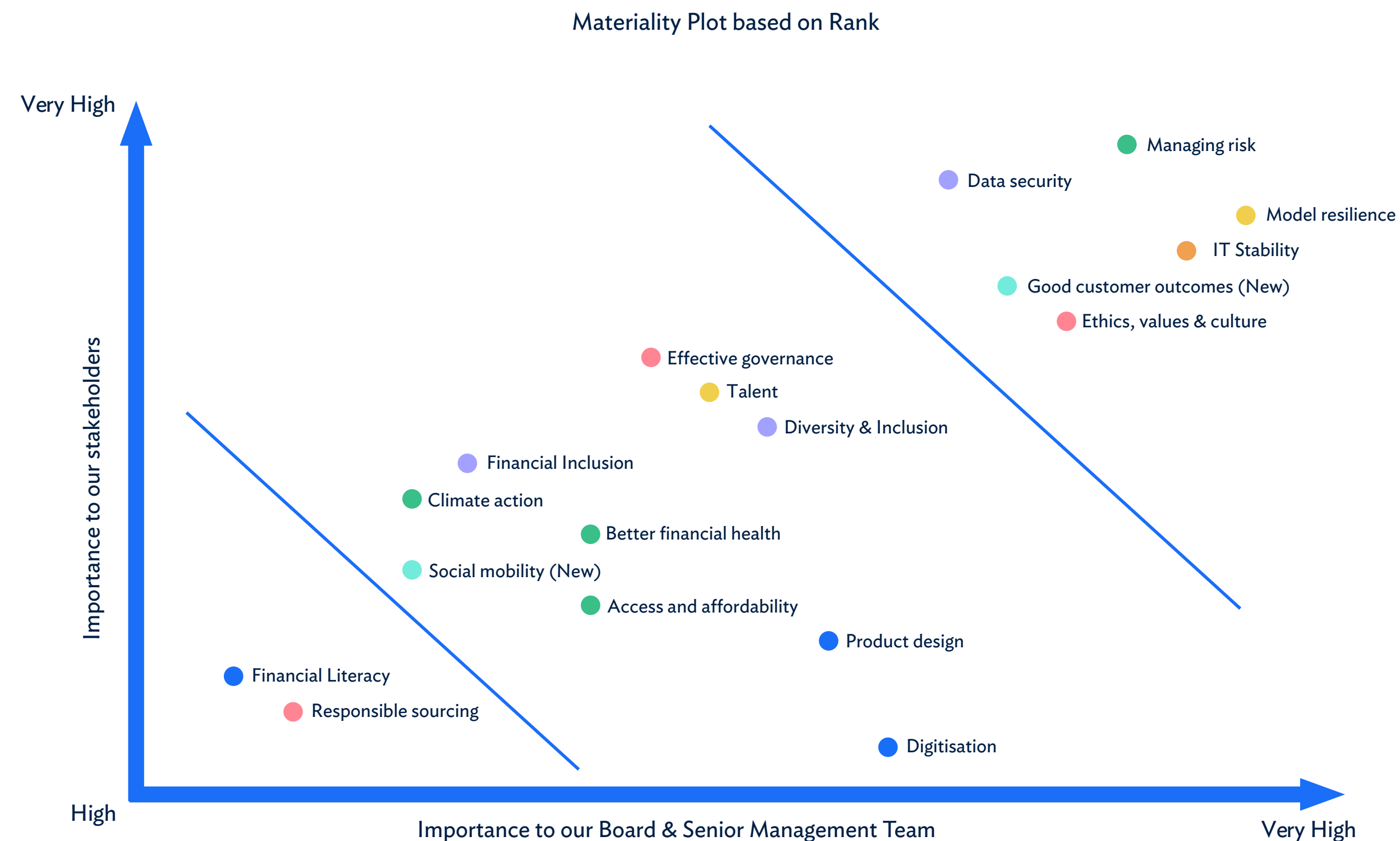
- Good customer outcomes.
- Social mobility.

We surveyed each of the Society’s stakeholder groups (members/customers, colleagues, investors, suppliers and community groups) to get their up-to-date views on these material issues, and also talked to the Society’s Board and Executive team.

The updated materiality assessment was reported to the Board and considered as part of the strategic planning process.

Our top five material issues for our stakeholders

Below are the top five material issues that were identified as part of the 2022 materiality reassessment. We felt that ethics, values and culture, whilst identified within the top six risks within the matrix, are already embedded in our business model.



Managing risk, financial and non-financial Financial risks are those risks which could lead to a loss of capital, or impact our ability to raise funds. Non-financial risks are all other risks – for example, conduct risk, reputational risk, cyber risk, regulatory risk, etc.	Business model resilience Ensuring that our business can survive under potentially difficult conditions. This includes economic and societal shocks such as the global pandemic or a financial crisis, etc.	Data security Protecting data from unauthorised access and data corruption.	Stability of IT platforms Having an IT infrastructure that is safe and reliable, and able to withstand changes and cyber attacks.	Good customer outcomes Designing products and services to give good customer outcomes, including support for vulnerability.
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In this section

We outline the actions we’re taking to reduce our impact on the natural environment as the cause of climate change. Our aim is to reduce carbon emissions from our own operations and the suppliers, partners and customers we do business with. We’re applying a consistent methodology which reflects current best practice and are committed to transparent governance and reporting as well as compliance with regulatory requirements.

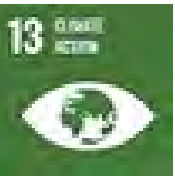


“I am really proud of the progress we have made within our own operations, with our borrowers and our suppliers towards delivering a Net Zero carbon organisation; however, there is still much more we need to do to reach our ambition of Net Zero by 2040. I am excited by this challenge and we will continue to lead, collaborate and protect our environment for the future.”

Shamira Mohammed
Independent Non-Executive Director

Our CARES alignment
Responsible | Ambitious | Caring

SDG alignment



The Climate Pledge

We are proud to be the first UK bank or building society to sign The Climate Pledge. This reinforces our commitment to sustainability and to join a community that will share knowledge, ideas and best practices. Together, we can take collective action to achieve Net Zero.

The Climate Pledge asks companies to reach Net Zero carbon emissions by 2040 – a decade ahead of the Paris Agreement’s goal of 2050. This initiative is a cross-sector community of companies, organisations, individuals and partners, working together to tackle climate change.

We have already implemented a range of measures to help reduce our impact on the environment, by becoming a Carbon Neutral business for our own operations from 2021. This has been achieved by:

- We transitioned to procure 100% renewable energy from wind and solar**
- 100% of our gas consumption comes from biomethane or ‘green gas’ and we offset the remainder of our carbon emissions with Verified Gold Standard offsets**
- We have installed 632 high efficiency solar panels to power Coventry House, our newest head office building. These improvements generate on average 30% of the building’s electricity needs**
- We continue to invest in on-site solar energy generation where possible**
- We have launched our Green Together Reward to incentivise borrowers to make green home improvements, reducing their emissions and bills.**
- We have partnered with sustainability ratings provider EcoVadis to monitor our suppliers’ environment, labour, human rights, ethics and sustainable procurement activities, and around 40 suppliers are now onboarded (equivalent to around 40% of our procurement spend)**



Like many organisations, the largest sources of our emissions are downstream of our core operations. Given our business model, most of these Scope 3 emissions relate to the emissions from the houses we help finance across the UK. Our work in this area will therefore be based on the recognition that the instances where we can drive emissions reduction in this context are limited. However, we will continue to equip our members with the awareness, knowledge, confidence and ability to improve the energy efficiency of their homes, and we will continue to offer a range of green propositions and initiatives to support this.

We will also continue to align with the Science Based Targets framework (SBTi) to help us deliver our ambition towards Net Zero. We look forward to the publication of the SBTi’s Net-Zero Standard for financial institutions, due to be published in 2024, to inform our further work in this area.

Our environmental ambitions

We believe that climate change is a critical issue for the UK and the wider world, as well as posing a specific and significant risk to our activities. We're committed to making a positive contribution to address this challenge.

As a signatory of the UN Principles of Responsible Banking, we're committed to an ongoing process to align our strategy with the 2015 Paris Agreement and the UN SDGs (as highlighted earlier on page 11).

With the release of our first Climate Action Plan 2021-2023, we focused on addressing our direct Scope 1 and 2 emissions. We now have a credible plan in place to deliver our Net Zero ambition against this and we are already a Carbon Neutral business for our own operations.

During 2022, we focused on how we can continue to reduce our indirect Scope 3 emissions to enable our ambition to be fully Net Zero by 2040. The Plan sets out our carbon reduction targets, the changes we'll make to the way we operate our business and our ambition to encourage our mortgage customers to retrofit their properties to reduce downstream emissions. Full details of what we're doing to reduce the impact of climate change can be found in our Climate Action Plan. The key areas of focus are summarised

Achieved

We are Carbon Neutral for our business operations

We transitioned to procure 100% renewable energy from wind and solar

ISO 14064-1 certified for our Scope 1, 2 and 3 emissions data and we align with TCFD framework

Products and propositions designed to support greening of homes

Progress in 2022

Continued to improve our energy efficiency and transition away from gas consumption

New and existing customer reward scheme incentivising efficiency improvements

Engaged with our suppliers and regulators on climate matters

Publicly disclosed climate strategy positions

Developed our Net Zero Transition Plan

Member endorsement and engagement with our Climate Action Plan

Annual reporting on progress against our targets and external frameworks

Continued to obtain third party assurance and ISO certification

2023 - 2040 ambitions

Set a Science Based Target by 2024

Ambition to be fully Net Zero by 2040 across Scopes 1, 2 and 3

Align capital expenditure to 1.5°C pathway

Customer understanding, support and engagement campaigns

Achieve Scope 3 upstream emissions to be Net Zero by 2030

Have 100% electric vehicles in our fleet by 2030 or sooner

Work with partners to deliver change

New and existing customer retrofit borrowing incentives

- Climate Action Plan
- Our products
- Governance and risk
- Our operations
- Our influence on society




Short-term climate target

We have delivered our short-term climate target:
Scope 1 Carbon Neutral and Scope 2 Net Zero by 2021.


Reduction in emissions

Reducing our emissions through energy efficiency and demand reduction measures.




Renewable energy

Sourcing credible renewable energy arrangements to ensure Scope 2 emissions are removed.



Carbon offset

After we have reduced our emissions as much as possible, balancing any remaining emissions through high quality offsetting solutions.



We are working in line with ISO 14064-1 to provide assurance against our GHG emissions data



Medium-term climate target

Our medium-term climate target:

Scope 3 operational emissions Net Zero by 2030.

We have targeted a Net Zero position for our Scope 3 operational emissions by 2030. This is a challenging objective but one which we think is important to aim for. Achieving this objective will require a wide range of activities.

Employee commuting

We will encourage colleagues to commute to our premises using low carbon means of transport.



Wholesale activities

We will assess the emissions created by our counterparties and will consider their plans for emission reduction in our decision making.



Pension fund

We will provide our colleagues with a platform to invest their pension funds in, which is consistent with the ethical and climate agenda.



Goods and services

We will work with suppliers to eliminate the emissions in the products and services we buy. As our second-largest area of emissions, we aim to work with our suppliers to help them decarbonise between 5% and 25% between 2021 and 2030.



Business travel

We will work with colleagues to reduce business travel. We are offering colleagues an electric car scheme via salary sacrifice, providing them with access to zero emissions travel.



Waste disposal

We will reduce the waste we generate and the emissions from their disposal, by ensuring we continue to send no waste to landfill and recycle at least 70% of all our waste.





Long-term climate ambition

Our long-term climate ambition:
Scope 1, 2 and 3 emissions Net Zero by 2040.

Our ambition to achieve Net Zero for this category by 2040 is challenging as this is a complex issue which will require collaboration across sectors and industries, including the UK Government. Like many organisations, the largest sources of our emissions are indirect of our core operations.



Our emissions

97% of our total emissions relate to the emissions from the houses we help finance across the UK. The carbon emissions from our mortgage portfolio are weighted by loan to value. These financed emissions are much larger than those from our own operations and supply chain and are also more challenging to reduce, requiring changes to borrowers’ homes and behaviour.

Customer education

This is a challenging objective but one which we think is important. Supporting our customers towards greening their homes and educating them to become more energy efficient is a key way for us to reduce our impact on the environment.

Customer propositions

We have launched our Green Together Reward to incentivise borrowers to make green home improvements. We’ll continue to support green homeowner and landlord improvements through innovative products, propositions and partnerships.

Working together to drive change

We understand that we won’t be able to achieve the reduction in emissions to deliver our 2040 Net Zero ambition without broader policy changes, significant cross-industry collaborative effort and further government support focused on UK housing. We’ve taken an active role here, working with several organisations such as the Green Finance Institute, E3G, and UK Finance, supporting cross-industry green homes action groups to drive sustainable and responsible solutions. We also work and partner with a number of specialist organisations to increase our expertise and member propositions around the areas where we can make the greatest impact in reducing our carbon footprint.

Continued progress

We will continue to recognise the instances where we can drive emissions reduction. We do not control our customers’ choice of energy supplier or the carbon footprint of their home. Decarbonising the UK’s energy grid is likely to have a far greater impact on emissions. But we are committed to being “All together, better” and commit to doing more for members and society, together making things better for everyone. After proving we have reduced our emissions as much as possible, we will look to balance any remaining emissions through high quality offsetting solutions. We continue to work on plans to decarbonise this aspect of our emissions throughout 2023 and beyond.



Our Net Zero roadmap

Our Net Zero ambition

In 2021, the Society emitted 724,708 tonnes of GHG emissions: 97% of our total emissions relate to the homes that we lend on (i.e. our financed emissions), with the remaining 3% coming from our direct operations and our suppliers. Supporting our borrowers in making energy efficiency improvements is therefore key in reducing our carbon footprint and supporting our Net Zero ambition.

We have set ourselves an aspirational Net Zero ambition; we recognise that this is an industry-wide and generational issue, which the Society cannot achieve alone; however, we will continue to engage proactively with the industry and government. We will continue to align with government targets and incentivise our customers to influence positive action towards meeting this challenge

To align with our ambition to be fully Net Zero by 2040, ten years ahead of the UK government target, we are working in line with ISO 14064-1 and we are looking to set a Science Based Target by 2024.

2021 is our baseline year and our emissions by operations are as follows:

918 Scope 1 emissions

1,422 Scope 2 emissions

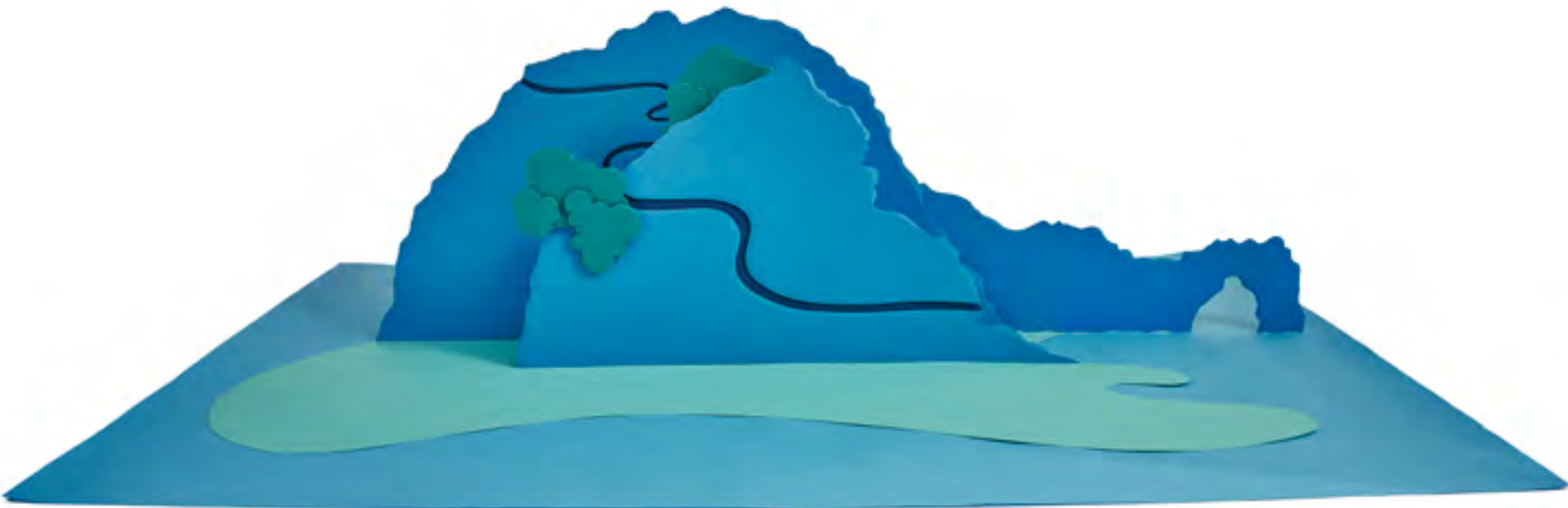
722,369 Scope 3 emissions

(tonnes of CO₂e by emissions 2021)

Delivering our ambition

This is a challenging objective but one which we think is important to aim for, as supporting our members is our purpose. Our work in this area will therefore be based on the recognition that the instances where we can drive emissions reduction in this context are limited. However, we will continue to equip our customers with the awareness, knowledge, confidence and ability to improve the energy efficiency of their homes, and offer a range of green propositions and initiatives to support this.

We will also look to balance any remaining emissions through high quality natural climate solutions that benefit people and the planet.




Our Net Zero Transition Plan

We’re accelerating our work to remove all of our emissions from our own operations, working with our supplier and customers to reduce their emissions too.


Most importantly our plan is consistent with our commitment to being All together, better, where we commit to doing more for members and society, together making things better for everyone.

Our Milestones

2021-2022




Carbon Neutral for our own operations from 2021.




100% renewable energy procured for our operations from 2021 onwards.

2023




Continued installation of low carbon technology at our sites.




The launch of our carbon calculator app for our customers to use for free from 2023.


2025-2030




Our gas consumption will be phased out by or before 2030.




Ambition to reduce our supply chain emissions by between 5%-25% by 2030.



All of our company car fleet will be 100% electric by or before 2030.



Become Net Zero for Scopes 1, 2 and partial 3 by 2030.




Seek to invest further in renewable energy for our energy demand by or before 2030.

By 2025 we aim to reduce our Scope 1, 2 and partial 3 emissions by 42%*

By 2030, we aim to reduce our Scope 1, 2 and partial 3 emissions by 69%*

*Excludes the mortgage book emissions, from a baseline of 2021

2040




Improving our customers’ home energy efficiency, with an ambition to improve their energy performance certificate (EPC) ratings to an average of C or above.

We will continue to evolve our plans, aligning with relevant industry and sector reviews. We will adapt as further science, data and/or reviews become available, e.g. the Transition Plan Taskforce (TPT), Financial Conduct Authority (FCA), Glasgow Financial Alliance for Net Zero (GFANZ), International Sustainability Standards Board (ISSB) and Science Based Targets (SBTi)

We will work closely in line with UK Net Zero plans, specifically regulation and innovation (including some of our own planned products and support mechanisms) for domestic homes to reduce the significant emissions related to the Society and its borrowers.

By 2040, we have our ambition to reach

Net Zero





Supporting our strategy

In 2022, we joined The Climate Pledge, with the ambition of being Net Zero by 2040. In support of this, we are developing a set of intermediate Science Based Targets, which will be aligned to our Net Zero pathway by 2024.

Our business model means that our strategy does not involve lending to or investing in businesses which have a negative impact on the environment, such as those in the fossil fuels industry; instead, our largest area of emissions are from the UK homes we lend on. We recognise that we will not be able to deliver the reduction in emissions needed to achieve Net Zero without broader policy changes, significant cross-industry collaboration and further government support focused on UK housing.

Aligning with our ambition to become Net Zero by 2040, we are aiming to improve our customers’ home energy efficiency to an average of C or above. As of September 2022, for the sub-set of properties in our portfolio (77%) that have an energy performance certificate (EPC), the proportion of EPC A, B or C is 34%. This is a modest improvement on last year’s EPC distribution where 33% were EPC A, B or C.

EPCs, whilst not perfect, currently represent the best source of publicly available data on the energy efficiency of properties and this data is our starting point. We will continue to assess and use the best data possible, aligning with industry best practice, whilst recognising that this may change as and when more robust data sources become available.

We will continue to raise awareness of, and support our customers with, potential improvements to the energy efficiency of the properties we lend on. Through the promotion of our retrofit lending product, our Green Together Reward, and we will continue to develop further innovative propositions.

To achieve our All together, better purpose, we will need further government action, and key stakeholders to work together and members to do their bit to collectively create greener homes. In the period to 2040, we expect energy efficiency improvements to be principally driven by buy to let properties and through the Society’s share of lending to new builds (typically EPC rated B or above)

Definitions of Scope 1, 2 and 3 emissions are as follows:

Emissions	Description	Control and influence indicator*
Scope 1	Direct emissions from our owned sources, for example emissions from the Society’s car fleet and gas usage.	High
Scope 2	Indirect emissions from the generation and consumption of purchased electricity and heating, for example the electricity bought by the Society to power its branches.	High
Scope 3 upstream	Upstream emissions are emissions which result from our supply chain, purchasing goods and services, capital goods, and transportation and distribution.	Medium
Scope 3 downstream	Scope 3 emissions cover all other indirect emissions that occur in our value chain. With our largest impact being our mortgage book for the homes that we lend on.	Low

*The control and influence indicator provides an indicative view on our ability to control our emissions exposure, with high being a high level of control and fully within our abilities, and low being a low level of control with significant reliance on government and other industry parties.

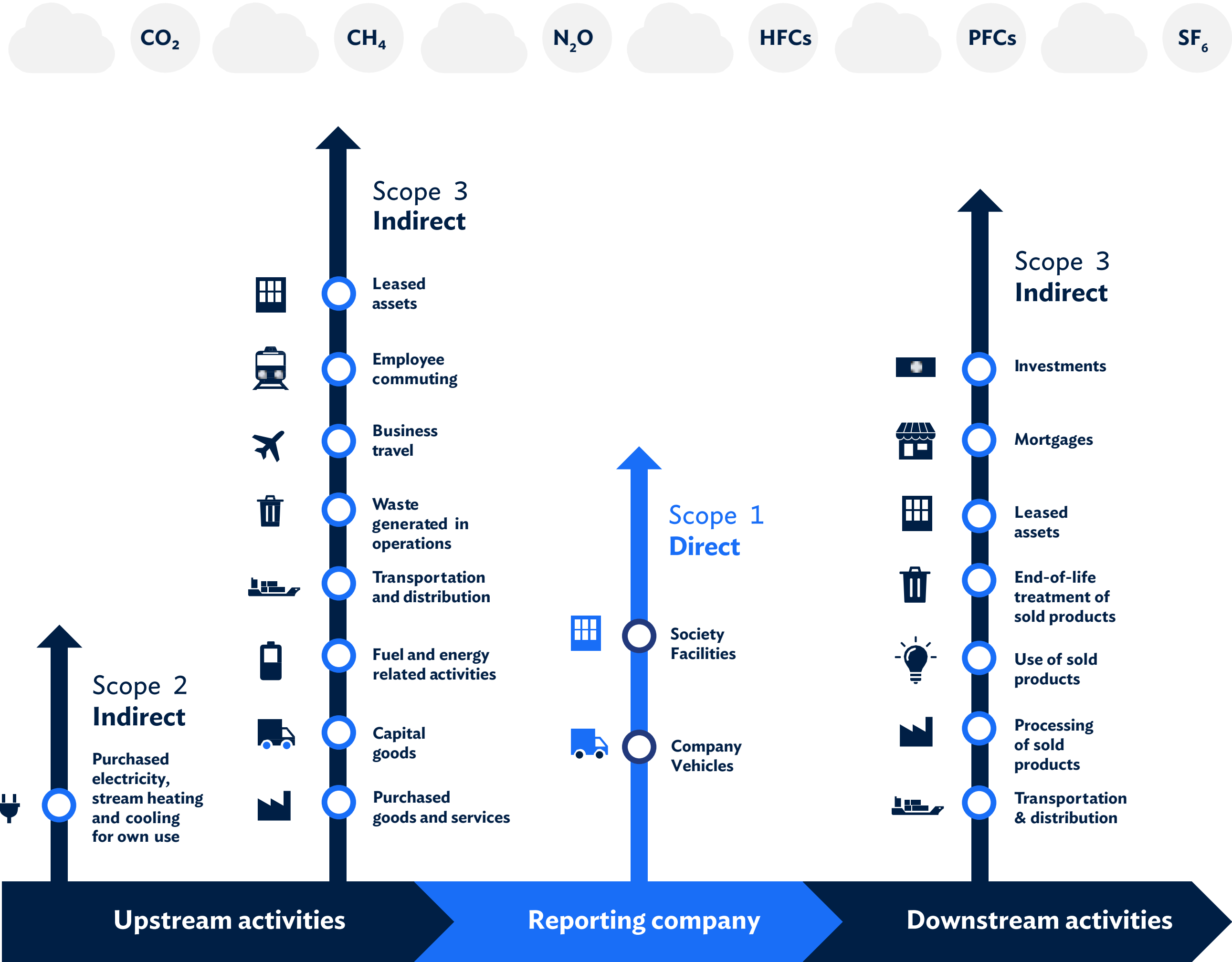
Our 2022 emissions performance

The Society's metrics concerning emissions are driven by our climate change commitment to remain Carbon Neutral for Scope 1 and 2, and to be Net Zero for Scopes 1, 2 and partial Scope 3 emissions for upstream activities by 2030. They're also guided by our ambition to be entirely Net Zero for 2040 - including the 'downstream' financed emissions generated by the homes on which we provide mortgages.

More details on our targets and ambitions are set out in our Net Zero Transition Plan on page 22.

We have remained Carbon Neutral for all energy use and emissions for our internal business operations since November 2021. In 2022, the Society produced 691,797 location-based tCO₂e against our Scope 1, 2 and 3 emissions, which is equal to an approximate 5% reduction compared to figures for 2021.

In 2020 and 2021, we also successfully met the requirements of Carbon Reduce certification, accredited by Achilles Information Limited, having measured the Society's GHG emissions in accordance with ISO 14064 Part 1:2006, by committing to managing and reducing our emissions in respect of our operational activities. Emissions data (calculated as part of this report in accordance with the GHG Protocol) and energy consumption data can be found on in the appendix.



Other environmental impacts

The Society’s waste related impacts arise from the activities of our employees and the facilities, paper documentation and correspondence we send to third parties and our customers.

We’ve put in place a variety of strategies across the Society to reduce waste and increase the number of reused and recycled products. By doing these things, we are looking to materially reduce our amount of waste, specifically the plastic and non-recyclable material we generate. In addition, we’re proud to say we’re on track to deliver the 50% reduction in paper usage by the end of 2023 from our 2017 baseline starting point. Our water consumption does not have a material impact on the environment so although we don’t have reduction targets, we still try and reduce consumption where possible through water saving initiatives.

In 2022, we had no fines or non-monetary sanctions for non-compliance with environmental laws or regulations. Our environmental standards are published within our Environment Policy which is available on our website.

Reduce waste

- Removed single use plastic from our head office sites.
- Recycling bins installed at sites.
- Eliminated disposable coffee and water cups in office kitchens .
- Provided reusable mugs, water bottles and cutlery .
- Since 2017, none of the Society’s waste has been sent to landfill and, in 2022, 73% of our total waste was recycled.
- The remaining 27% of waste was sent for energy recovery, which means our non-recyclable waste materials have been converted into usable heat, electricity or fuel.



Reduce paper

- Commenced campaign with colleagues to reduce printing.
- Investment in digital technology to reduce paper for customer communications.
- 100% of our paper consumption now originates from recycled sources or those certified by the Forest Stewardship Council (FSC).
- Paper usage across the Society has fallen from approximately 312 tonnes in 2021 to 277 tonnes in 2022.



Reduce water consumption

- We use registered water suppliers for all water and sewage requirements, including kitchens and facilities across head offices and the branch network.
- We have water saving taps and waterless urinals in all our head office sites.
- We have reduced our water usage by approximately 25% when comparing 2022 consumption to that of 2017.



Further data on waste and water consumption can be found on in the appendix.



Environmental engagement in action

We've been Carbon Neutral for internal business operations, both energy use and emissions, since November 2021 and are certified against ISO 14064-1 for our GHG emissions.

Environment advocates

We have a team of passionate colleagues at the Society who have chosen to sign up to be Environment Advocates to support our #SustainableSociety movement. This voluntary initiative started in 2021, with the aim of increasing the environmental impact and awareness of our Net Zero ambition, and engaging colleagues. Our Environment Advocates take action against climate change and provide local support, such as running local awareness campaigns aligned to our sustainability strategy.

Together, we are driving our environmental movement throughout the Society by:

- Championing our targets: engaging our colleagues.
- Getting the conversation going: leading to sustainable ideas or even changing the way we work.
- Creating the right culture: sharing ideas on how to save energy and/or be more environmentally friendly.
- Sharing our experiences: posting ideas on a dedicated Society intranet page and having regular catch-ups.



Pawprint

In June 2022, we launched our internal carbon calculator app, Pawprint, which encourages our colleagues to take climate action at work, home or wherever they are. It also helps improve their climate literacy and aligns with our Net Zero ambitions for the future.

Since the launch, we have collectively saved 94 tonnes of carbon emissions, equalling 283m² of sea ice surface or 171,020 miles driven – that's enough saved carbon to drive almost seven times around the Earth.



Since launching our Environmental Advocates scheme we have:

- Reduced the amount of paper and branch literature.
- Launched our forest carbon scheme.
- Removed all single use plastics from all our office sites.
- Shared our monthly environmental newsletters with our colleagues and educated them on climate change myths.
- Celebrated environmental awareness days, such as Recycle Week, World Environment Day, Earth Hour etc.
- Worked with Coventry Council to plant a tree for every new starter and retiree at the Society.
- Completed our May Pledge exercise to be more environmentally friendly.
- Organised community litter picks around Coventry.



Our environmental goals in action

We started our partnership with the Forest Carbon offsetting scheme in November 2020 to offset the tonnage of Forest Stewardship Council (FSC) sustainably certified paper that we use in our business operations.

The scheme plants native woodland across the UK, ensuring the right trees have been planted in the right place. Our estimated carbon capture through this scheme is scientifically based and our woodland at the Croft in Cumbria is protected for the long term and properly managed. It enables us to buy Woodland Carbon Units, carbon credits certified under the government-backed UK Woodland Carbon Code, for which we receive a certificate showing the amount of CO₂ we've balanced and the number of trees planted within our protected areas of land. These carbon credit volumes are calculated to cover the extraction, primary processing, manufacturing and transportation of our FSC certified paper.

This tree planting scheme has also supported the reintroduction of beavers in the area and reduces the risk of properties flooding in Carlisle.

In 2022, we planted 877 trees, capturing 190 tonnes of carbon. In total, we've planted 1,316 trees and captured 305 tonnes of carbon or the equivalent of powering almost 60 homes with electricity for one year.

49%

Reduction in our use of paper since 2017

877

Trees planted in 2022



In this section

Our purpose guides the positive impact we aim to have on the lives of many of our stakeholders, including our members, colleagues and the communities we serve. 2022 was a challenging and unpredictable year. We were able to use our financial strength and established partnerships to provide extra support where it mattered most. At the same time, we increased our focus on providing the best value to members and making the Society a diverse, inclusive and engaging place to work and grow.



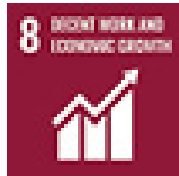
“The support we gave to our colleagues, communities and customers in 2022 is a shining example of our purpose coming to life. The feedback they’ve shared about the difference it has made to them and their families is really powerful. It makes me extremely proud to work for an organisation that’s prepared to step up in the moments that matter.”

Lucy Becque
Chief People Officer

Our CARES alignment

Caring | Straightforward | Empowered

SDG alignment



Social ambitions

When it comes to our social ambitions, we consider the needs and priorities of our members, colleagues and the communities we serve.

We think global, looking at how we can contribute to the UN SDGs and translate these into local action, consulting with our stakeholders to understand the difference we can make.

We want members to have the savings account or mortgage that helps them achieve their goals, whilst making our services easy and convenient to use.

Our ambitions for colleagues start when they first consider a career with us. We want to attract the best people, with no barrier standing in the way of talent, and give them an environment in which everyone feels included, and able to thrive and progress.

For our communities, we aim to change lives for the better, providing support and creating opportunities through our own efforts and strong and enduring partnerships and by doing so, we will deliver transformational change in our home city.



Cost of living crisis support

The rising cost of living has had an impact on our colleagues, members and communities. We have a pivotal role to play in supporting each of them during these challenging times.

Colleagues

Regular pay in the UK is falling in real terms at the fastest rate for more than a decade. We've taken steps to support colleagues. In addition to our normal pay and bonus schemes, we paid a cost of living allowance to those earning below c£50,000. We made enhancements to maternity and adoption pay, and to the extensive wellbeing benefits we already offer. Colleagues have welcomed this proactive approach, with the measure in our employee survey (Great Place to Work® survey) relating to support with personal finances improving by 20% in 2022. We're now looking ahead to our 2023 pay review and will give additional consideration to the financial challenges being faced by colleagues.

Customers

We understand the impact of the cost of living crisis on our customers and have measures in place to help them through this challenging period. We have been reaching out to some of our customers to proactively offer support along with general awareness in our customer facing media. We also contact customers at 2, 10 and 16 weeks in advance of their mortgage maturing with another follow-up after six months and variable rate borrowers to explain how fixed rate mortgages could help them worry less about future interest rate changes. Customer feedback so far has been very positive.

Community

The cost of living crisis is impacting all communities, and we've donated just over an additional £1 million in Coventry to fund our partner charities that are providing direct support to many of the most vulnerable in society. The money has been allocated to dozens of organisations, including schools, food banks, social supermarkets, youth groups, help for the elderly, Citizens Advice and support for the city's homeless.



“Now children can tap into a fund, so if there’s an experience they can’t afford, we can subsidise it for them.”

Melanie Johnson
Head of Learning
John Gulson Primary School

“The funding from the Society is game-changing. It means that we can help the social supermarkets become more sustainable, and go beyond just feeding people to providing wraparound support.”

Tim Rees
Chief Operating Officer
Coventry Food Network

Over £1 million donated

to support communities with the cost of living crisis including

£250,000 for food and emergency support in every school in Coventry

£200,000 for Coventry’s 15 social supermarkets

£115,000 for the charity Act on Energy

£100,000 for the Heart of England Community Foundation Cost of Living Appeal

£1,000 to each one of our branches to donate to their local food bank



Caring for our people

We're a people business. We work hard to create an environment that attracts, retains, develops and engages the talented people who can deliver our ambitions plans.

This starts at the top with a set of shared goals that are signed off by the Board and guide the actions of colleagues throughout the Society. Communication is key and we invest the time and effort needed to build understanding of our ambitions and goals, and the difference every person can make. This includes many opportunities for colleagues to share their opinions, whether through engagement sessions with the Board and Executive, to all-Society surveys or through representative bodies such as Unite the Union and My Society, our employee forum.

Our people approach is driven by our purpose and values which help define all aspects of our talent acquisition, personal and career development, wellbeing and colleague experience. It starts when we catch the eye of a potential recruit, and extends through induction, the support we offer colleagues at work, and the challenge and encouragement we provide to help develop their careers. We're here to make people better off through life.

Attracting future talent

We aim to provide a great place for colleagues to build a career. It begins with recruitment, where our philosophy is to focus as much on competencies, potential and learning ability as on experience.

As a result, many of our customer facing colleagues have not worked in financial services prior to joining the Society. They bring a passion for giving a great service, and we provide the time and investment to develop the skills and knowledge needed for the role. This approach supports our broader objectives relating to social mobility too.

Our intern programme is a fantastic example of future talent and social mobility coming together. We offer a six week paid internship in our branches and mortgage teams and, in 2022, 23 students joined us on this programme. Over half of them came from schools that we partner with through our and 13 students have stayed on with us to take up part time employment alongside their studies.



26

Interns
in 2022
(17 in 2021)



36

Apprentices
in 2022
(50 in 2021)



9

Graduates
in 2022
(8 in 2021)



Performance and development

Place to grow

We want the Society to be a place to grow and internal mobility plays an important part in this. For some, this is a promotion; for others, it is the opportunity to move to a new part of this business and retrain. Vacancies are advertised internally on a dedicated microsite, enabling employees to search for open roles that match their interests.

Place to develop

Our approach to performance centres on having brilliant conversations and we work hard to make sure the process doesn't get in the way of that. Our shared goals mean that colleagues understand priorities and can align personal and local activity to these. We don't use performance ratings and we operate a more flexible annual timetable so that every employee can fully engage with the performance process. The process for capturing information about performance discussions is simple and consistent across the Society.

Our People function includes a dedicated Talent and Development team which has responsibility for supporting colleagues' development needs. All colleagues are required to undertake certain training modules throughout the year to ensure they have the skills necessary to undertake their roles and we support colleagues to gain the professional qualifications required.

Place to learn

We have our own digital learning platform which provides a whole host of learning content, all of which is open to every employee working at the Society. It caters to all learning styles; it's the route to access in-person learning as well as hosting a huge array of written and video content. Leaders and learners have provided their feedback about content they would like to see and this has informed how the system has been built. Learners can rate the training they undertake and propose new topics, so the system remains relevant.

We also recognise the important part that managers play in development and we provide a wealth of management development opportunities. These cover everything from coaching to giving feedback to leading in a hybrid world and we ensure that new and existing managers are equipped with the skills they need to support their team.

45%

of all roles are filled
by existing colleagues



4,000 hours

of learning take place
every month



Wellbeing

These are challenging and demanding times, and we believe that our colleagues will do their best for an organisation that understands and supports them throughout their lives.

Our award-winning wellbeing programme is hugely important to us. It’s tailored to the key themes of mental and physical health, and financial wellbeing. We’re here to support our colleagues in all aspects of their professional and personal lives.

2017-2020

Physical

Launched My Wellbeing – Mind, Body, Spirit, including an app.

Mental

Signed Time to Change Pledge.

Mental

New Employee Assistance programme.

Mental

New My Family Policy with enhanced maternity, paternity and adoption benefits.

Physical

Digital GP launched.

Mental

Menopause toolkit launched.

2021

Physical

Workplace choir launched.

Mental

Support for parents of young children with Just Chill Baby Sleep.

Mental

Signed up to the Workplace Pregnancy Loss Pledge, committing to providing support for colleagues through the distress of miscarriage.

Physical

Committed to being a Menopause Friendly employer, the first step in accreditation to becoming fully Menopause Friendly.

2022

Physical

Personalised health support via relationship with Peppy, focusing on menopause and fertility.

Mental

Extended financial wellbeing programme covering budgeting to financial health check and pension planning.

Physical

Signed the Menopause Workplace Pledge.

Mental

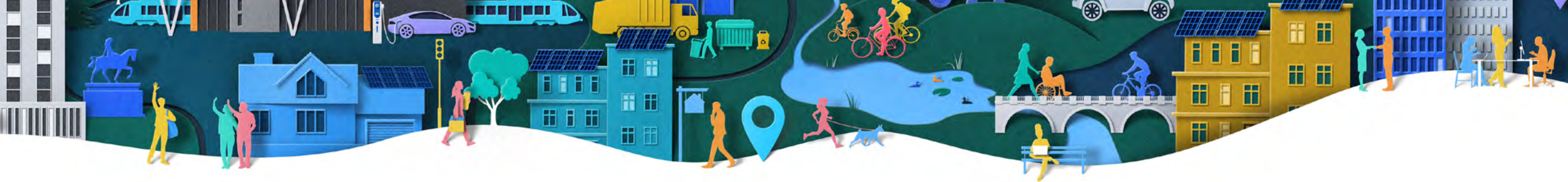
Alcohol awareness with Alcohol Change – focus on mindfulness.

Physical

First Colleague Speed Connect event – a platonic version of speed dating

Mental

Physical



Reward

Our purpose is ‘making people better off through life’. Delivering this involves all aspects of employment, whether financial or non-financial – for example, career development, wellbeing support, inclusion and belonging.

Our reward proposition reflects our values and focus on wellbeing. Pay is benchmarked externally with comparable roles in financial services. In our customer roles, we operate pay accreditation schemes that provide a mechanism to increase pay as colleagues gain role-specific skills and capabilities. We’re committed to pay equity and conduct regular reviews to ensure that all colleagues are paid fairly for comparable work. Society benefits are available to all employees regardless of whether they work full time or part time.

We do not offer individual bonuses to anyone, given the risks to our culture and the potential for such measures to drive a focus on individual priorities. Rather, we have a Success Share scheme overseen by the Remuneration Committee which is anchored to our strategic scorecard. This has a range of measures including financial, risk, customer, ESG and people. Each of these carries an equal weighting. Under Success Share, every eligible colleague, regardless of role, receives the same percentage award.

Our approach is underpinned by three principles:

1. Reward must reflect our values and the expectations of our members.

2. Our aim is to recruit, motivate, engage and retain our employees.

3. We comply with the requirements and spirit of the PRA’s Remuneration Code.

Financial wellbeing

- Pension provision
- Life assurance
- Occupational sick pay
- Improved financial education programme
- Enhanced maternity and paternity provision
- Cost of living allowance paid to over 80% of employees
- Car scheme for electric/hybrid vehicles through salary sacrifice



Physical and mental wellbeing

- Occupational health services
- Mental Health First Aiders
- Paid leave for carers and for bereavement
- An Employee Assistance programme
- A digital GP service
- A wellbeing app
- Retirement and long service recognition
- Cancer screening, exercises classes and more



Place to belong

We want the Society to be a place to belong – for everyone.

This means that our workforce should reflect the diverse and vibrant communities that we serve. In recent years, we’ve worked hard at diversity and inclusion, and have undertaken a wide range of activities that we’ll bring to life in the following pages. Our work on inclusion is broad; whether that be visible support for LGBTQ+ colleagues through our sponsorship of Pride events, an increasing focus on social mobility and linking our community programme with this or reviewing our approach to workplace adjustments to support colleagues with a disability. In this report, we’ll concentrate on highlighting progress against our published ambitions for gender and ethnic diversity. We’re making progress but are not yet where we want to be, so it’s important we’re honest about that and look at what needs to change. We have a Diversity Steering Group, made up of colleagues from all levels across the Society and chaired by a member of the Executive team, and it’s this group, supported by local D&I groups representing different teams and functions, that helps to shape priorities and monitor progress.

In 2021, we ran a survey, open to all employees, to better understand their views on diversity and inclusion. This gave us really broad views and benchmarked our current position against future ambitions. In 2022, we revisited this survey and key highlights are provided below.



78%

of colleagues felt we raised awareness and understanding about differences (66% in 2021)

14%

fewer colleagues gave examples of when they’d felt excluded at work (45% in 2021)

78%

felt a sense of belonging at the Society (78% in 2021)

72%

of colleagues that read our new Inclusive Language Guide found it helpful



Diversity and inclusion

We believe in treating people fairly and recognise that different individuals bring different skills to our Society. We have set ourselves challenging targets and we are working hard to achieve them.

Target

40%

of management and above roles held by women by 2025

2022	2021	2020
38%	37%	34%


Actions taken to meet target

Partnership with Peppy platform to offer support on menopause and fertility

Updated Carers Flex Policy, including time off for fertility treatment

Signed Menopause at Work commitment

Enhanced maternity and paternity leave pay by increasing number of weeks of pay



“Diversity and inclusion are increasingly at the heart of everything we do at the Society. It is vital we reflect and support the members and communities we serve.”

Peter Frost
Chief Customer Officer

Target

25%

of management and above roles held by colleagues from ethnic minority groups by 2025

2022	2021	2020
12%	12%	13%

Actions taken to meet target

Launched training programme for hiring managers on inclusive recruitment and mitigating bias

Full review of recruitment process took place

Increased diversity of hiring panels across largest recruitment areas

All Exec and Exec-1 leaders attended inclusive leadership training centred on race

Launched talent programme for colleagues from ethnic minorities

Diversity and Inclusion Survey conducted

Developed Inclusive Language Guide

Diversity and inclusion in action

We’ve introduced an Ethnicity Career Development programme to help colleagues reach their full potential.

We’ve got a simple goal of recruiting and developing more managers and senior managers from ethnic minority groups, but progress has been slower than we hoped. So we worked with experts at Fairway Group to design a bespoke Ethnicity Career Development programme for colleagues from underrepresented ethnic backgrounds and launched the programme with 14 talented colleagues in September 2022.

They each receive targeted development from an external expert and have been matched with a sponsor from the Society’s Senior Management Team. The sponsor introduces them to a wider network of contacts to help them progress their career, and also helps with more traditional coaching and mentoring.

It’s early days, but the feedback has been really positive from delegates and sponsors alike, and we’re planning to extend the programme more widely in 2023.



“The programme has provided a bespoke approach to support myself and others like me, to put us in the best position to advance our careers and achieve our goals. So far this platform has meant our differences can be our strengths in helping us shape our future careers.”

Ravi
Service Manager,
Branch Network

“Often when it comes to the subject of diversity and inclusion, particularly around racial biases, most organisations are seen to be paying more of a lip service than taking real actions to deal with the disparity they see. It is therefore refreshing to be part of an organisation that is not just interested in knowing the numbers around the subject but going a step further in taking a targeted approach to make a real difference through the Career Development programme. This is welcoming and it makes me proud to work at the Society.”

Bertha
Regulatory Reporting Senior Accountant,
Finance

Diversity at work

We're trying to encourage and develop a truly diverse and representative supply chain that supports innovation and drives value for all parties, members and the community.

A diverse supplier base means one that includes a range of organisations. We're increasing the use of local suppliers (currently 16% of our 2022 spend) as well as suppliers that are 51% or more owned, operated and managed by underrepresented groups including ethnic minorities, women, people with disabilities, LGBTQ+ or ex-forces professionals (currently 18% of our suppliers).

The things we're doing to make this change happen include hosting networking and speaking events for local and diverse suppliers. We make sure we publish suitable tender opportunities for diverse suppliers through the portal Kaleida and for local organisations through the Local Enterprise Partnership 'Find it In Coventry and Warwickshire' portal. We're beginning to make a difference.

Diversity at work – branch colleagues said they wanted more comfort, flexibility and inclusive uniform designs, leading to:

- Selection of a new supplier.
- A new uniform policy allowing expression of gender identities, faiths, cultural backgrounds, disabilities, ages and more.
- Personalised name badges allowing preferred names, pronouns, flags of countries and/or D&I causes, languages spoken and signing ability.
- Shortlisting our Procurement & Supplier Relationship Management (SRM) teams for awards from the Chartered Institute of Procurement & Supply and the Professional Clothing Industry Association.
- The new uniform launches early in 2023.

“The whole experience has been amazing, most of all I love how the new range is diverse and sustainable and moving with the times to stay comfortable yet fashionable.”

Cerrie Paterson, Customer Service Assistant, Daventry

“I was really happy to be chosen for the uniform group & photo shoot. Compared to my day-to-day job, being part of the uniform group was something very different to experience. It was nice how we got to see the uniform from the start and have input into how things went. Being part of the photo shoot took me completely out of my comfort zone and I loved being part of it. Getting to try the uniform on and visit different branches was amazing; hearing and seeing people's reactions was worth all the hard work we had put into the group.”

Anne Blackford, Customer Service Assistant, Foleshill

“Throughout the [uniform redesign] process we've had active engagement from the Society's Diversity and Inclusion Steering Group, Diversity and Inclusion ambassadors from the Branch Network and the Menopause Working Group and ensured that a real diverse group of people from all ages, genders, races, physical abilities and sexual orientations have had a voice within the uniform focus group.”

Alister Wilson, SRM Specialist, Coventry Building Society



Caring for our communities

We want to make significant, lasting improvements to the lives of the most vulnerable and disadvantaged in the communities in which we're based.

By talking to experts, practitioners and other stakeholders, we've developed a place-based community strategy, focusing on Coventry and three areas of need where we can bring relevant resources and experience to bear. These three focus areas are:

- Better Futures - supporting young people build better careers.
- Better Foundations - helping people stay in their homes.
- Better Connections - tackling loneliness and related challenges.

We work in partnership with the public, non-profit and private sectors to improve opportunities for the most disadvantaged in our city to have a better life.

We're active members of Business in the Community and, in 2022, Steve Hughes, our Chief Executive, led a 'Seeing is Believing' visit, introducing businesses to grassroots community groups to experience the challenges they face and to commit to taking action.

2022 saw the conclusion of our partnership with the Royal British Legion and we will announce our new corporate partnership early in 2023. The Royal British Legion has been our corporate charity since 2008, and we have donated over £20 million through affinity products and fundraising. It has been a fantastic partnership, providing much needed support to current and former service personnel.



£3.2 million
of community investment



6,131
Hours of colleague
volunteering



“Business leadership plays an essential role in tackling the key issues faced by many of the most disadvantaged places in the UK. Coventry Building Society is a great example of a business working to support some of the most challenged communities in Coventry. Their commitment to Coventry sets an example for other organisations on what can be achieved from businesses building meaningful partnerships with the non-profit sector and understanding the role that businesses must play in supporting their communities”

Baroness Valentine,
Director of Place, Business in the Community

Better futures

Providing young people with the knowledge, skills and confidence to succeed

We continue to support nine schools that serve some of the most disadvantaged communities in Coventry, by providing online resources, funding, workplace visits and volunteer support. We work closely with teachers and Coventry Council’s Education Department to tailor our support to provide aspirational interventions and promote long-term social mobility.

In 2022, we delivered our Coventry Counts programme of literacy and numeracy support for the six primary schools, and our Employability programme for the three secondary schools. To extend our reach beyond these schools, we offer online resources which can be accessed directly by teachers. Following consultations with teachers, all our sessions and resources contain elements designed to raise aspirations and provide insights to the workplace.

In 2022, we extended our online support by launching our first virtual work insights programme to give greater access to young people wishing to find out more about careers in financial services, and the Society in particular.



“We have gained a huge amount from our partnership with the Society, from in-person support for careers events, access to an online work experience package, to financial donations which have directly impacted our intervention provision. Our partnership directly contributes to our ability to meet the Gatsby Benchmarks by providing students with meaningful encounters across the year.”

Rachel Norton, Assistant Head Teacher, Foxford School

We also partner with the Positive Youth Foundation, which provides support services to young people aged 8-25, primarily to those who find themselves in a range of complex and challenging circumstances. We provide funding and volunteer support and, in 2022, were awarded the charity’s ‘Corporate Partner of the Year’ award.

“Our work over the past few years has been underpinned by critical support offered by the Society’s colleagues which ranges from funding support to access to wider collaborative opportunities to help young people to thrive.

We are proud of our relationship with the Society, which is based upon mutual trust and respect - factors which are critical in ensuring that we deliver support to young people who need it most. We have found our relationships with the Society’s colleagues to be genuinely meaningful and outcome driven, especially at such a challenging time for many of our communities across the city.”

Rashid Bhayat, CEO, Positive Youth Foundation

3,584

Young people supported by our education programmes



4,000

Books donated to primary school children in Coventry



£32,600

Amount donated to Positive Youth Foundation to pay for homework clubs



Better futures in action- promoting social mobility

Promoting social mobility through education and providing opportunities is central to how we live our purpose.

We provide a range of opportunities for young people to experience the workplace and partner with local Coventry schools to improve access to opportunities to build the toolkits for a successful future. We also commit to providing continuous development for our colleagues, helping them to find ways to develop their skills and progress their careers.

Our internship programme is a great example of our purpose in action, bringing together community support and colleague development, and providing a tangible means to improve social mobility amongst disadvantaged young people.

Our Employability programme has been running for seven years, providing year 12 students with the confidence and skills they need to succeed in the workplace. In 2022, we offered the programme to our three partner secondary schools, which serve some of the most disadvantaged communities in Coventry. The ten sessions are delivered by colleague volunteers who often use the opportunity to develop skills themselves, particularly the programme leads for each school who are able to develop their leadership capabilities.

For a number of years, we have been creating opportunities for year 12 students to undertake paid summer internships, with many of them staying on in part-time roles and occasionally going on to permanent positions. For the most successful applicants, this is their first experience of work, and they are provided with a buddy to help guide them through what the role involves.

In 2022, we worked closely with our partner schools, explaining what the internships involved, and supporting young people to apply. Of the 23 available posts across our mortgage and customer service areas, 13 came from our three partner schools.

Other routes into the organisation include apprenticeships and a graduate scheme.

98%

of students taking part in the Employability programme believed their chances of securing employment had improved



“The young adults I met were inspirational and it was a pleasure to be in their company and be able to offer some support.”

Society colleague



“Taking part in the internship has benefited me by allowing me to develop important transferable skills in the workplace such as customer service, and it’s given me useful connections for my future career.” Year 12 Student

“Given me a real insight into the working week world and its environment.” Year 12 Student

“Through this experience, the biggest thing I’ve gained is confidence; just by taking the calls independently and talking to the customers, it shows how capable I am with something that’s completely new to me.” Year 12 Student

Better futures in action

- Coventry Counts

Our Coventry Counts programme is designed to improve literacy and numeracy at Key Stage 2, whilst providing opportunities to learn about the world of work.

Teachers told us that what disadvantaged young people aspire to be is often limited by their lack of exposure to a range of workplaces and experiences, which can then limit long-term social mobility. Coventry Counts is delivered by colleague volunteers, and includes visits where young people are introduced to different roles and can see why what they are being taught in school is relevant to a future they might imagine for themselves. For any sessions outside the classroom, we fully fund all transport to help remove any barriers which may stop young people getting involved.

Sessions in the classroom include ‘Fun with Numbers’ to build confidence and enjoyment of maths, and reading partners, both virtual and in person to improve literacy levels.



“The children learned the value of items such as a bike, a Kindle and trainers. They also learned about interest you can earn on savings.”

Key Stage 2 teacher

“I now understand more about maths and jobs.”

Year 5 pupil, Edgewick Primary School

88%

Learned more about maths and practical money skills



1,462

Primary school children supported with numeracy, literacy and aspirations



Better foundations

Building financial resilience and helping the most disadvantaged and vulnerable to keep a roof over their head and food on the table.

We work with a number of partners providing funding and other support to increase their capacity to support more people and work towards sustainable improvements to their lives. This includes partners such as Coventry Citizens Advice, which provides debt advice, the Central England Law Centre, which provides legal support in cases of eviction, and Change into Action, which brings together organisations supporting rough sleepers in the city, providing small grants to rough sleepers to help them transition into life off the streets. Colleagues and members also support food banks and social supermarkets across our branch network with both donations and volunteering.

Click onto our partner icons below for further information.



286 People

Helped by Coventry Citizens Advice as a result of support from the Society and its members



1,165 Hours

Spent volunteering at Coventry Food Bank



£13,900

Raised by colleagues for Change into Action



Better foundations in action

We've partnered with the Central England Law Centre for over a decade to help the people of Coventry understand and protect their legal rights, improve their financial situation and reduce homelessness. In 2022, together with our members, we funded two support worker roles and a paralegal in the homelessness prevention team. The mental health support workers provide intensive support to help people whose mental health is affecting their ability to manage their finances. This has been a particularly effective safety net for very vulnerable people.

Eleanor's case is typical of the support the Law Centre gives. Eleanor's partner of 40 years managed all the household finances, and when he passed away, she fell into rent arrears of £3,000 and was being illegally threatened with eviction.

The Law Centre's support workers - Shirley and Holly, worked closely with Eleanor, not only by liaising with her landlord, with the local council and the police to secure her property, but also to help her access much needed mental health support.

Over the last eight months, Eleanor has grown in confidence and now feels positive and excited about the future.

173

People provided with wraparound support alongside their legal case

£211,000

Financial gains for people in need from our work with Central England Law Centre



“The combination of the work funded by the Society - triage work, support for people with mental health issues, and intensive support for the most vulnerable – enables us to directly reduce the risk of homelessness in Coventry and help people to stay in their homes and feel more settled and secure. The relationship between The Law Centre and the Society helps to change Coventry for the better by fighting social inequality and injustices.”

Elayne Hill, CEO, Central England Law Centre

Better connections

Better Connections tackles loneliness and isolation amongst older people.

The pandemic has left many older people lacking in confidence to go out and, as a consequence, feeling even more isolated. We know our branches are often seen as safe places. Over the year, we've used them – as well as our partnerships with Age UK (Coventry and Warwickshire) and the Belgrade Theatre Trust – to reach out to people who might benefit from our befriending events. These can range from a simple coffee morning in a branch, to a football match at the Coventry Building Society Arena, a festive lunch or an afternoon performance at the Belgrade Theatre. Over the course of the year, a number of guests who arrived alone have now developed a network of friends and been introduced to support from Age UK. In addition, our Financial Crime team have been in touch with them with information on how to protect themselves from scams.

13

Befriending events held in 2022 involving 9 local charities and care homes

316

People accessed Age UK Counselling and Befriending services as a result of support from the Society and our members



“I just wanted to say thank you so much for arranging for us to go to the Belgrade Theatre. After being in total lockdown for 18 months you forget how good life used to be!”

Ellen, guest at our befriending events

“Thank you - you made some very vulnerable, lonely and isolated women very happy today.”

Sanjay Jagatia – CEO, Ekta Unity

Caring for our members

Better for members

Our members have been really keen to contact our Customer Services colleagues in 2022. Higher interest rates meant increased rates for savers. We have many conversations with our members about their savings needs and the accounts we offer. The cost of living crisis means our savers are keen to get the most out of their money, and we've supported them with a range of accounts to suit their needs. The level of service we provide continues to be excellent as demonstrated by our Net Promoter Score (NPS) and Business Development Research Consultants (BDRC) benchmarking assessments. We ensure that we take the time to listen and discuss our members' needs, which has inevitably meant longer call times. This in turn has impacted call waiting times, but we are working hard to ensure we future proof our member's needs by having more colleagues on the phones to help answer calls faster.

Our investment in our digital capabilities has allowed us to improve our customer engagement and support, meeting expectations of self-service

New capabilities within our online services allow maturities to be processed online. We've done an initial test of 5,000 customers, who were sent an email rather than a paper maturity letter. We've designed new screens allowing them to give us their instructions electronically.

In addition to this, the roll out of our new email communication solution allowed us to send 17 million emails in 2022, significantly reducing our dependency on paper for key events such as rate changes whilst also allowing us to keep customers updated in a more timely manner.

We continue to be there for our members, by whatever means they want to contact us. The completion of our branch refurbishment programme has been well received by our members as they value our presence on the high street.



Caring for our savers

Better for savers

We have continued our focus of rewarding our savers, ensuring we not only attract new savers with great rates but continue to reward our members over the long term. Below are some examples of what we have done for them in 2022.

Rate increases and loyalty products

- The Bank of England increased interest rates eight times in 2022 and we made sure that savings members benefitted from each rise.
- In 2022, 97% of our variable savings balances received an increase in their rates. We will support savings members even further in 2023, with some of the biggest benefits going to first time buyers, regular savers and children’s accounts.
- At the end of December, we had 1,914 First Home Saver accounts paying a great rate and offering £500 cash back if savers go on to take a mortgage with the Society.
- Our loyalty products have seen over 78,000 accounts open, with 49% of customers having been with the Society for over ten years.



“During 2022, we announced increases to our variable savings rates eight times, underlining our commitment to delivering consistent good value to all our members over the longer term. As we start the new year, we want to continue to encourage good savings habits for all ages, help those who work hard to save on a regular basis and support savers who are looking to buy their first home. Our regular savers and young children will also benefit from big increases as we aim to offer some of the highest rates on the market.”

Matthew Carter, Head of Savings



Caring for our borrowers

Better for borrowers

We continue to improve our products, borrower support and mortgage processes to help as many people as we can to realise their dream of homeownership and moving up the property ladder.

In 2022, we supported first time buyers, homeowners, landlords and brokers with new offerings that include:

- Greater new build purchase options, particularly focused on first time buyers seeking builder incentive support.
- Access to an agreement in principle, without impacting a borrower's credit file.
- Extended mortgage lending terms, helping first time buyers in particular to borrow more from us over a 40 year period.
- A £500 incentive to encourage home efficiency improvements via our Green Together Reward.
- A new digital channel for existing customers looking to conveniently choose a new mortgage product.
- A new digital channel for our brokers to more effortlessly switch their clients' mortgage deals at product maturity.



Meeting the needs of our vulnerable members

Supporting those with vulnerability characteristics is part of our DNA.

We have a network of Vulnerable Customer Experts (VCEs) who support this aim. Our VCEs are embedded across our customer facing teams and in head office functions. The front-line teams act as the voice of our customers, feeding their expertise into new initiatives and recommending improvements to enhance our Vulnerable Customer Strategy and improve the support and tools we offer vulnerable customers. All of this is documented in our Vulnerability Policy which explains the responsibilities all colleagues share in serving members with specific needs.

Our head office VCEs work with their colleagues to act on feedback received so that we can continually improve the customer journey and communications sent to our members. We offer literature in large print, audio and Braille to ensure that our members remain independent and are able to manage their own finances as much as possible.

In 2022, we continued to enhance our service in this area through:

Userway

Introducing ‘Userway’ which enables our website to be tailored to an individual’s needs, making it more accessible for them.



Communication Access UK

Joining Communication Access UK - an initiative led by the Royal College of Speech and Language Therapists and developed in partnership with charities and organisations that share a vision to improve the lives of people with communication difficulties.



Colleague Training

All colleagues who support our members receive training on how to spot the signs of vulnerability and on the services available to support the vulnerable. This takes place annually as a minimum and includes Communication Access UK training.



Our services are ‘promoted’ via our in-branch screens which encourage members to tell us about any specific things we can help them with. We know that members introduced by our intermediaries will also benefit from our services so have brought out an intermediary guide to explain what we do.

We will continue improving colleague skills and knowledge and doing the right thing so all members get good outcomes.

We’re proud to deliver a market-leading service in the area of bereavement support and take this as an important measure for the care and consideration that is given, particularly in difficult times.

Governance

In this section

Good corporate governance is at the heart of everything we do and is consistent with our values and culture. This framework also applies to our sustainability strategy. In 2022, the Board continued to support and oversee the Society’s sustainability agenda to ensure we are on track to deliver our targets.



“For many organisations, governance is a tick box exercise, but what I have learned as a Board member at the Society is how much value governance adds when the company truly embraces and embeds it.”

Jo Kenrick
Deputy Chair of the Board and Senior Independent Director

Our CARES alignment

Responsible | Straightforward | Empowered

SDG alignment



Our approach to governance

We pride ourselves on high standards of corporate governance and this includes our approach to the management and oversight of sustainability related topics.

The Board has overall accountability for the long-term stewardship of the Society and sets our strategic direction, including having responsibility for our approach to sustainability. Our governance processes are aligned with the Society’s ambitions in relation to sustainability and seek to ensure that the Board is effective in its oversight of the Society’s sustainability agenda, consideration of climate related risks and opportunities, and oversight of the Society’s performance against its sustainability ambitions. Addressing the challenge of climate change is one of the Board’s eight strategic responsibilities. It is integral to the Society’s ability to achieve long-term sustainable growth and is therefore at the forefront of many Board considerations and decision making throughout the year.

The Board is supported by a nominated Non-executive Director, Shamira Mohammed, who provides support and challenge to the Society’s activities on climate change.

The Board has oversight on five key aspects to deliver on its sustainability responsibilities:

1. The Board considers and approves the Society’s annual strategic plan and monitors progress throughout the year.



2. The Board considers and approves the Society’s sustainability vision and the actions required to achieve this vision.



3. The Board considers and approves an assessment of the Society’s capital adequacy, known as an internal Capital Adequacy Assessment Process (ICAAP), which includes scenario analysis of the climate change related risks relevant to the business.



4. The Board approves and receives updates on the Society’s Climate Action Plan

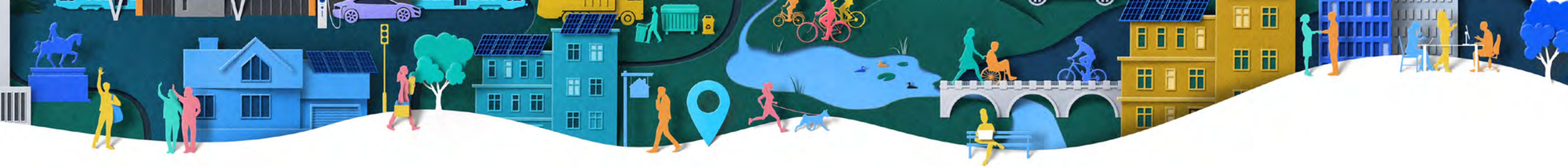


5. The Board reviews sustainability related management information on a quarterly basis.



Throughout the year, the Board received two detailed updates on sustainability matters and approved the Society’s vision for sustainability and the material elements of the Society’s 2022 sustainability plan. Performance against key ESG metrics was also reported to the Board on a quarterly basis and reviewed bi-annually as a part of the Board’s sustainability updates.





Sustainability governance structure chart

Committees of the Board also play an important role in terms of oversight of climate related matters:





Governance at a glance

Management’s role

Steve Hughes, CEO, has overseen the Society’s engagement on a range of climate change matters as part of the broader sustainability agenda. The Chief Risk Officer (CRO) is responsible for overseeing implementation of an appropriate strategy to understand, identify, measure, monitor, control and report risks from climate change in line with the Society’s risk appetite set by the Board Risk Committee. The CRO also supports the development of appropriate processes to monitor and report exposures to the risks from climate change.

1. The Executive Risk Committee is chaired by the CRO, with membership formed from the Executive team, and has responsibility for executive oversight of climate related risks.



2. A Climate Risk Forum has been established, comprising members from the Society’s Risk, Finance, Strategy, Treasury and Governance functions. This broad membership ensures appropriate consideration, monitoring and management of climate related risks by senior management.

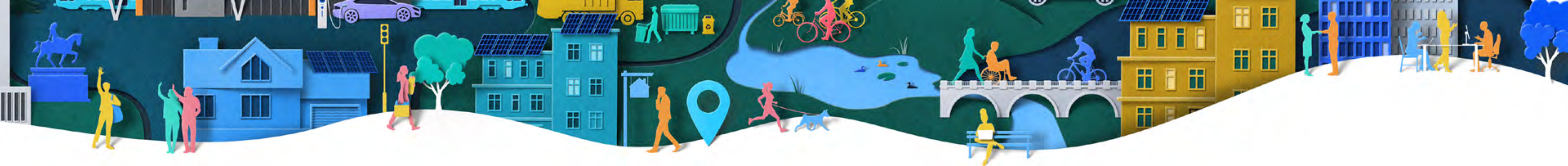


3. The Executive team devotes time monthly to the oversight of people and purpose. The execution of the Society’s Climate Strategy within the context of our broader sustainability agenda is overseen through this forum, chaired by the Chief People Officer.



4. An ESG Working Group, which is also chaired by the Chief People Officer, develops and oversees the delivery of the Society’s sustainability strategy and comprises of senior leaders across Operations, Product, Risk, Communications, Strategy, Legal and Shared Service functions.





Engaging with investors and ratings agencies

Our wholesale investors provide diversity of funding and capital, and we engage with ratings agencies to keep them up to date on developments at the Society to support their ratings process.

Investors complement funds raised from members savings, support growth and lower risk as well as providing value to members through balancing the overall cost of funding.

What we offer

We believe there is strong alignment between the interests of our borrowers, investors and savings members, who all benefit from our low risk mortgage lending and sustainable approach to capital and liquidity planning and profitability. We offer investors the opportunity to invest in an organisation with a low risk model and consistent strategy. We create value for our investors through the operation of a business model which is simple, straightforward and well governed, and manages risks effectively.

Engagement

To ensure that we optimise wholesale funding activities, we believe in creating long-term relationships with our investors through consistent and transparent engagement. Our primary engagement is following the publication of our annual and interim results. We offer individual meetings to ratings agencies and to a large number of our wholesale investors, and update them on performance, outlook and plans. Outside of these sessions, we regularly engage on an individual basis with investors to understand their views and outline details of the specific transaction. In 2022, we saw a move back to in-person meetings, although virtual meetings are still offered for those investors who prefer this channel.

In 2022, the engagement from investors remained high, with over 150 investor meetings through the year. Investors were interested in the following key themes:

- Cost of living and the potential impact of this on borrowers.
- Asset quality/expected credit losses.
- UK political and economic backdrop.
- The impact of rising interest rates on our business.
- Treatment of capital securities.
- Sustainability.

A dedicated investor relations page is maintained on the Society’s website, which gives access to investor presentations, funding programmes and Annual Reports.

2022 key activities and issues

During the year, the Society completed a successful €500 million euro denominated covered bond trade. The order book for the transaction was the largest seen for any euro transaction by the Society, with more than 40% of the deal bought by German investors, demonstrating the strength of the Society’s wholesale franchise and the benefits of having regular investor engagement. In 2022, the emphasis from investors and ratings agencies to understand the impact of the global economic backdrop, including the cost of living crisis, on the Society’s asset quality and the variation of interest rates and impact on margins was evident. Looking forward to 2023, we expect these trends to continue.



Combating financial crime

We are committed to combating money laundering, corruption and terrorist financing.

The Board Risk Committee oversees annually the approval of both the Anti-Money Laundering, Terrorist Financing and Facilitation of Tax Evasion and Sanctions Risk Management Policy and the Anti-Bribery and Corruption Policy.

Each of these policies provide for more detailed arrangements, procedures and internal controls which are designed to ensure the Society complies with relevant laws and regulations intended to prevent, detect and report money laundering, corruption and terrorist financing.

The Board oversees our efforts to combat money laundering, corruption and terrorist financing. These efforts are led by a dedicated Financial Crime team of anti-money laundering compliance experts reporting to the Money Laundering Reporting Officer.

At the Society, we apply a risk-based approach and have a framework in place to identify and manage potential money laundering risks associated with customers and transactions. With our systematic assessment of money laundering risks, we strive to arrive at the appropriate level of initial and ongoing due diligence and monitoring of transactions throughout the course of a relationship. Our Anti-Money Laundering (AML) policy sets out the processes and risk criteria pertaining to politically exposed persons (PEPs).

Anti-bribery and corruption

We've published policies on (ABC) and which detail responsibilities and how to raise concerns and questions.

The ABC Policy, which is owned by the Board, sets out responsibilities at all levels of the Society and each Executive Leader is responsible for adherence to ABC within their own area. The Board Audit Committee receives an annual report setting out the Society's adherence to the policy and considers any ongoing issues. The report is prepared utilising the standards set out in ISO 37001 and the report

in 2022 identified no material concerns. In addition, activities in this area are periodically reviewed by both our independent Compliance and Internal Audit functions. Within the Policy, colleagues are advised to raise any concern with their line manager. Alternatively, they can also use the whistleblowing reporting process. All colleagues also have to complete mandatory learning on ABC policy which reinforces the message, and attest they understand their responsibilities within the annual Statement of Personal Responsibilities. In 2022, 99% of all employees were confirmed as having undertaking training on ABC.

Whistleblowing has its own section on the Society's internal website setting out what the process can be used for. We use an independent outsourcer, NAVEX, to operate the online and telephone reporting services, and any concern is then investigated by the Whistleblowing team; however, all cases are reviewed and the outcome decided on by a member of the Whistleblowing Committee. All colleagues have to complete the mandatory annual learning, which ensures they understand what can be raised and how, while all managers complete an additional module of mandatory learning to ensure they are aware of their role in supporting colleagues. In 2022, 99% of all employees and managers were confirmed as having undertaking the relevant whistleblowing training.

The ABC Policy applies to all employees (temporary and permanent), contractors, members of the Board, individuals acting on behalf of the Society, and third party suppliers must adhere to the main requirements within the policy. The policy is published on the iNet. Employees have to complete the annual mandatory learning to ensure they understand the policy and their responsibilities. In addition, as part of the annual Statement of Personal Responsibilities employees attest that they understand their responsibilities, including those within the ABC Policy. Suppliers are subject to due diligence processes managed by Procurement, both at onboarding and on a regular basis thereafter, and this includes checks on adherence to relevant ABC requirements.

In 2022, 100% of employees received communication on the Society's ABC policies and procedures and there was no confirmed incidents of corruption across the Society.



Grievances, raising concerns and whistleblowing

We strive to maintain high legal, regulatory and ethical standards. We have long-standing procedures to help us resolve employee grievances, and colleagues are strongly encouraged to speak with their line manager or the People function about any concerns. They may also consult specialist departments such as Financial Crime, Compliance and Legal should they require advice about ethical or lawful behaviour in the course of doing their job.

In the event an employee has a concern about something, our Whistleblowing Policy and procedures offer multiple channels (including an externally operated whistleblowing hotline) for colleagues to raise concerns about any suspected breaches of laws, regulations, rules or other legal requirements, sexual misconduct or harassment, policies or professional standards. They may raise concerns openly or anonymously. Investigations of concerns raised are overseen by the dedicated Whistleblowing Committee, which is comprises a range of senior individuals in the Society and is overseen by the Head of Enterprise Shared Services, who reports to the Chief Customer Officer. The Whistleblowing Policy and an annual Whistleblowing Report are considered by the Board. In addition the Committee meets twice annually with the Chair of the Board Audit Committee, who is also the Whistleblowing Champion and reports to the Board regularly on this topic, as well as, overseeing the processes described above. All of the Society’s employees have to complete mandatory training on whistleblowing, which sets out how matters can be raised and confirms this can be done anonymously. In 2022, zero critical concerns were communicated to the Board.

Our policies do not tolerate harassment of any kind, including sexual harassment, and our whistleblowing policies, procedures, employee education and awareness materials specifically encourage employees to raise concerns.

The Society prohibits retaliation against employees for reporting a concern that they reasonably believe constitutes a breach or violation of this kind. More generally, there is a range of policies in place relating to how each function within the Society should operate. Should colleagues at the Society consider that

these policies are not being followed, they can raise concerns to their line manager, the People function or via the whistleblowing processes. In addition, colleagues can raise concerns with the Compliance function or Legal function should they have a question concerning compliance with regulation or law. Tendering suppliers are able to express concerns related to the sourcing process during or after the tender process. The bid documents contain information about how to do this. Current suppliers are able to express concerns related to their existing relationship by using a dedicated email address detailing their experience. Suppliers will receive a response within 30 days. In relation to the Society’s products, the Society’s customers are provided with a range of ways to contact the Society should they have a concern or complaint.

Complaint procedures follow relevant regulatory requirements and are handled by a dedicated Customer Relations function. Should a customer not be satisfied with the response received, they are notified of their ability to inform the Financial Ombudsman Service, which reviews the complaint and has the authority to require the Society to provide redress in cases where the Financial Ombudsman Service finds in favour of the customer. The Society carefully monitors the number of complaints it receives, the root causes of such complaints and the number of cases referred to and upheld by the Financial Ombudsman Service. These matters are also reviewed by the Executive and Board regularly.

Modern slavery

We're committed to addressing modern slavery, servitude, forced labour and human trafficking in all its forms, and carrying out business in a fair, honest, ethical and open manner.

Our Third Party Risk Management Policy requires that potential modern slavery and human trafficking risks related to our business are understood. Active steps are taken to ensure our supply chain is not engaging in any form of modern slavery or human trafficking.

We've enhanced training for colleagues and we're using a financial services industry digital training tool provided via the UK Modern Slavery Training Delivery Group, the UK Independent Anti-Slavery Commissioner and Themis. In addition, screening of adverse media against supply chains has been enhanced via the use of tooling.

In October 2022, a refreshed statement was approved by the Board and published on the Society's website pursuant to Section 54, Part 6 of the Modern Slavery Act 2015. [This statement](#) details the policies the Society has in place and the ongoing actions that will be taken to continue to support the combating of modern slavery and human trafficking in supply chains.

We'll continue to conduct an annual review of this statement and the actions the Group takes to combat all forms of modern slavery internally and within its supply chain. In 2022, no instances of modern slavery or any associated concerns were identified.



Health and safety

The Society's Board nominates the Chief Customer Officer as the director responsible for health and safety. Our Health and Safety Policy is supported by an occupational health and safety management system maintained by a dedicated Health and Safety team.

The scope of the management system is as follows:

- Applies to all Society premises.
- Covers all employees, including full time, part time and temporary workers, customers and others (including third party contractors, visitors and the public) who may be affected by the Society's activities.

The Society's management system covered all of its employees and workplaces in the reporting period. The management system is subject to periodic audit but was not subject to a planned internal or external audit in the 2022 reporting period.

A bi-monthly Health, Safety and Security Committee, chaired by the Chief People Officer, oversees the overall health and safety performance of the Society, and a quarterly forum, which engages with employees through safety representatives on all elements of health and safety, supports the Committee.

The Society's incident reporting system asks employees to report all work related near misses and accidents, and they can also report hazards to safety reps, management or regulators. Whistleblowing, Anti-bullying and Harassment Policies safeguard colleagues from reprisals.

In 2022, we effectively managed the transition from government-led restrictions to meeting guidance on ventilation, cleaning and hand hygiene, and introduced a series of self-service tools, guides and videos that support hybrid working, including improved fire evacuations, display screen equipment support and incident reporting.

All employees must undertake mandatory online health and safety training as part of their induction and annually after that, and we improved existing online training by introducing new learning modules covering fire marshals and first aid. In 2022, the Society also strengthened its approach to helping line managers support colleagues with disabilities, impairments and other conditions through workplace adjustments.

For more information and data regarding our health and safety, please refer to [Appendix A](#) in the appendix.





Cyber security and data privacy

Cyber threats continue to pose a significant risk to the financial services sector. The Society understands the importance of this risk and continues to invest to protect our members’ data and critical systems from the ever changing cyber threats.

To remain on the front foot, we have refreshed our overarching Cyber Security Strategy, defining clear principles, objectives and a roadmap. The strategy drives our future cyber investment programme. Increasing colleague awareness of cyber threats remains a priority and we drive this through mandatory training and regular campaigns to bring the subject to life. It is recognised that technology remains an important part of our cyber defences and we continue to deploy layered security controls to protect the Society from current and emerging cyber and data loss threats. We use a combination of in-house and third party resource to ensure new initiatives are delivered with appropriate security. Further, we continue to invest in our Security Operations function which ensures that emerging threats and incidents are proactively handled and, as a result, we have had no significant cyber related incidents over the last year.

The Society processes large amounts of personal information every day and we take our data protection responsibilities seriously.

The privacy notices on our website provide full details of the processing activities we undertake across the Society and the rights individuals have regarding their information, with a separate privacy notice for colleagues. We also have an internal Group Data Protection Policy which is reviewed annually. It documents the risks that need to be managed and the minimum control standards that need to be adhered to, to ensure all personal information is protected and an individual’s right to privacy is observed at all times. This policy is aligned to the data protection legislation which applies to the Society. All colleagues are required to complete annual computer-based training and pass the accompanying test to ensure they clearly understand the obligations placed on them. The Policy is owned and overseen by the Society’s Data Protection Officer (DPO) and Data Protection Lead. The DPO is supported by the Data Protection Managers and the Data Protection team who advises and provides support on the Society’s obligations and undertake/support assurance activities to ensure ongoing compliance with data protection legislation. It also act as a contact point for data protection regulatory bodies, such as the

Information Commissioner’s Office (ICO), and individuals who wish to raise concerns regarding the processing of their personal information or who want a copy of their data.

Data breaches can occur in the form of a malicious attack or accidental error, and can be wide scale or impact one individual. The Society has processes in place to help ensure data breaches are identified, reported and resolved appropriately. Whilst errors occur from time to time, in 2022, the Society did not experience any significant or widespread data breaches that compromised the security of the personal information it is custodian of. The Society made one cautionary data breach notification report to the ICO in 2022 with the Commissioner requiring no further action.

In 2022, 40 complaints were received from outside the Society and were substantiated by the Society and there were zero complaints from regulatory bodies or from identified thefts, leaks or losses of customer data. The complaints which were substantiated came from the Society’s members and primarily arose in circumstances where the Society sent information in the post to an incorrect address.



The **beSAFE** initiative is part of the wider Financial Crime education strategy and was launched in October 2022. It’s an employee and customer-led initiative, between Information Security and Financial Crime, where we educate our colleagues on recent scams and emerging fraud threats. We also have a presence in our contact centre and branches, where we provide scam awareness advice, under the Take Five Campaign.

Our supply chain

Suppliers include contractors and providers of goods and services to the Society.

Our supply chain

In 2022, the Society spent around £173 million on a broad range of products and services with approximately:

- 650 suppliers, of which around 90 are deemed key suppliers. A ‘key supplier’ is a supplier relationship which presents highest criticality in terms of the impact to the Society in the event of non-performance.
- Tier 1 (highest criticality, of which there are around 40 suppliers)
- Tier 2 (lower criticality, of which there are around 50)
- Tier 3 (lowest criticality, of which there are around 90)
- Tier 4 (transactional suppliers, of which there are around 470).



The major areas of expenditure within the Society’s supply chain are technology support and services, professional services and property services. Supplier expenditure is committed through contracts, typically one to three years in duration.

In 2022, the Society held significant competitive bidding processes across providers of software and professional services. Overall, the Society’s supply chain remained consistent with previous years in terms of the number and identity of its key suppliers and their locations. As well as suppliers of goods and services, the Society maintains relationships with distributors for its mortgage and savings products. Our supplier relationships are principally with entities located in the UK.

Proportion of spending on local suppliers

The Society defines its significant locations of operation as its head office in Coventry and defines suppliers as ‘local’ if they are headquartered within 50 miles of this location. Approximately 16% of expenditure with suppliers in 2022 was assessed as expenditure with local suppliers.

In 2022, the Society started to identify which suppliers are diverse (which we define as organisations at least 51% owned) and managed by underrepresented groups including women, LGBTQ+ groups, people with disabilities, ethnic minorities and veterans.

Doing business responsibly with suppliers

Our procurement and supplier management services are provided by an internal Procurement function which applies our Third Party Risk Management (TPRM) and Sustainable Procurement Policies and processes. These policies set the minimum standards relating to the management of sourcing and third party risk and provide support through the sourcing lifecycle at all stages including supplier evaluation, risk based due diligence and contract management. Through these policies and frameworks, the Society seeks to apply consistent and proportionate governance and management of suppliers aligned to the risk appetite of our business. Potential suppliers are invited to review the Supplier Code of Conduct during the sourcing process and indicate their commitment to this document prior to contracting. Selected suppliers are invited to obtain an external sustainability rating within 100 days of selection.

Supplier conflicts of interest are prevented and mitigated through the application of the Supplier Code of Conduct. The Code requires suppliers to disclose all business activities that might result in a conflict of interest in relation to arrangements between the supplier and the Society. The Society’s _____ commits employees to disclose actual or potential conflicts of interest to the Head of Procurement if a conflict relates to a relationship with a supplier. Suppliers who wish to report a grievance may do so by following the process indicated in the Supplier Code of Conduct. No grievances were reported in 2022.



Working sustainably with suppliers

Delivering on this topic will take time and require care to ensure existing processes are not disrupted.

2021	2022	2023	2024	2025
<div>Sustainable Procurement Policy and strategy launched</div> <div>Suppliers page on consumer website launched</div> <div>First local supplier engagement event</div> <div>ESG is 20% of tender weighting</div>	<div>Sustainable procurement category risk assessment complete</div> <div>Sustainable procurement features throughout sourcing process</div> <div>100% of key suppliers agreed to Supplier Code of Conduct or equivalent</div> <div>Local supplier spend increased (12% to 16%)</div> <div>Diverse supplier numbers identified (18% of suppliers)</div> <div>43% of key suppliers rated green by EcoVadis</div> <div>Lifecycle cost model launched</div> <div>Sustainable Procurement Working Group launched</div> <div>CIPS Ethics Kitemark</div>	<div>100% of key suppliers EcoVadis rated or equivalent</div> <div>Meet UK Prompt Payment Code Conditions (95% of SMEs paid on time)</div> <div>Attain ISO 20400</div> <div>Create supplier decarbonisation plan</div> <div>Launch supplier community approach</div> <div>Publish minimum ESG standards for suppliers</div> <div>Modern slavery education</div>	<div>Join sustainable procurement initiatives with business stakeholders</div> <div>Mandatory ESG training for Society colleagues to support capacity building</div>	<div>EcoVadis, sustainable procurement contract clauses and Supplier Code of Conduct automatically part of contracting process</div>

Engaging with suppliers

Supplier engagement occurs at different times during the year depending on supplier criticality.

The Procurement function engages with all suppliers in end-of-contract discussions prior to contract expiry. Engagement also occurs for all tier 1 suppliers through monthly governance meetings hosted by functional business owners of supplier relationships. These address supplier performance, strategy, risk, sustainability and value initiatives. For tier 2 and 3 suppliers, these meetings occur quarterly and annually respectively. All suppliers in tiers 1 to 3 are invited to take part in a supplier survey once a year to gather their perspective about working with the Society.

In the 2022 survey, suppliers told us they wished for more opportunities for recognition and networking. In response, our Procurement and SRM team hosted 27 suppliers at our first ever Supplier Awards event, designed to share best practice and celebrate outstanding contribution. Ten winners' trophies were awarded across categories including Environmental, Social and Governance excellence, and diversity and inclusion contributions.



Supplier standards, due diligence and prompt payments

We aim to reduce any negative environmental and social effects of the goods and services the we buy and we engage with suppliers to promote responsible practices.

Committing our suppliers to our standards

A central component of our framework is the Supplier Code of Conduct to which our suppliers are bound by contract. The standard is key towards:

- Defining our expectations towards suppliers and their subcontractors regarding legal compliance.
- Environmental protection.
- Avoidance of child and forced labour.
- Non-discrimination.
- Remuneration.
- Hours of work.
- Freedom of association.
- Humane treatment.
- Health and safety.
- Anti-corruption issues.
- Whistleblowing mechanism to support and protect employees.



Our approach to sustainability

We aim to ensure that environmental and social risks are assessed when choosing and dealing with suppliers. Our supplier due diligence process involves identifying, assessing and monitoring supplier practices in the areas of human and labour rights, the environment, health and safety and anti-corruption, in line with our commitment to the UN SDGs and UN Global Compact. Our standard contractual wording for all supply contracts includes provisions concerning compliance with the UN Global Compact. In 2022, the Procurement and SRM team embedded sustainable procurement into the sourcing process and our supplier selection criteria with up to 30% of the overall weighting being assigned to sustainability issues. The Procurement and SRM team will be further adapting approaches in order to obtain ISO 20400 accreditation in 2023. Suppliers with high business criticality are requested to conduct an assessment through the sustainability ratings provider EcoVadis on their responsible management practices and to provide corresponding evidence. In 2022, five suppliers were considered in need of improving their sustainability practices. Remediation actions are being progressed with all of them. In 2022, no Society supplier relationship was terminated as a result of these assessments.

100%

of suppliers committed to the Society's Supplier Code of Conduct



43%

of key suppliers rated green by EcoVadis





Managing tax

The Society is resident for tax purposes in the United Kingdom and has in place a tax strategy, which can be accessed on our website.

Our tax strategy is the day-to-day responsibility of the Chief Financial Officer and is overseen by the Board Audit Committee, which reviews and endorses this document on an annual basis. In the event that a significant change to the tax strategy is required, this would be a decision for the entire Board.

In 2022, no major changes were made to the Society’s tax strategy. We focused on an approach which is open and transparent, and looks to comply with the spirit and the letter of HMRC regulations and tax legislation. We always aim to engage with HMRC in an open and collaborative manner. Since 2021, the Society’s approach to tax has resulted in it receiving the Fair Tax Mark from the Fair Tax Foundation. This accreditation reflects the importance of tax to our overall strategy for sustainability, and due to the Society’s low risk approach on tax, no specific activity was undertaken to engage on this topic with stakeholders in 2022.

Management of our tax affairs (in line with the Society’s tax strategy), under the leadership of the Chief Financial Officer, is undertaken by a dedicated team within the Finance function. There are no specific arrangements for employees to report concerns about unethical or unlawful behaviour on tax matters, but employees can utilise the whistleblowing and grievance procedures described above.

In 2022, no such concerns were raised by any employee.



Fair Tax Mark - is at the heart of a fair society, a strong economy and a functioning democracy. Its aim is to help those people who believe in a fair society and playing by the rules to say so publicly.

Compliance with law and regulations

Law and regulations

During the reporting period, there were no significant instances of non-compliance with law and regulation.

Legal risk is generally managed as a subset of operational risk within the Society’s Enterprise Risk Management Framework. During 2022, the Society was subject to no legal actions pending or completed concerning anti-competitive behaviour and violations of anti-trust and monopoly legislation. Similarly in 2022, the Society did not have any significant fines or non-monetary sanctions applied for non-compliance with laws or regulations relating to social or economic matters.

Government and regulators

The Society is a politically neutral organisation and does not participate in political discussions.

This approach is formalised in our Political Lobbying Policy, which is overseen by the Nominations & Governance Committee. We comply with legal requirements on disclosing political donations and we do not provide financial support to political parties. Consistent with this policy, in 2022, the Society made no political contributions directly or indirectly, including in-kind contributions. In 2022, the total monetary value of financial assistance received by the Society from any governmental body was zero. No governmental body has any ownership stake in the Society. As a firm regulated under the Financial Services and Markets Act 2000, the Society regularly engages with the PRA and FCA concerning matters of interest to the Society’s members and the future success of the Society. Details of consultations held in 2022 can be found on page 81 in the appendix.



Our materiality assessment

The following table provides an overview of all topics used in the materiality matrix and the relevant GRI topic.

Material Issue	Description	Relevant GRI topic where
Access and affordability	Supporting people on their home ownership journey, ensuring their mortgage product is the right fit.	
Better financial health	Enabling financial resilience for members through developing savings habits. Supporting colleagues and communities through direct financial support and education to build financial resilience.	
Climate action	Taking action to identify and manage the risk that climate change presents to our business, and ensuring we make changes to our business to reduce our own impact, and supporting our members to reduce theirs.	GRI 305 Emissions
Data security	Protecting data from unauthorised access and data corruption.	
Digitisation	Moving away from paper-based and face to face interactions, and towards offering products and services digitally on IT platforms that are safe, secure and easy to use.	
Diversity & Inclusion	Diversity relates to the different types of people who form the workforce, and inclusion is how valued colleagues feel for their different perspectives.	GRI 405 Diversity & Inclusion GRI 406 Non-discrimination GRI 419 Socioeconomic Compliance
Effective governance	Ensuring we are a well-governed institution making good decisions that are clearly recorded and appropriately challenged.	
Ethics, values & culture	The beliefs and behaviours that guide how we do business and interact with our stakeholders.	
Financial Inclusion	Ensuring people have access to the financial products and services they need, and that these are delivered in a responsible manner.	
Financial Literacy	Being able to understand and effectively use financial skills, for example personal financial management and budgeting.	
Good customer outcomes (New)	Designing products and services to give good customer outcomes, including support for vulnerability.	
IT Stability	Having an IT infrastructure that is safe and reliable, and able to withstand changes and cyber attacks.	
Managing risk	Financial risks are those risks which could lead to a loss of capital, or impact our ability to raise funds. Non-financial risks are all other risks, this could be conduct risk, reputational risk, cyber risk, regulatory etc	GRI 205 Anti-Corruption GRI 207 Tax
Model resilience	Ensuring that our business can survive under potentially different conditions. This includes economic and societal shocks such as global pandemic, financial crash etc.	
Product design	Our products are mortgages and savings. We design different types of mortgage and savings products in response to economic and market changes, the needs of our members, and the long-term sustainability of our business.	GRI 417 Marketing and Labelling
Responsible sourcing	Choosing to purchase from organisations who are also committed to sustainability and responsible practices. Ensuring resilience of supply in challenging times.	GRI 204 Procurement Practices
Social mobility (New)	Working to increase aspirations and employability, and ensure futures are not determined by background.	
Talent	Recruiting and developing the colleagues we need to grow a successful business. This includes supporting wellbeing and career development, and working with local schools to ensure local young people will have the skills that businesses need in the future.	GRI 401 Employment GRI 404 Training and Education GRI 201 Economic



Global Reporting Initiative content index 2022

This content index refers to the Global Reporting Initiative (GRI) Standards issued by the Global Sustainability Standards Board and the Financial Services Sector Supplements, which form a voluntary reporting framework for the disclosure of sustainability performance.

These disclosures have been overseen by the Board Audit Committee and approved by the Board. These disclosures have not been, and are not required to be, subject to an independent external audit and do not constitute any part of the Society’s financial statements.

We have prepared report in reference to the GRI Standards: Core Option.

Key

GRI Standard	Based on 2016 disclosures
Disclosure	Number and title of GRI disclosure
Reference	Section of publication or web page which covers the GRI information
Page	Page reference in the Coventry Building Society Annual Report & Accounts (2022 AR&A) or Coventry Building Society Sustainability Report (2022 SR).

The Coventry Building Society Annual Report & Accounts is available
and the Coventry Building Society Sustainability Report is available

Contacts

The Society’s Media team acts as the point of contact for sustainability related enquiries:

GRI Standard	Disclosure	Reference	Page
102 General Disclosures	102-1 Name of the organization	Contents page	SR p3
	102-2 Activities, brands, products, and services	Our strategic priorities	SR p9
	102-3 Location of headquarters	Contents page	SR p3
	102-4 Location of operations	Contents page	SR p3
	102-5 Ownership and legal form	Auditors' Report	AR&A p128
	102-6 Markets served	Auditors' Report	AR&A p128
	102-7 Scale of the organization	2022 workforce at a glance Contents page Financial Statements At a glance	SR p78 SR p3 AR&A p138 SR p4
	102-8 Information on employees and other workers	2022 workforce at a glance	SR p78
	102-9 Supply chain	Our supply chain	SR p60
	102-10 Significant changes to the organization and its supply chain	Our supply chain	SR p60
	102-11 Precautionary Principle or approach	Our strategic priorities	SR p9
	102-12 External initiatives	Consultations held by public bodies	SR p80
	102-13 Membership of associations	Our external associations	SR p10
	102-14 Statement from senior decision-maker	A view from the Board on Sustainability	SR p7
	102-15 Key impacts, risks, and opportunities	Top and Emerging Risks	ARA p25
	102-16 Values, principles, standards, and norms of behaviour	Our strategic priorities	SR p9
	102-17 Mechanisms for advice and concerns about ethics	Combating financial crime	SR p55
	102-18 Governance structure	Board of Directors Our approach to Governance	AR&A p79 SR p51
	102-19 Delegating authority	Directors report on Corporate Governance Our approach to Governance	AR&A p85 SR p51
	102-20 Executive-level responsibility for economic, environmental, and social topics	Directors report on Corporate Governance Our approach to Governance	AR&A p85 SR p51
	102-21 Consulting stakeholders on economic, environmental, and social topics	Our stakeholders Directors Report on Corporate Governance	SR p12 AR&A p85
	102-22 Composition of the highest governance body and its committees	Board of Directors Directors report on Corporate Governance Our approach to Governance	AR&A p79 AR&A p85 SR p51

GRI Standard	Disclosure	Reference	Page
102 General Disclosures	102-23 Chair of the highest governance body	Directors Report on Corporate Governance Our approach to Governance	AR&A p85 SR p51
	102-24 Nominating and selecting the highest governance body	Nominations and Governance Committee Report Our approach to Governance	AR&A p99 SR p51
	102-25 Conflicts of interest	Directors Report on Corporate Governance	AR&A p85
	102-26 Role of highest governance body in setting purpose, values, and strategy	Directors Report on Corporate Governance	AR&A p85
	102-27 Collective knowledge of highest governance body	Directors Report on Corporate Governance	AR&A p85
	102-28 Evaluating the highest governance body's performance	Board Audit Committee	AR&A p103
	102-29 Identifying and managing economic, environmental, and social impacts	Directors Report on Corporate Governance	AR&A p85
	102-30 Effectiveness of risk management processes	Board Risk Committee	AR&A p101
	102-31 Review of economic, environmental, and social topics	Directors Report on Corporate Governance	AR&A p85
	102-32 Highest governance body's role in sustainability reporting	Sustainability Governance Structure Chart Our Sustainability Strategy	SR p52 AR&A p63
	102-33 Communicating critical concerns	Grievances/raising concerns/whistleblowing	SR p56
	102-34 Nature and total number of critical concerns	Grievances/raising concerns/whistleblowing	SR p56
	102-35 Remuneration policies	Director's Remuneration Report	AR&A p108
	102-36 Process for determining remuneration	Director's Remuneration Report	AR&A p108
	102-37 Stakeholders' involvement in remuneration	Director's Remuneration Report	AR&A p108
	102-38 Annual total compensation ratio	Director's Remuneration Report	AR&A p108
	102-39 Percentage increase in annual total compensation ratio	Director's Remuneration Report	AR&A p108
	102-40 List of stakeholder groups	Our Stakeholders	SR p12
	102-41 Collective bargaining agreements	Additional HR information	SR p79
	102-42 Identifying and selecting stakeholders	Our Stakeholders	AR&A p17
	102-43 Approach to stakeholder engagement	Our Stakeholders	AR&A p17
	102-44 Key topics and concerns raised	Our Stakeholders	AR&A p17
	102-45 Entities included in the consolidated financial statements	Notes to the accounts (Note 16)	AR&A p174
	102-46 Defining report content and topic Boundaries	Our materiality assessment	SR p14
	102-47 List of material topics	Our materiality assessment	SR p66
	102-48 Restatements of information	Not applicable	n/a
	102-49 Changes in reporting	Not applicable	n/a
	102-50 Reporting period	Welcome to our report	SR p2
	102-51 Date of most recent report	Not applicable	n/a

GRI Standard	Disclosure	Reference	Page
102 General Disclosures	102-52 Reporting cycle	Welcome to our report	SR p2
	102-53 Contact point for questions regarding the report	Welcome to our report	SR p2
	102-54 Claims of reporting in accordance with the GRI Standards	Welcome to our report	SR p2
	102-55 GRI content index	GRI content index	SR p67
	102-56 External assurance	Welcome to our report	SR p2
103 Management Approach	103-1 Explanation of the material topic and its Boundary	Materiality Assessment	SR p14
	103-2 The management approach and its components	Materiality Assessment	SR p14
	103-3 Evaluation of the management approach	Materiality Assessment	SR p14
201 Economic Performance	201-1 Direct economic value generated and distributed	Income Statements	AR&A p138
	201-2 Financial implications and other risks and opportunities due to climate change	Climate Strategy and TCFD	AR&A p67
	201-3 Defined benefit plan obligations and other retirement plans	Notes to the Accounts – Note 19	AR&A p176
	201-4 Financial assistance received from government	Not applicable	n/a
202 Market Presence	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	Not Applicable	n/a
	202-2 Proportion of senior management hired from the local community	Additional HR information	SR p79
203 Indirect Economic Impacts	203-1 Infrastructure investments and services supported	Not Applicable	n/a
	203-2 Significant indirect economic impacts	Not Applicable	n/a
204 Procurement Practices	204-1 Proportion of spending on local suppliers	Our Supply chain	SR p60
205 Anti-corruption	205-1 Operations assessed for risks related to corruption	Combating financial crime	SR p55
	205-2 Communication and training about anti-corruption policies and procedures	Combating financial crime	SR p55
	205-3 Confirmed incidents of corruption and actions taken	Not Applicable	n/a
206 Anti-Competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	Not Applicable	n/a
207 Tax	207-1 Approach to tax	Managing Tax	SR p64
	207-2 Tax governance, control, and risk management	Managing Tax	SR p64
	207-3 Stakeholder engagement and management of concerns related to tax	Managing Tax	SR p64
	207-4 Country-by-country reporting	We are not required to submit country by country reports as we do not have any entities in foreign jurisdictions.	n/a

GRI Standard	Disclosure	Reference	Page
302 Energy	302-1 Energy consumption within the organization	Our energy consumption	SR p73
	302-3 Energy intensity	Our energy intensity	SR p74
	302-4 Reduction of energy consumption	Our energy consumption	SR p73
305 Emissions	303-5 Water Consumption	Our water data	SR p76
	305-1 Direct (Scope 1) GHG emissions	Our energy consumption	SR p73
	305-2 Energy indirect (Scope 2) GHG emissions	Our energy consumption	SR p73
	305-3 Other indirect (Scope 3) GHG emissions	Our energy consumption	SR p73
	305-4 GHG emissions intensity	Our energy consumption	SR p73
	305-5 Reduction of GHG emissions	Our energy consumption	SR p73
306 Waste	306-1 Waste generation and significant waste-related impacts	Waste and recycling data	SR p76
	306-2 Management of significant waste-related impacts	Waste and recycling data	SR p76
	306-3 Waste generated	Waste and recycling data	SR p76
	306-4 Waste diverted from disposal	Waste and recycling data	SR p76
	306-5 Waste directed to disposal	Waste and recycling data	SR p76
307-1 Non-compliance with environmental laws and regulations	307-1 Non-compliance with environmental laws and regulations	Compliance with laws and regulators	SR p64
GRI 401: Employment	401-1 New employee hires and employee turnover	2022 workforce at a glance	SR p78
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Reward	SR p34
	401-3 Parental leave	Additional HR information	SR p79
GR1 402 Labour/Management Relations	402-1 Minimum notice periods regarding operational changes	Additional HR information	SR p79
403 Occupational Health and Safety	403-1 Occupational health and safety management system	Health and Safety Statistics	SR p77
	403-2 Hazard identification, risk assessment, and incident investigation	Health and Safety	SR p77
	403-3 Occupational health services	Health and Safety	SR p77
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and Safety	SR p77
	403-5 Worker training on occupational health and safety	Health and Safety	SR p77
	403-6 Promotion of worker health	Health and Safety	SR p77
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and Safety	SR p77
	403- 8 Workers covered by an occupational health and safety management system	Health and Safety	SR p77
	403-9 Work-related injuries	Health and Safety	SR p77
	403-10 Work-related ill health	Health and Safety	SR p77

GRI Standard	Disclosure	Reference	Page
404 Training and Education	404-1 Average hours of training per year per employee	Additional HR information	SR p79
	404-2 Programs for upgrading employee skills and transition assistance programs	Performance and Development	SR p32
	404-3 Percentage of employees receiving regular performance and career development reviews	Additional HR information	SR p78
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Directors Remuneration Report	AR&A p108
	405-2 Ratio of basic salary and remuneration of women to men	Gender Pay Gap	
406 Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	Additional HR information	SR p79
413 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Social Ambitions	SR p29
415 Public Policy	415-1 Political contributions	Directors Report	AR&A p124
417 Marketing and Labelling	417-2 Incidents of non-compliance concerning product and service information and labelling	nil return	n/a
	417-3 Incidents of non-compliance concerning marketing communications	nil return	n/a

Reporting standards and methodologies

We have prepared our GHG reporting in accordance with key concepts and requirements stated by the International Organization for Standardization in ISO 14064-1 (specification with guidance at the organization level for quantification and reporting of GHG emissions and removals) and the Greenhouse Gas Protocol Corporate Accounting and Reporting Standard.

The Society's environmental and GHG reporting has been prepared based on a reporting year of 1 January to 31 December. In 2022, we measured all our Scope 1, 2 and 3 greenhouse gas emissions, hence the increase in total emissions reported this year in comparison to our 2021 Sustainability Report. We have backdated our Scope 1, 2 and 3 emissions from 2020-2022 to show a fair comparison year on year. This year, we have disclosed our full emissions data set to ensure transparency as we transition towards Net Zero.

All GHG emission figures are in tons of carbon dioxide equivalents (CO₂e) and include three of the six GHGs covered by the GHG Protocol – carbon dioxide (CO₂), methane (CH₄) and nitrous oxide (N₂O). We have omitted hydrofluorocarbon (HFC) emissions from our reporting, as they are not a material source of GHGs for the business. There are no GHG sources contributing to perfluorocarbons (PFCs) and sulphurhexafluoride (SF₆) emissions.

Direct GHG emissions and indirect GHG emissions from electricity have been reported by the Society, its branches, representative offices and entities where we have operational control.

We have determined the GHG emissions associated with Society activities based on measured or estimated energy and fuel use, multiplied by relevant GHG emission factors.

Where possible, fuel or energy use is based on direct measurement, purchase invoices or actual mileage data, covering more than 80% of our reported energy usage. In other cases, it has been necessary to make estimations.

We used published national conversion factors and global warming potentials (GWPs) to calculate emissions from operations. In the absence of any such national data, we used the UK Government GHG Conversion Factors for Company Reporting for the calculation of GHG emissions.

The GHG base year was set as 2020 as this was the first year we reported detailed GHG emissions verified according to ISO 14064-1. The appropriateness of the base year will be reviewed on an annual basis.

In 2023 and 2024, we will set further quantitative targets for energy, paper, waste and water, aligning to the Science Based Targets initiative.



Our energy consumption

From November 2021 the Society has procured 100% of its electricity needs from renewable sources (solar and wind) and 100% of our gas consumption comes from biomethane or ‘green gas’. All our electricity consumption is backed by REGO backed Deep Green certificates, demonstrating our early commitments to a Carbon Neutral world. Therefore, following market-based reporting, the Society claims zero tCO₂e/MWh of electricity consumed from November 2021 to December 2023.

Details of our energy consumption in 2020, 2021 and 2022 are set out below:

Energy Consumption		2022	2021	2020	2022 v 2021	2022 v 2020
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (kWh)	3,307,633	3,352,305	3,150,749	(1)%	5%
	Direct Transport Company Cars (kWh)	359,876	200,486	229,849	80%	57%
	Gas Oil (kWh)		19,089	3,932	(100)%	(100)%
	Green Diesel HVO (kWh)		19,860	0	(100)%	
	White Diesel (kWh)	12,410				
	Refrigerants (kg)	15	112	16	(87)%	(9)%
	Total Scope 1 Energy (kWh) excl Refrigerants	3,679,919	3,591,740	3,384,530	2%	9%
Scope 2: Electricity purchased	Total Electricity (kWh)	6,449,733	6,694,859	7,216,648	(4)%	(11)%
Scope 3: indirect Transport	Indirect Transport (Inc only employee -owned vehicles) (kWh)	246,337	260,205	228,856	(5)%	8%
Total Scope 1, 2 and 3 Energy Consumption (kWh) excl refrigerants		10,375,989	10,546,804	10,830,034	(2)%	(4)%

The following aspects are reported as zero in 2020, 2021 and 2022: Cooling Consumption, Steam Consumption, Electricity, Heating, Cooling, and Steam sold.

The figures provided above for energy consumption for 2022 are based on information provided by the Society’s energy providers for the first 10 months of the year with estimates provided for the remainder of the period based on established usage patterns. Additional information from fuel cards, expenses claims for mileage and transport have been included in this assessment. The figures provided for ‘White Diesel’ in the table above for 2022 reflect activity undertaken to replace diesel to meet new legislative requirements. The diesel removed will be recycled into compliant fuel for future use. We saw an increase in Direct Transport for our Scope 1 emissions in 2022 due to an increase in business travel, following the removal of Covid lockdown restrictions in 2020 and 2021; however, in 2022 we launched our electric vehicle fleet scheme and reintroduced our car share schemes, so this will be reduced in future years. There was an increase in refrigerants for year 2021 due to a rise in maintenance call outs at our office sites. In last years’ Sustainability Report we published estimated data for 2021 but in this years report the 2021 numbers have been updated to reflect actual data. This data has been verified through our ISO 14064-1 certification. Our gas consumption has increased by 5% since 2020; however, in 2023, we are launching our gas removal project between 2023-2030 to remove all gas usage at all our sites.



Our energy intensity

In 2022, the Society reported an energy intensity ratio of:

Intensity Metric Assessment		2022	2021	2020	2022 v 2021	2022 v 2020
Intensity Ratio (Total Gross Scope 1&2)	tCO ₂ e/Net Interest Income £m	3.0	4.5	5.8	(33)%	(48)%
Intensity Ratio (Total Gross Scope 1-3)	tCO ₂ e/Net Interest Income £m (partial Scope 3)	3.3	5.3	6.3	(38)%	(48)%
Intensity Ratio (Total Gross Scope 1-3)	tCO ₂ e/Net Interest Income £m (All category Scope 3)	1,052	1,522	1,780	(31)%	(41)%



Our emissions performance

The Society's targets and ambitions in relation to emissions are set out in our Climate Action Plan. Since achieving our short-term climate target in 2021, we have remained Carbon Neutral for our own operations. In 2022, the Society calculates that it produced 691,797 location based tCO₂e against its full Scope 1, 2 and 3 emissions which is equal to an approximate 5% reduction compared to 2020. The Society has ensured all our 2020 and 2021 emissions data has been independently audited to verify its accuracy and we are certified under the Carbon Reduce Scheme. This means we now measure our greenhouse gas emissions in accordance with ISO 14064-1, a leading global standard for calculating emissions.

For emissions reporting, the Society adopted 2020 as its base year. No mandatory emissions have been excluded from this report, we have voluntarily disclosed our complete GHG footprint for Scope 1, 2 and 3 in 2022. The DEFRA 2022 emissions factors have been applied and the methodology used to prepare this data is aligned with the GHG protocol and Environmental Reporting Guidelines, including streamlined energy and carbon reporting guidance. Approximately 20% of the energy data (kWh) and 19% of the emissions data (tCO₂e) are based on extrapolated values. The Society has zero biogenic emissions. The data provided is for location-based emissions.

Emissions data (calculated as part of this report in accordance with the GHG protocol) is as follows:

Emissions Assessment		2022	2021	2020	2022 v 2021	2022 v 2020
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (tCO ₂ e)	604	614	579	(2)%	4%
	Direct Transport (tCO ₂ e)	89	64	57	40%	56%
	Gas Oil (tCO ₂ e)	0	5	1	—	—
	Green Diesel HVO (tCO ₂ e)	0	0.07	0	—	—
	White Diesel (tCO ₂ e)	3	—	—	—	—
	Refrigerants (tCO ₂ e)	31	235	33	(87)%	(6)%
	Total Scope 1 - tCO₂e	727	918	671	(21)%	8%
Scope 2: Electricity purchased and heat and steam generated	Total Scope 2 - tCO₂e Location Based Emissions (LB) (tCO₂e)	1,247	1,422	1,683	(12)%	(26)%
	Total Scope 2 - tCO₂e Market Based Emissions (MB) (tCO₂e)			80		(100)%
Scope 3: Upstream Emissions	Cat 3: Electricity T &D Losses (tCO ₂ e)	114	126	145	(9)%	(21)%
	Cat 3: Gas WTT (tCO ₂ e)	103	105	75	(2)%	37%
	Cat 3: WTT Electricity (Generation, T&D) (tCO ₂ e)	326	403	252	(19)%	29%
	Cat 3: WTT Red Diesel (tCO ₂ e)	0	1	0	—	—
	Cat 3: WTT Personal cars (tCO ₂ e)	15	15	4	(2)%	317%
	Cat 3: WTT Company Cars (tCO ₂ e)	23	16	23	43%	3%
	Cat 3: WTT Van (tCO ₂ e)	1	4	3	(62)%	(53)%
	Cat 3: WTT HVO (tCO ₂ e)	0	0	0	—	
	Cat 3: WTT White Diesel (tCO ₂ e)	1	0	0		
	Cat 5: Water (tCO ₂ e)	5	5	12	(2)%	(58)%
	Cat 5: Waste (tCO ₂ e)	10	11	12	(11)%	(14)%
	Cat 1: Purchased Goods and Services (tCO ₂ e)	14,596	13,284	15,718	9%	(8)%
	Cat 2: Capital Goods (tCO ₂ e)	2,703	3,988	3,988	(32)%	(32)%
	Cat 7: Employee Commuting (tCO ₂ e)	1,861	1,612	1,613	15%	15%
	Cat 15: Mortgages (tCO ₂ e)	670,000	702,726	702,726	(5)%	(5)%
	Cat 6: Business Travel (tCO ₂ e)	66	72	57	(9)%	15%
	Total Scope 3 Emissions (tCO₂e)	689,823	722,369	724,628	(5)%	(5)%
Location Based - Total Scope 1, 2 and 3 Emissions (tCO₂e)		691,797	724,708	726,981	(5)%	(5)%
Market Based - Total Scope 1, 2 and 3 Emissions (tCO₂e)		690,550	723,287	725,378	(5)%	(5)%

Waste and recycling data

The Society’s waste related impacts primarily arise from the activities of our employees, operation of our facilities, and correspondence we send to third parties and our customers. Since 2017, none of the Society’s waste has been sent to landfill. In 2022, the Society generated approximately 462 tonnes of waste, of which 339 tonnes was diverted to recycling and 123 tonnes was used for energy recovery. Of the 339 tonnes of recycling, 2 tonnes were of hazardous waste.

We seek to measure our waste related data by measuring the actual weight of the waste per collection undertaken. The data below has been completed by capturing every waste collection in the calendar year of 2020, 2021 and 2022. Where possible, the actual weight of the waste per collection has been used. Where not possible, then the national average has been used. The weight data is by waste type, and waste hierarchy and this process is managed by our third-party waste contractor. We have implemented a variety of strategies across the Society to reduce waste and increase the amount of reused and recycled products, and through this work, we have managed to achieve a year on year reduction in our waste.

In 2022, we continued with our campaign to reduce printing wherever possible. As part of our digital agenda, we anticipate that more of our communications with customers will be electronic rather than paper based. With all these activities, we are looking to materially reduce our amount of waste, specifically the plastic and non-recyclable material we generate.

Waste Data	2022	2021	2020
Energy Recovery (tonnes)	123	128	145
Recycling (tonnes)	339	401	398

Waste Breakdown (data in tonnes)	2022	2021	2020
Bulky general waste including WEEE/Hazardous	2	2	1
Bulky mixed general waste	6	4	2
Confidential paper onside shredding	231	258	236
Dry mixed recycling	75	91	107
Food waste	0.3	12	11
General waste excess weight	0	1	2
General waste to energy	95	120	143
Paint waste	0	1	—
Paper and cardboard	32	40	42
Battery waste	0	—	1
Hard drives - confidential destruction	0	—	—
Electrical waste (WEEE)	0	—	1
Non-Hazardous Industrial	21	—	—
Grand total	462	529	544

Water data

The Society uses water for facilities in head office sites and branches. The Society uses registered water suppliers to meet its water and sewage requirements. Due to the nature of our business, the Society’s water consumption does not have a material impact on the environment and therefore there are no reduction targets. However, in 2022, we have continued to reduce our water consumption wherever possible by implementing water saving technologies at our head office sites, such as water saving taps and waterless urinals. In terms of 2022 performance, the Society’s total consumption of water across all its sites equated to 11.9 megalitres. This figure was assessed by reference to water consumption invoices and conversions to tonnes of CO₂e using DEFRA 2022 conversion factors.

Water Consumption	2022	2021	2020	2022 v 2021	2022 v 2020
Total Water (m3)	11,904	11,498	11,450	4%	4%

Health and Safety statistics

Work related injuries

For all employees	2022	2021	2020
The number of fatalities as a result of work-related injury	0	0	0
The rate of fatalities as a result of work-related injury	0	0	0
The number of high-consequence work-related injuries (excluding fatalities)	0	0	0
The rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
The number of recordable work-related injuries	0	1	0
The rate of recordable work-related injuries	0	2	0

For all workers who are not employees but whose work and/or workplace is controlled by the organisation	2022	2021	2020
The number of fatalities as a result of work-related injury	0	0	0
The rate of fatalities as a result of work-related injury	0	0	0
The number of high-consequence work-related injuries (excluding fatalities)	0	0	0
The rate of high-consequence work-related injuries (excluding fatalities)	0	0	0
The number of recordable work-related injuries	0	0	0
The rate of recordable work-related injuries	0	0	0

Work related ill health

For all employees	2022	2021	2020
The number of fatalities as a result of work-related ill health	0	0	0
The rate of fatalities as a result of work-related ill health	0	0	0
The number of high-consequence work-related ill health	0	0	0
The rate of high-consequence work-related ill health	0	0	0
The number of recordable work-related ill health	0	0	0
The rate of recordable work-related ill health	0	0	0

For all workers who are not employees but whose work and/or workplace is controlled by the organisation	2022	2021	2020
The number of fatalities as a result of work-related ill health	0	0	0
The rate of fatalities as a result of work-related ill health	0	0	0
The number of high-consequence work-related ill health	0	0	0
The rate of high-consequence work-related ill health	0	0	0
The number of recordable work-related ill health	0	0	0
The rate of recordable work-related ill health	0	0	0

2022 workforce at a glance

Data below is as at 31 Dec 2022, unless otherwise stated.

	Female		Male		Total
	2022	%	2022	%	
Full time employees					
Under 30	294	17%	232	20%	526
30-50	574	34%	635	56%	1,209
Over 50	206	12%	201	18%	407
Total	1,074	63%	1,068	94%	2,142
Part time employees					
Under 30	84	5%	25	2%	109
30-50	371	22%	24	2%	395
Over 50	178	10%	23	2%	201
Total	633	37%	72	6%	705
Total full time/part time	1,707	100%	1,140	100%	2,847
Permanent/Temporary					
Permanent	1,690	99%	1,124	99%	2,814
Temp	17	1%	16	1%	33
Total	1,707	100%	1,140	100%	2,847
External new hires					
Under 30	142	48%	117	49%	259
30-50	118	40%	95	40%	213
Over 50	38	13%	27	11%	65
Total	298	100%	239	100%	537
Turnover					
Under 30	87	37%	57	27%	144
30-50	102	44%	113	54%	215
Over 50	44	19%	38	18%	82
Total	233	100%	208	100%	441



Additional HR information

		Female	Male	Total
Average training hours per employee	Full-time	20.4	15.9	18.1
	Part-time	14.5	10.7	14.1
	Permanent	18.3	15.6	17.2
	Temp	12.5	14.6	13.5
All employees are entitled to parental leave through birth or adoption	Number of employees who took parental leave	58	38	96
	Number of employees who returned to work in the reporting period after parental leave ended	55	45	100
	Number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work	55	34	89
	Return to work and retention rates of employees who took parental leave	87%	79%	84%
% of employees receiving regular performance and career development reviews		78%	80%	79%
% of senior management hired from the local community - geographical definition of local is 50 miles of the Society's head office site		75%		
% of total employees covered by collective bargaining agreements		88%		
Minimum notice periods regarding operational changes; the Society undertakes collective consultation before any significant changes		minimum 30 days		
Notice period and provisions for consultation and negotiation in collective bargaining agreements		not specified		
Incidents of discrimination and corrective actions taken		8 reported allegations; 3 remedial action, 4 feedback only, 1 still open		

Consultations held by public bodies

In respect of consultations held by public bodies in 2022, the Society participated as follows:

Public Body	Paper Reference	Paper Name	Response
Prudential Regulation Authority	Consultation paper (CP) 5/22		Directly
Prudential Regulation Authority	CP13/22		Directly
Prudential Regulation Authority	CP9/22		Via Building Societies Association
Financial Conduct Authority	CP21/36		Directly
Financial Conduct Authority	CP22/19		Directly
Financial Conduct Authority	N/A		Via UK Finance
HM Treasury	N/A		Directly
Financial Policy Committee	N/A		Via UK Finance
Payment Systems Regulator	CP22/2		Via UK Finance
Financial Ombudsman Service	N/A		Via UK Finance

Glossary

The following glossary defines terminology within the Sustainability Report to assist the reader and to facilitate comparison with publications by other institutions:

Term	Description
B4SI	Global standard in measuring and managing corporate social impact.
Business Development Research Consultants (BDRC)	An international consumer and business insight consultancy, conducting research in over 90 countries.
Carbon neutral	Refers to any CO ₂ released into the atmosphere from a company's activities, this is balanced by an equivalent amount being removed.
CO ₂	Carbon Dioxide
CH ₄	Methane
CIPS Ethics Kitemark	This is the foremost ethical practice accreditation given by the Chartered institute of Procurement and Supply (CIPS), the global body serving the procurement and supply industry.
Decarbonisation	Refers to the process of reducing carbon dioxide (CO ₂) emissions resulting from human activity in the atmosphere.
EcoVadis	A global sustainability ratings specialist.
Energy Performance Certificate (EPC)	A rating system that measure the energy efficiency of homes/ buildings using grades from A to G (with 'A' the most efficient grade and 'G' being the least efficient).
Financial Ombudsman (FOS)	The Financial Ombudsman Service provides an independent and impartial service to resolve individual complaints that consumers and financial institutions have been unable to settle themselves.
Gatsby Benchmarks	A set of eight benchmarks which serve as a framework for improvement in careers provision and have been adopted as part of the Government's Careers Strategy and statutory guidance for schools and colleges.
Global Reporting initiative (GRI) standards	Set of standards issued by the Global Sustainability Standards Board and the Financial Services Sector Supplements, which form a voluntary reporting framework for the disclosure of sustainability performance.
Great Place to Work®	Global authority on workplace culture that uses data and insights from employees to benchmark individual performance.
Green Finance initiative	Established in 2019 as a direct response to a key policy recommendation made by the industry-led Green Finance Taskforce to the UK Government in March 2018.
HFCs	Hydrofluorocarbons

Term	Description
Greenhouse Gas (GHG) Emissions	Greenhouse gases, or GHGs, are compound gases that trap heat or longwave radiation in the atmosphere. Their presence in the atmosphere makes the Earth's surface warmer.
ISO 14064-1 certification	An international standard that quantifies the reporting and verification of greenhouse gas emissions (GHG).
kgco2e	Kilograms of carbon emissions.
mtco2e	Million tonnes of carbon emissions.
N ₂ O	Nitrous oxide
Net Zero	Refers to achieving a balance between the carbon emitted into the atmosphere, and the carbon removed from it. This balance – or Net Zero – will happen when the amount of carbon we add to the atmosphere is no more than the amount removed.
NF ₃	Nitrogen trifluoride
PCFs	Perfluorocarbons
Paris Agreement	Refers to the legally binding international treaty on climate change which was adopted by 196 Parties at COP 21 in Paris, on 12 December 2015 and entered into force on 4 November 2016. Its goal is to limit global warming.
Science Based Targets (SBTi)	Provide a clearly-defined pathway for companies to reduce greenhouse gas (GHG) emissions, helping prevent the worst impacts of climate change and future-proof business growth. Targets are considered ‘science-based’ if they are in line with what the latest climate science deems necessary to meet the goals of the Paris Agreement – limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.
Scope 1 emissions	Scope 1 emissions are direct greenhouse gas (GHG) emissions that occur from our own operations (e.g. our company vehicles, gas usage & fugitive emissions).
Scope 2 emissions	Scope 2 emissions are indirect GHG emissions associated with the purchase of our electricity.
Scope 3 emissions	Scope 3 emissions are the result of activities from assets not owned or controlled by the Society, but that the Society indirectly impacts in its value chain. Scope 3 emissions include all sources not within an organisation's Scope 1 and 2 boundary and can be separated into the following two categories: <ul style="list-style-type: none">Upstream Scope 3 emissions: business travel by means not owned or controlled by the Society, waste disposal and purchased goods & services; andDownstream Scope 3 emissions: the emissions from the properties financed through the Society's operations – i.e. our mortgage customers