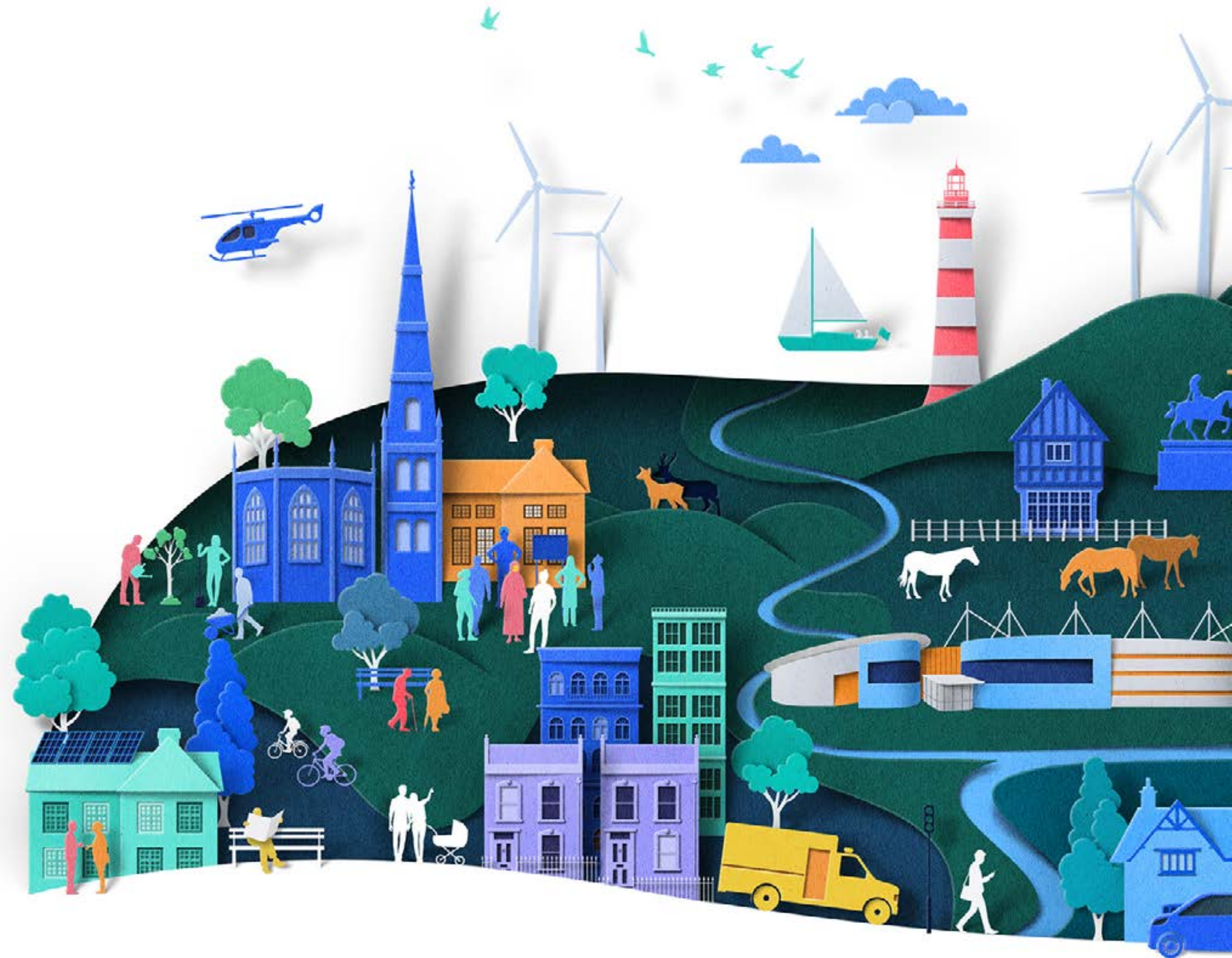


# 2023 Sustainability Report



Published 28 March

# Welcome to our report

This year's report balances the technical requirement of our sustainability disclosures with the human stories that lie at the heart of our purpose-led approach.

Our aim is to show accurately and transparently what we're striving for, the progress we're making and our future priorities.

It's been prepared by Society experts, overseen by the Chief People Officer, using the Global Reporting Initiative (GRI) standards. It has been reviewed and endorsed by our ESG Steering Group as well as our Board and assured by our Internal Audit Function.

We're always looking to improve what we do and welcome any feedback on our sustainability plans, or the report itself.

Please contact us at

Thank you.



Please find below the structure for our 2023 report. We'll 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're 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 ambition to be Net Zero 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.

The report covers the activities of Coventry Building Society and its subsidiaries during 2023 unless it says otherwise.

# Coventry Building Society at a glance

## Who we are

We're a mutual building society and have been providing savings and residential mortgages to our members and customers for 139 years. We lend over £50 billion and have over 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 provide savings accounts to suit the needs of our members. We're a low-risk lender, so our members' savings are always safe and secure.



## 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.



## 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



**139**  
Years of history



**64**  
Branches

**3,022**  
Colleagues



Over  
**2 million**  
customers

## 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

Residential Mortgages

Junior Cash ISA

Fixed Rate Bonds

Buy to Let Mortgages

# Our 2023 highlights

## Environmental

### ISO 14064<sup>1</sup> Accredited

We're certified under the Net Carbon Zero scheme, a leading global standard for calculating and verifying emissions. This reinforces our commitment to managing and reducing our emissions.

**34%**

Reduction in carbon emissions for Scope 1 and 2 (compared to 2020)

**50%**

Reduction in waste (compared to 2020)

### Carbon neutral

We're carbon neutral for our own operations since 2021

**54%**

Reduction in paper target achieved (compared to 2017)

## Social

**81%**

Great Places to Work Trust Index<sup>®</sup> score<sup>2</sup>

**Over 8,000**

hours of colleague volunteering

**Over 14,000**

young people helped through our education programmes and hardship funding

**£3.1m**

Invested in our communities<sup>3</sup>



## Governance

**B Corp Certified**



**Diverse Supplier**

Initiative launched

**39%**

Of senior manager and above roles held by women



<sup>1</sup>An international standard that quantifies the reporting and verification of greenhouse gas emissions (GHG).

<sup>2</sup>A measure indicating a trust-based people first workplace based on positive responses to the annual Great Place to Work<sup>®</sup> survey.

<sup>3</sup>Full details of our total community investment, including the BS4I assurance statement can be found

## Introduction

Coventry Building Society at a glance	03
Our 2023 highlights	04
A view from the Board	06
It feels good to B first	07
Our strategic priorities	09
Achievements in 2023	11
Recognition in 2023	13
Our external associations	14
Our materiality assessment	17
2023 double materiality assessment	18

## Environmental

Environmental performance and target progress	20
Our approach to the environment	21
Our environmental ambitions	22
Our Net Zero roadmap	24
Our Net Zero ambition	24
Our Net Zero strategy	25
Short-term climate target	27
Medium-term climate target	27
Long-term climate ambition	28
Working with our members	29
Working with our colleagues	30
Working on our own operations	32
Our 2023 emissions performance	33

## Social

Social performance and target progress	35
Coventry futures	36
Centrepont	37
Layla's story	38
A future of possibilities	39
Developing future careers	40
A caring Coventry	41
Caring for our members	42
Caring for our colleagues	44
Diversity and Inclusion	46
Wellbeing	47
Financial wellbeing	48
Better financial wellbeing for colleagues	49
Colleague Regular Saver	50
Better financial wellbeing for our communities	51

## Governance

Our approach to governance	53
Sustainability governance structure chart	54
Governance at a glance	55
Engaging with investors and ratings agencies	56
Combating financial crime	57
Grievances, raising concerns and whistleblowing	58
Health and Safety	59
Cyber security and data privacy	60
Human Rights	61
Our supply chain	62
Working sustainably with suppliers	63
Supplier standards, due diligence and prompt payments	64
Managing tax	65
Compliance with law and regulations	65

## Appendix

Our stakeholders	67	Waste and recycling data	80
Our materiality assessment	69	Water data	80
Global Reporting Initiative content index 2023	70	Health and safety statistics	81
Reporting standards and methodologies	75	2023 workforce at a glance	81
Our energy consumption	76	Additional HR information	82
Our energy intensity	77	Consultations held by public bodies	83
Our emissions performance	77	B4SI assurance data	84
Other environmental impacts	79	Glossary	85



## 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

# A view from the Board

Steve Hughes, Chief Executive, and Shamira Mohammed, the Non-Executive Director who serves as our ESG champion, talk about the progress and priorities of our sustainability plans.



## This is Coventry's third Sustainability Report, how are things going?

**Steve:** I'm really proud of the progress we're making. In my introduction to last year's report I talked about sustainability being in the Society's DNA. But that doesn't mean it happens by chance. We've set out clear and ambitious goals to hardwire sustainable outcomes into the way we do business. By making it central to the way we work, we give it the focus it needs, and make it part of our day job. The results speak for themselves. This year we were the first Building Society and one of a handful of UK financial services organisations to become a certified B Corp, committed to a high standard of social and environmental performance, transparency and accountability. It's a really important milestone for us and underlines not just our progress so far but our commitment to continue along this path.

**Shamira:** Sustainability is good business. Whether it's being more efficient and using less resources, or taking risk out of the Society, or earning the trust of current and future members, the actions we're taking to make us more sustainable are also the actions that make us stronger, financially and operationally. This is why we knew that B Corp was the route we wanted to take because it offers a rigorous assessment of where we are. It took us 18 months from making that decision to gaining the certification, but we were delighted to receive such an endorsement at the first time of asking.

## What does B Corp mean to you?

**Steve:** It means we're doing things properly. As Shamira says, the assessment is very robust. It's evidence-based and the scrutiny is real. At a time when people don't always know who or what to trust, it's important that they can believe in the things we say and do, and having this certification is simple, independent proof that we're walking the walk, not just talking the talk.

**Shamira:** Absolutely! And the other part that's really important to me is the breadth of B Corp. It is about good governance, of course, and being able to show openly and transparently all aspects of what we do. It also takes the broad view. It looks at how we treat colleagues, the social impact we're making in our local communities, the nuts and bolts of the value and service we offer members as well as our relationship with suppliers and other business partners - and of course the actions we're taking to reduce, manage and mitigate our impact on the environment. It is the broadest of churches, and if you're not meeting the required standards across the board, you're not going to get the certification.

## What are you particularly proud of?

**Steve:** For me this is all about the difference we can make to people's lives. And for that reason, I'm really proud of the difference we're making through our social impact, particularly the enthusiasm and engagement I see in my colleagues. From a community perspective it's been a brilliant year, building on the foundations of our Coventry-based investment, and bringing that together with our fantastic new national partnership with

Centrepont - the charity working to end youth homelessness. Last year we donated close to £1 million through successful savings campaigns, we've brought our skills and knowledge to bear on a new centre for youth homelessness services in Coventry, colleagues have been out raising awareness and funds and we're only getting started! Centrepont has ambitious goals to end youth homelessness in a generation and we're really proud to be making a big contribution to that ambition.

**Shamira:** I echo Steve's point about our colleagues. I've seen their enthusiasm for our community and environmental work first hand. Our network of environmental advocates is going great guns and we've had hundreds of volunteers doing everything from planting trees to keeping the streets clean. Colleagues support our programmes with time and endless enthusiasm to give students a better start, as well as our befriending activities for the elderly and vulnerable. Our diversity and inclusion work has been hugely strengthened by the colleague networks that are helping people understand and respect one another. Colleague engagement has always been a big part of what the Society stands for, but I think it's stronger than it's ever been and is really helping to transform people's lives.

## What are the particular challenges we face?

**Steve:** There's so much to do. The more we work with our community partners the more we understand the issues they're tackling and it's the same with the environmental challenges we face. The scale of these challenges can be intimidating. I think the housing sector needs a coordinated approach to tackle the deeply entrenched environmental and societal issues we're facing, even as individual organisations like the Society and our suppliers do what we can. But I'm also an optimist and the progress that's possible when the private, public and charitable sectors focus on a common issue gives me hope. As I said at the start, the Society has set ambitious sustainability goals and I'm absolutely committed to seeing them achieved.

## What's next?

**Shamira:** I think Steve's just said it all! This Sustainability Report is all about progress. We've set out our stall, we're sticking to our plans and we're seeing results. We know we've got more to do to achieve our goals, and the economic outlook isn't going to make things any easier, but delivering on sustainability is good for our members, good for our colleagues and good for our business partners, and we're going to keep on delivering for them.

# It feels good to B first - we're the UK's first B Corp certified Building Society

This year, we're proud to have become the first building society in the UK to be certified as a B Corp.

As a mutual, we aim to act in the wider interest, ensuring that the work we do benefits the many, not the few. Becoming a certified B Corp is the latest milestone on our journey to a future that's all together, better.

## What is a B Corp?

B Corp is a growing global community of businesses that demonstrate their commitment to people and the environment. All applicants are put through a rigorous process, having to meet a number of performance and governance milestones. Becoming B Corp certified is just the beginning of a journey of continuous improvement. To maintain certification, B Corps are re-assessed every three years.

B Corps make a commitment to use their business as a force for good and to be the change they want to see in the world. This commitment aligns with our purpose and values.

## Here's why being a B Corp matters...

### To our customers

When you borrow or save with us, you're choosing more than the right rate. You're choosing a business that seeks to be a force for good to benefit people, communities and the environment.



### To our communities

B Corps distinguish themselves by the role they play in their communities, taking collective action to address society's most critical challenges. Through the initiatives we create and the projects we support, we'll continue to make a positive impact to the lives of people around us.



### To our colleagues

When you're building something bigger than a career, being part of a B Corp feels like business as usual. So we'll always keep supporting each other, engaged in our mission to make a difference and create lasting sustainable success.



### To our environment

Becoming a certified B Corp means that we remain committed to protect the environment and preserve its resources. Our own operations have been carbon neutral since 2021 and we have an ambition to become Net Zero by 2040.



It feels good to B first



## What was the process for the Society to become a B Corp?

All elements of the Society's operations were assessed by B Lab and changes were made to demonstrate the Society's commitment to being a force for good.

This included making a legal commitment by changing our corporate governance structure to be accountable to all stakeholders. At the 2022 AGM, our members voted in favour of a proposal to change our Rules, the Society's main constitutional document, to reflect our commitment to sustainability. The changes formalised that as part of our overall purpose, we aim to have a material positive impact on society and the environment. Members also voted in favour of the Society's proposal to adopt a Climate Action Plan outlining our ambition to become a Net Zero business in its Scope 1, 2 and 3 greenhouse gas emissions by 2040.

Our performance is publicly available on our B Corp profile on B Lab's website and can be found on the B Lab website here: [BCorp](#)

Based on the B Impact assessment, the Society earned an overall score of 97.3. The median score for non-accredited businesses who complete the assessment is currently 50.9.

## How does being a B Corp inform our strategy?

B Corp's philosophy of continuous improvement to be a force for good aligns with the Society's belief of all together, better. This extends to not only our members, but to our colleagues, communities and the environment.

The five B Corp Impact Area Pillars coupled with the UN Sustainability Goals, supports the Society by focusing on positive impact outcomes for all of our stakeholders.



## Impact Area Pillars

Every B Corp is scored using the five impact areas in the B Impact Assessment.

### Colleagues

How is your company taking care of its colleagues, improving their lives and wellbeing?



### Environment

How is your company prioritising and taking care of the planet?



### Governance

How do you make sure your company's governance considers all stakeholders?



### Community

How is your company giving back and contributing positively to the community?

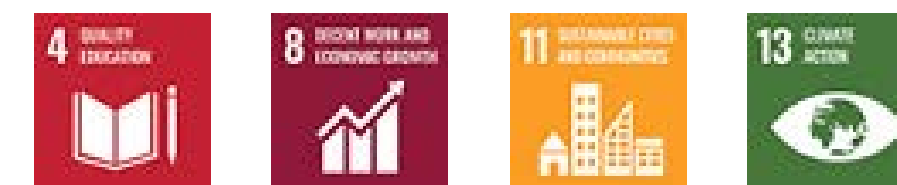


### Customers

How is your company having a positive impact in your customers' lives?



## UN Sustainability Goals



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.



# Our strategic priorities

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

More information on our strategy and 2023 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.

## Making people better off through life

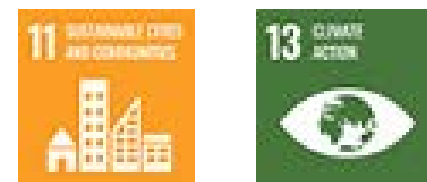
### A purpose-led approach to business, the environment and wider society

#### B Corp Impact Area

- Colleagues
- Environment
- Governance
- Community
- Customers

As a responsible business, we'll support sustainable growth and employment, while reducing our carbon footprint and use of natural resources. We'll 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.

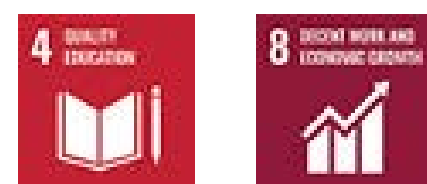


### An inclusive and inspiring workplace for everyone

#### B Corp Impact Area

- Colleagues
- Community

We're 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

#### B Corp Impact Area

- Community
- Customers

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.



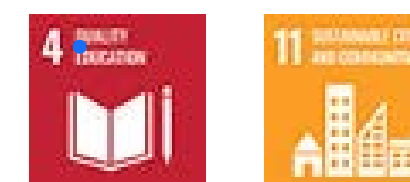
### Market-leading digital first, human always customer service

#### B Corp Impact Area

- Customers

We want customers to feel confident they've chosen the right provider for their mortgage and savings by:

- Providing 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.



# Our strategic priorities

## All delivered in a resilient way

### Protecting our members' money and operational resilience

#### B Corp Impact Area

- Governance
- Customers

We'll 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

#### B Corp Impact Area

- Colleagues
- Community
- Customers

Our strategy is to deliver a sustainable and resilient financial performance, consistent with continuing to support UK economic growth and employment, while 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're also careful to spend our members' money wisely and efficiently as an enabler of growth, good long-term value and market-leading customer service, while continuing to invest to meet stakeholder and regulatory expectations.



# Achievements in 2023

Throughout 2023, the Society has remained committed to achieving its targets and ambitions in relation to the four UN SDGs where the Society has identified it can make a material difference.

## Goal 1: Quality Education

Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.

### Why we make a difference



- We're a leading local employer, wanting to provide employment opportunities for our local communities.
- We're committed to enhancing the skills of our employees.
- We have the resources to make a positive impact on education in Coventry.

### Our targets and ambitions

- 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.

### In 2023, we delivered

- 180 apprentices since 2021.
- 56% of senior management roles from internal recruits in 2023.
- 29,057 children and young people supported since 2021.

## Goal 2: Decent Work and Economic Growth

Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

### Why we make a difference



- We provide career opportunities at differing levels of seniority.
- We spend around £173 million annually with our supply chain, enabling us to drive positive changes with our suppliers.
- We can offer underrepresented groups career pathways.

### Our targets and ambitions

- 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.

### In 2023, we delivered

- 43% of roles filled by internal candidates in 2023.
- Sustainability features in supplier due diligence questionnaires and request for proposal documents.
- 39% of all senior manager and above roles held by women in 2023.
- 14% 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.

# Achievements in 2023

## Goal 3: Sustainable Cities and Communities

Make cities and human settlements inclusive, safe, resilient and sustainable.

### Why we make a difference



- 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.

### Our targets and ambitions

- 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.

### In 2023, we delivered

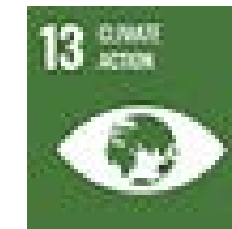
- 3,586 people supported through Better Foundations (formerly Access to Housing).
- We supported 6,300 first time buyers and are working on new build propositions to help them. The improved energy efficiency of these new builds will also align to our sustainability strategy.



## Goal 4: Climate Action

Take urgent action to combat climate change and its impacts.

### Why we make a difference



- Our own operations emit GHG emissions.
- Our borrowing customers will need help to deal with the transition to Net Zero.

### Our targets and ambitions

- Become carbon neutral for our own operations in 2021.
- Ambition to become Net Zero for our Scope 1, 2 and partial 3 emissions in 2030.
- Ambition to be entirely Net Zero by 2040.
- 50% reduction in paper in 2023 compared with 2017 levels.
- Zero waste to landfill.

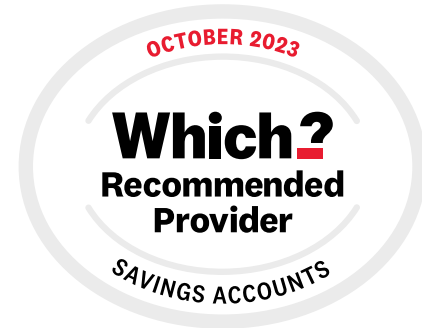
### In 2023, we delivered

- Remained carbon neutral for Scope 1 and 2 emissions (since 2021).
- Reduced our Scope 1 and 2 emissions by 34% (2023 compared to 2020).
- Achieved 54% reduction in paper consumption in 2023 (2017 baseline).
- Zero waste has been sent to landfill since 2017.



# Recognition in 2023

Throughout the year, the Society continued to be recognised as an organisation that puts its members first with competitive product offerings and as a great place to work for colleague support and engagement.



2023

**Which?**

Recommended provider for Savings Accounts



2023

**Moneyfacts Awards 2023**

Best Service from a Mortgage Provider



2023

**Great Place to Work**

Best Workplaces in  
Financial Services & Insurance



2023

**The Times Money Mentor Awards 2023**

Best Savings Account



2023

**Fairer Finance**

Number 1 for Customer Experience  
in savings



2023

**Fairer Finance**

Number 1 for Customer Experience  
in mortgages



2023

**Savings Champion**

Best Building Society



2023

**The Times Money Mentor Awards 2023**

Best Mortgage

# Our external associations - how we've worked together

Our external associations reflect our ambition to deliver sustainable financial services, support the wellbeing of our members, colleagues and wider community and to be a force for good through our purpose, the products and services we offer, and the way we operate our business.

We're proud to have signed up with key signatories that align to our ambitions, and are pleased to have achieved Fair Tax Mark, ISO 20400 for Sustainable Procurement and ISO 14064-1 for the accuracy of our energy and emissions reporting accreditations. We also align to the Task Force on Climate-related financial 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.

## UNEP

Since 2021, we've been signatories to the United Nations Principles for Responsible Banking. Each year we undertake an impact analysis to understand our impacts, set targets to address the most significant impacts and disclose our process.



## Women in Finance Charter

The Society signed the Women in Finance Charter in 2018, aimed at increasing female representation in senior management roles across the Financial Services sector. We continuously strive to meet our Women in Finance Charter targets.



## Progress Together

The Society joined Progress Together in 2022, aimed at improving social mobility in the Financial Services sector. One of the key actions we've committed to is collecting colleague data on socioeconomic background.



## The Climate Pledge

We're proud to be the first UK bank or building society to sign The Climate Pledge, working towards reaching Net Zero carbon emissions by 2040.



## Menopause Friendly Accreditation

The Society was awarded menopause friendly accreditation in 2023. This means we've demonstrated internally and externally that we're committed to changing the lived experience of people going through menopause now, and for generations to come.



## Race at Work Charter

The Society signed the Race at Work Charter, a set of seven actions aimed at progressing race equality, in 2021.



## UN Global Compact

Our supplier due diligence process aligns with our commitment to the UN Global Compact and our standard contractual wording for all supply contracts includes provisions concerning compliance with the UN Global Compact.



## Global Sustainability Standards

We use the GRI Standards issued by the Global Sustainability Standards Board and the Financial Services Sector Supplements, as a framework to voluntarily report our sustainability performance.



# Our external associations - how we've worked together

## Task Force on Climate-related disclosures

We align to the Task Force on Climate-related financial disclosures (TCFD), with a section in our Annual Report & Accounts which describes our understanding of the risks and opportunities of climate change.



## CIPS Corporate Ethics Mark

We've been recognised by the CIPS Corporate Ethics Register as having taken proactive steps, in the last 12 months, to safeguard against unethical conduct in procurement and supply management. As such, we can proudly display the CIPS Corporate Ethics Mark.



## ISO

Since 2020, we've reported detailed GHG emissions verified according to the international ISO 14064 standard.

In 2023, we achieved ISO 20400 sustainable procurement standard.



## B4SI

We use the B4SI framework to measure and manage our social impact including our donations and investment into the local community.



## UNEP FI

In 2021, we became a member of UNEP FI to demonstrate our commitment to advancing the sustainability agenda in a material way.



## The Prince's Responsible Business Network

We're a member of The Prince's Responsible Business Network to maximise our social impact and contribute to a responsible business community.



## UN SDG

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 continue to deliver against the targets and ambitions we've set for our goals of focus.



## UK Sustainable Investment and Finance Association

We're a member of the UK Sustainable Investment and Finance Association to share knowledge, push forward the sustainability agenda and develop shared solutions to common challenges.



## Sign Solutions

We partner with Sign Solutions to provide interpreting services for customers who are deaf or hard of hearing.



## B Corp

In 2023, we became the first building society in the UK to become B Corp certified and joined the global community of businesses that meet high standards of social and environmental impact.



## Fair Tax Foundation

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.



# Our external associations - how we've worked together

## Coventry Building Society Arena

Our relationship with the Coventry Building Society Arena allows us to engage colleagues, community members and charity partners with one-off experiences, helping bring together the Coventry Community.



## Centrepoint

In 2022, we formalised our ongoing support of Centrepoint, the UK's leading youth homelessness charity.



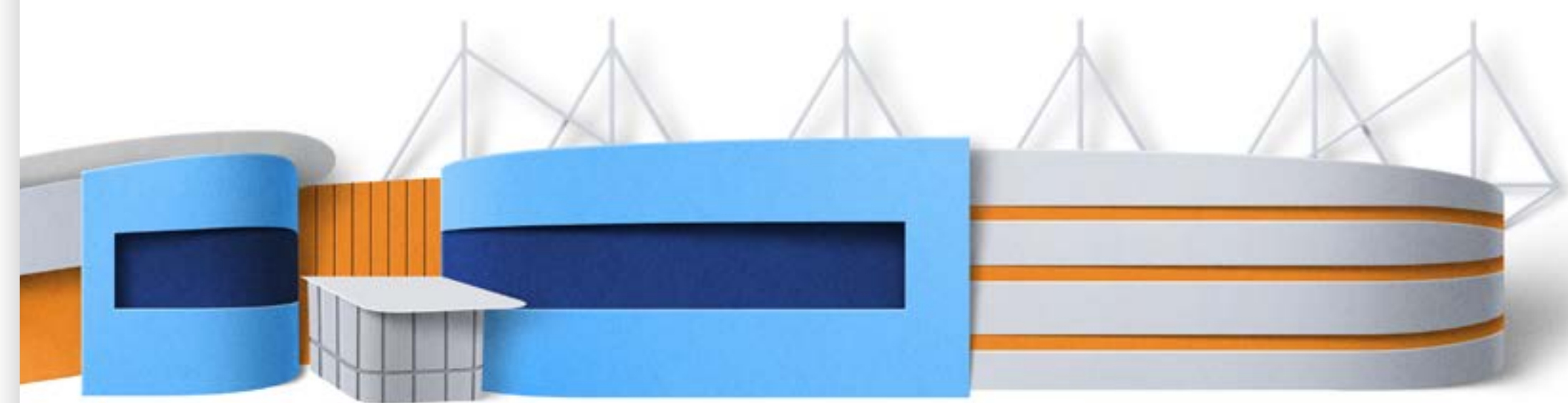
## Peppy

Our colleagues have access to personalised health support through the Society's relationship with Peppy, focusing on menopause and fertility.



## The Pregnancy Loss Pledge

We've signed the Workplace Pregnancy Loss Pledge to demonstrate our commitment to providing support for colleagues through the distress of miscarriage.





# 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 to ensure that any new challenges were identified, and the material issues still reflected the current external and economic environment. Following the review, we added two new material topics to the overall shortlist:

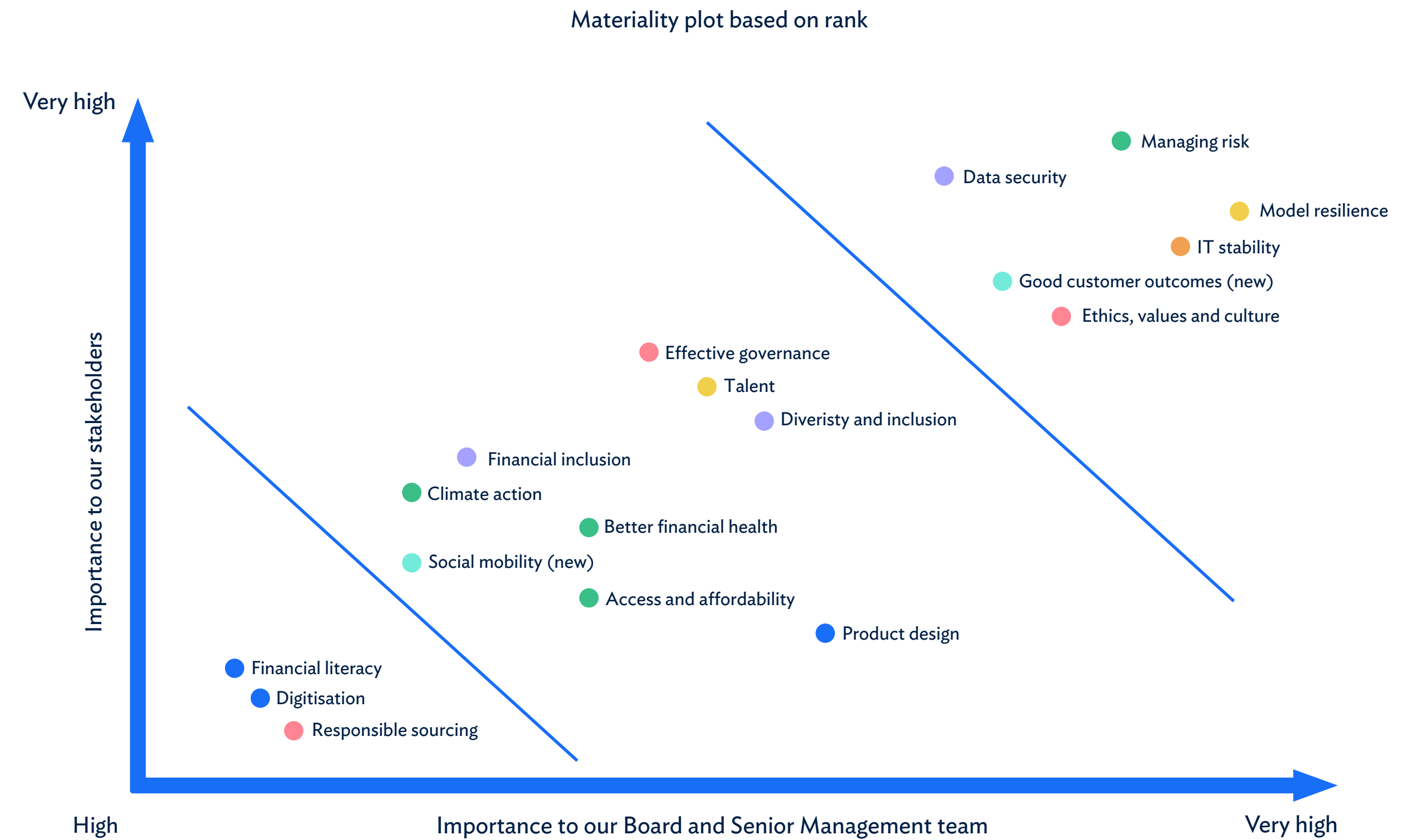
- good customer outcomes
- social mobility.

Our materiality assessment has given the Society a greater understanding of the material issues for our stakeholders and shaped our sustainability and strategic strategies and agenda throughout 2023.

## Our top material issues for our stakeholders

Below are the top material issues that were identified as part of our 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 - 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.

### 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.

# 2023 double materiality assessment

In 2023 we carried out a double materiality assessment.

Our double materiality assessment involved asking our stakeholders:

- how external factors affected the Society's financial wellbeing; and
- how the Society's actions impact people and the planet.

In order to identify the material issues to our stakeholders, we surveyed our members, colleagues, investors, suppliers, community partners and our Senior Leadership Team and Board. Undertaking a double materiality assessment has allowed the Society to understand, not only what material issues our stakeholders believe affect our organisation, but also the impact they believe the Society has on issues beyond its financial performance. Understanding the Society's affect on sustainability issues provides us with the necessary information to identify where our sustainability agenda will have the most material impact.

The outcome of our double materiality assessment was reported to the Board and will be considered as part of the strategic planning process for 2024 and beyond.

## Top material issues for our stakeholders

Here are our top material issues that were identified as part of the 2023 double materiality assessment which will drive our strategy going forward. They incorporate many of the material issues that previously informed our strategy, and all are underpinned by the Society's primary focus of delivering good customer outcomes.

### Cyber and data security



The practice of protecting data, systems, networks, and devices from theft, damage, unauthorised access, or failure.

### Regulation and compliance



Adherence to laws and regulations across the Society's activities, and embedding and training employees on the relevant policies and procedures. For example, our commitment to anti-bribery and corruption regulations, preventing modern slavery, and complying with tax governance, control and risk.

### Financial crime and fraud



Illegal activities that are committed to gain a financial benefit, either for an individual or an organisation. The Society's efforts in this area include robust prevention policies and procedures as well as member training to help our members spot potential fraudsters.

### Ethics, culture and governance



The integrated system of principles, values, behaviours, and organisational structures within the Society that guides ethical decision-making, fosters a responsible culture, and ensures effective leadership and accountability. Our Board and Corporate Governance drives our culture of responsibility, transparency, and accountability.

## Environmental

### In this section

We outline the actions we're taking to reduce our impact on the natural environment. 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.

Environmental performance and target progress	20
Our approach to the environment	21
Our environmental ambitions	22
Our Net Zero roadmap	24
Our Net Zero ambition	24
Our Net Zero strategy	25
Short-term climate target	27
Medium-term climate target	27
Long-term climate ambition	28
Working with our members	29
Working with our colleagues	30
Working on our own operations	32
Our 2023 emissions performance	33



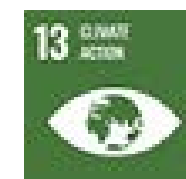
**“At the Society sustainability is at the heart of all decision making and we are very proud that this has been affirmed by being the first Building Society to become a certified B Corp. It is pleasing to see the continued good progress on all fronts on our sustainability agenda in 2023 including the work towards our Climate Action Plan.”**

Shamira Mohammed  
Independent Non-Executive Director

### Our CARES alignment

Responsible | Ambitious | Caring

### SDG and B Corp alignment



#### B Corp Impact Area

- Environmental



# Environmental performance and target progress

## Goal

Achieve and maintain carbon neutrality for our own operations

## Progress

Carbon neutral business since 2021



## Goal

Reduce paper consumption 50% in 2023 (Baseline year 2017)

## Progress

Achieved 54% reduction in 2023 (reduction of 296 tonnes since 2017)



## Goal

Remove our usage of natural gas (56 sites)

## Progress

33 sites converted to electrical heating



## Goal

Zero waste to landfill

## Progress

Zero waste sent to landfill since 2017



## Goal

Continue to purchase 100% renewable energy only

## Progress

100% renewable energy procured since 2021



## Goal

43% reduction in emissions by 2030 (Scope 1 and 2, 2020 baseline)

## Progress

34% reduction 2023 vs 2020



## Goal

100% electric vehicle fleet by 2030

## Progress

69% electric vehicles within our fleet (67 electric vehicles out of 97)

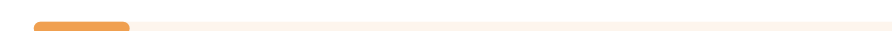


## Goal

Our ambition to be Net Zero by 2040

## Progress

Transitioning in line with our Net Zero plan



## Goal

Achieve and maintain ISO 14064 for Scope 1, 2 and 3 emissions

## Progress

ISO 14064 accredited since 2020



## Goal

Achieve ISO 20400 Sustainable Procurement standard by 2023

## Progress

Achieved ISO 20400 standard in 2023



## Goal

Achieve an approved Science Based Target in 2024

## Progress

On track to set SBTi in 2024 for Scope 1 and 2 emissions



■ On track ■ Not on track

■ Achieved



# Our approach to the environment

To reduce our impact on the natural environment we focus on:

**Climate change**



**Biodiversity**



**Energy and natural resources**



**Emissions to air**



**Pollution prevention and control**



**Waste management**



**Resource depletion**



**Our strategy is built on five pillars, detailing our approach to a Net Zero future.**

Further information can be found in our Climate Action Plan.

## **Our plan**

Our targets and actions to deliver emission reductions in line with our Net Zero transition plan.

## **Our operations**

Transitioning our buildings and fleet to Net Zero.

## **Our products**

Providing green homeowner and landlord improvements through innovative products, propositions and partnerships.

## **Our influence on society**

We will continue to work closely in line with UK Net Zero plans and engage with government, Non-Governmental Organisations (NGOs) and our members.

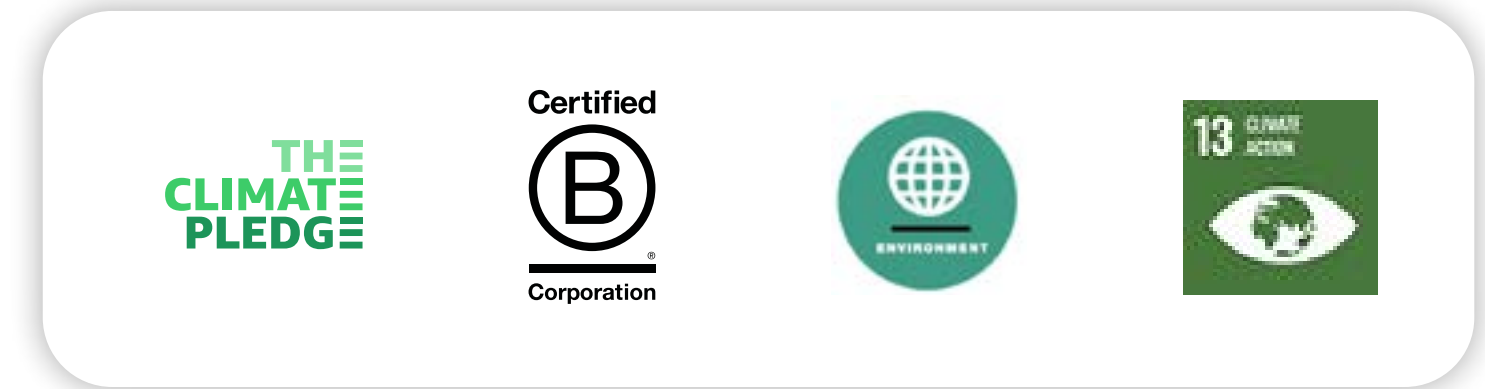
## **Governance & Risk**

Our internal and external management of sustainability related topics and risks.

# Our environmental ambitions

We recognise that climate change is a critical issue for our stakeholders as well as for wider society.

It shows that, even after 139 years, we're still leading the way in doing things the right way. As a mutual, we've always acted in the wider interest, ensuring that the work we do benefits the many, not the few. Becoming a certified B Corp is the latest milestone on our journey to a future that's all together, better. We're committed to making a positive contribution to address this challenge.



## 2023 progress and our achievements to date

Our members	Our operations	Our colleagues	Achieving external best practice
<ul style="list-style-type: none"> <li>We've launched our Green additional borrowing enabling our customers to benefit from a lower rate when borrowing more on their mortgage. Incentivising borrowers to make green home improvements, reducing their emissions and bills.</li> <li>Launched a sustainable living section on our website to help our customers understand the impact of home energy use and provide hints and tips along the way. Our Home Energy Efficiency Tool also provides a personalised energy-saving plan, to help customers make energy-saving improvements to their home.</li> </ul>	<ul style="list-style-type: none"> <li>We are a carbon neutral organisation and have been since 2021.</li> <li>34% reduction in our Scope 1 and 2 emissions (2023 vs 2020).</li> <li>Developed our Net Zero transition plan.</li> <li>Removed gas consumption from 33 of our sites.</li> <li>We continue to procure 100% renewable electricity from wind and solar.</li> <li>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.</li> <li>We've installed over 900 high efficiency solar panels to our head office campus. These improvements generate on average 30% of each of the building's electricity needs and we continue to invest in on-site solar energy generation where possible.</li> <li>Continued to be ISO 14064-1 certified for our Scope 1, 2 and 3 emissions data and we aligned with TCFD framework.</li> <li>We continue to send zero waste to landfill and have done since 2017.</li> <li>Exceeded our 50% paper reduction target.</li> </ul>	<ul style="list-style-type: none"> <li>Launched our partnership with Tado, offering our colleagues Smart Thermostats at a discounted rate for their homes.</li> <li>Our internal colleague carbon calculator app has delivered 362 tonnes in carbon savings.</li> <li>We've planted a tree in Coventry for every employee.</li> <li>We've continued to increase our Environmental Advocates community.</li> </ul>	<ul style="list-style-type: none"> <li>We submitted to The Carbon Disclosure Project (CDP) for the first time in 2023 and received a C Rating.</li> <li>We've achieved ISO 20400 Sustainable Procurement accreditation.</li> <li>Worked with our suppliers to deliver carbon savings when migrating data centres to the cloud.</li> </ul>

■ Our plan  
 ■ Our operations  
 ■ Our products  
 ■ Our influence on society  
 ■ Governance & risk

# Our environmental ambitions

## 2024 – 2040 ambitions

### Our members

- Customer understanding, support and engagement campaigns.
- New and existing customer retrofit borrowing incentives.
- Member endorsement and engagement with our Climate Action Plan.

### Our operations

- Reduce indirect emissions from Scope 3 by 2030.
- Ambition to be fully Net Zero by 2040.
- Have 100% electric vehicles in our fleet by 2030 or sooner.
- Align capital expenditure to 1.5°C pathway.

### Our colleagues

- Increase awareness of our Net Zero ambition through colleague elearnings.
- Continue engagement with our Environment Advocates and events.
- Commitment to planting a tree for every employee each year.
- Further incentives for colleagues to reduce their carbon footprint at work and at home.

### Achieving external best practice

- Set a Science Based Target in 2024.
- Work with partners to deliver change.
- Engage with our suppliers and regulators on climate matters.
- Annual reporting on progress against our targets and external frameworks.
- Publicly disclosed climate strategy positions.
- Continued to obtain third party assurance and ISO certification.

Our plan    Our operations    Our products    Our influence on society    Governance & risk



## Our Net Zero roadmap

In 2023, the Society's total greenhouse gas emissions were 709 thousand tonnes, 96% of our total emissions relate to the homes that we lend on (e.g. our financed emissions), with another 3% coming from suppliers we work with.

Supporting our borrowers in making energy efficiency improvements and engaging with our supply chain are therefore key in reducing our carbon footprint and supporting our Net Zero ambition.

To facilitate further progress in reducing these 99% of our indirect emissions, we must first lead by example to our borrowers and suppliers. We're achieving this through our targets and progress for our own operational emissions (Scope 1 and 2); continuing to reduce emissions we have direct control over, and we ensure sustainability is central to our business operations. We aim to become Net Zero for our own operations by 2030 and we have signed the letter of intent with Science Based Target (SBTi). We're pleased to report that we have had significant reductions in our Scope 1 and 2 emissions, with a 18% reduction 2022 vs 2023 and a 34% reduction in emissions 2020 vs 2023. We've achieved this through targeted interventions to improve our property efficiencies, removal of gas usage and our continued investment within renewable energy contracts and onsite solar where possible for our electricity.

To align with our ambition, we're working in line with ISO 14064 and we're on track to set a SBTi in 2024.

## Our Net Zero ambition

We have set ourselves an aspirational Net Zero ambition. Although we recognise that this is an industry-wide and generational issue which the Society cannot achieve alone, we will continue to engage proactively with the industry and government to work towards this ambition.

We'll continue to align with government targets and incentivise our customers to influence positive action towards meeting this challenge.

This is a challenging objective but one 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 we continue to offer a range of green propositions and initiatives to support this.

We'll look to balance any remaining emissions through high-quality climate solutions that benefit people and the environment.

Our business model means that our strategy does not involve lending to or investing in business which has a negative impact on the environment, such as those in fossil fuel 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 the further government support focused on UK housing.

None of the Society's direct lending supports development in sectors of the economy which carry heightened risk. These include automotive, power utilities, land transport and logistics, agriculture, construction, oil and gas, airlines and aerospace, building materials, shipping, chemicals, mining and metals. We do not offer commercial mortgages and so deep dive assessments of ESG-intensive industries is not applicable.



# Our Net Zero strategy


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

Most importantly our plan is consistent with our commitment to be all together, better where we commit to doing more for members and society, together making things better for everyone. By 2040, we have the ambition to reach Net Zero.

## 2024


### Low carbon

Continued installation of low carbon technology at our sites.



### Renewable energy


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



## 2025 - 2030


### Gas consumption

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




### Supply chain

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



### Electric fleet

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



### Net Zero

Ambition to become Net Zero for Scope 1, 2 and partial 3 by 2030.



## 2030 - 2040

### Mortgage book

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'll continue to evolve our plans, aligning with relevant industry and sector reviews. We'll 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'll 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.





# Our Net Zero strategy

Aligning with our Net Zero ambition, we're aiming to improve our customers' home energy efficiency to an average EPC rating of C or above.

As of September 2023, for the sub-set of properties in our portfolio (81%) that have an EPC the proportion of EPC A, B or C is 36%. This is an improvement on last year's EPC distribution where 34% were EPC A, B or C.

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

Our Scope 3 emissions have slightly increased this year, this is due to business growth and the increase of number of homes on our mortgage book, despite reducing our average financed emissions per property within our portfolio to 2.22 (TCO2e). We have also seen an increase in business travel, employee commuting and working from home, as we establish new ways of working since the Coronavirus pandemic, further initiatives will be put in place to continue to help our employees reduce this impact where we can. There was also a methodology change and an increase with the Department for Environment Food and Rural Affairs (DEFRA) carbon conversion factors in 2023 for the Category 1: purchased goods and services, hence the 2022-2023 increase for that category of emissions.

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 additional borrowing'. We'll continue to develop further innovative propositions.

To achieve our all together, better purpose, we'll need further government action, for key stakeholders to work together, and for 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.

# Short-term climate target

We've delivered our short-term climate target:

We are carbon neutral for our Scope 1 and 2 emissions (since 2021).

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

# Medium-term climate target

Reduce indirect emissions from Scope 3 by 2030:

We're actively getting ourselves into a position to reduce Scope 3 indirect emissions to aid our sustainability objective to reach Net Zero, we're aiming to achieve this 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.

## Reduction in emissions

Reducing our emissions through energy efficiency and demand reduction measures.

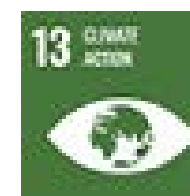
## Renewable energy

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

## Carbon offset

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

THE CLIMATE PLEDGE



## Employee commuting

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

## Goods and services

We'll 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% by 2030.

## Wholesale activities

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

## Business travel

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

## Pension fund

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

## Waste disposal

We'll 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

Aim to become Net Zero by 2040.

Our ambition to achieve Net Zero for Scope 1, 2 and 3 emissions 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

96% 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 we think is important. Supporting and educating our customers to making their homes more energy efficient is a key way for us to reduce our impact on the environment.



## Customer propositions

We launched Green additional borrowing to assist customers to improve the energy efficiency of their homes. 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'll 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're committed to being all together, better and commit to doing more for members and society, together making things better for everyone. After proving we've reduced our emissions as much as possible, we'll 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 2024 and beyond.

THE CLIMATE PLEDGE



# Working with our members

Britain's housing stock makes up more than a fifth of our national carbon emissions, and it'll take a concerted effort by lots of stakeholders including Government, industry and home-owners to improve the energy efficiency of the places we call home.

This includes retrofitting existing housing stock as well as improving new building standards, and at the Society we're giving members all sorts of help to do just that.

The Green additional borrowing gives people a lower rate when borrowing through their mortgage to make green home improvements, and so reduce their emissions and bills. We've launched a sustainable living section on our website to help our customers understand the impact of home energy use and provide hints and tips along the way. Our Home Energy Efficiency Tool provides a personalised energy-savings plan, to help customers make energy-saving improvements to their home.

Colin, a long-standing Society member, used the Green additional borrowing to install an air source heat pump. Having already installed solar panels and a battery he was keen to stop using gas to heat his home. Not only that but our advisor was able to restructure his mortgage so even with the extra funding, his repayments went down!

**"I ended up paying less on my mortgage, less on my electricity, installed a bunch of new radiators and have a house that's warmer than before. So there is literally no downside, just upside. And it was really nice to find out that Coventry Building Society is a B Corp as well. It genuinely made me feel happier about staying with the Society."**

In 2024, we'll continue growing the green mortgage market and expanding the choice of products for customers - all part in creating a more sustainable market.



## Over 100

applications for our Green additional borrowing



# Working with our colleagues

## Planting a tree for every employee

In January 2023, we partnered with Coventry City Council and planted 3,000 trees at Floyds Fields with over 100 Society colleagues, volunteering their time.

We partnered with them to support their plans which could see 360,000 trees planted across the city over a 10 year period, helping to improve air quality and combating climate change across the city.

We're all about contributing to a cleaner world, so we've committed to plant new trees each year for every employee. Not only that, we'll also be planting a mature tree in our home city for each retiree from the Society.

## Forest Carbon Scheme

We also partner with the Forest Carbon offsetting scheme 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 CO<sub>2</sub> 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 helped to reduce the risk of flooding in the local catchment areas. In 2023, we planted 725 trees, capturing 181,522kg of carbon. In total, we've planted 2,272 trees and captured 568,782kg of carbon.

## 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're 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.



# Working with our colleagues

During 2023 we've delivered the following with our colleagues:



- Launched our partnership with Tado, offering our colleagues Smart Thermostats at a discounted rate for their homes, helping our colleagues to reduce their emissions and bills.
- Our internal carbon calculator app, Pawprint, 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've collectively saved 362 tonnes of carbon emissions, equalling 1,086 m<sup>2</sup> of sea ice surface or 655,499 miles driven - that's enough saved carbon to drive almost 26 times around the Earth.
- Our colleagues have led internal engagement events to raise awareness of our impact on the environment, through hosting various sustainable markets which include zero waste plastic free products, locally sourced suppliers and handmade goods.



- Highlighting our environmental impact and targets with our leadership team at our annual Big Picture event, challenging them to generate their own renewable energy through a pedal charging station, educating colleagues on air source heat pumps and how to get one at home.
- Planted a wildflower meadow and installed bee hotels at our head office campus promoting biodiversity and colleague wellbeing. To celebrate World Bee Day we gave wildflower seeds to colleagues and created displays in branches to create discussions between colleagues and members on the topic too.
- Reduced the amount of paper and branch literature.
- Maintained our Forest Carbon Scheme.
- We do not use single use plastics in 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 and Earth Hour. Provided colleagues across the Society with opportunities to attend online webinars such as a recycling information session during Recycle Week.
- Worked with Coventry Council to plant a tree for every new employee and retiree at the Society.
- Organised community litter picks around Coventry.
- Engaged with our colleagues to reduce our waste and promote further recycling where possible.
- Launched our pre-loved programme for our community partner Hereward College.

# Working on our own operations

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. Therefore, we're reducing our direct impact as a business, enabling our progress towards Net Zero for our own operations by 2030. Our priorities are to increase our on-site renewable generation wherever possible, remove the use of gas completely from our portfolio and transition our company fleet to 100% electric vehicles by 2030.



## Solar installations

Since 2022, we've installed over 900 high efficiency solar panels on two buildings at our head office campus. These improvements generate on average 30% of each of the building's electricity needs and we continue to invest in on-site solar energy generation wherever possible.



## Air source heat pump installation

In 2023, we replaced our gas boiler system in our Godiva office with an air source heat pump (ASHP), which runs on electricity, so it works seamlessly with our solar panels. It's 2.5 times more efficient than our old gas boilers so for every 1kW of electricity it uses, it can provide 2.5kW of heat.

ASHPs work by absorbing heat from the outside air. This passes through evaporators and compressors, transferring to the building and into our radiators via heat exchangers. This ASHP in addition to our continued removal of gas usage within our branch network has contributed to a significant reduction in our gas usage to date.



## Electric vehicle fleet

In 2022, we launched our electric car scheme via salary sacrifice, open to all colleagues, providing them with access to zero emissions travel. So far, we have 67 active full electric vehicles within our fleet and 8 hybrid vehicles. Over the next six years we'll transition our remaining 30 colleagues with company cars onto this scheme.

We believe investing in electric cars give us cleaner streets making our towns and cities a better place to be for pedestrians and cyclists. In over a year, just one electric car on the roads can save an average 1.5 million grams of CO<sup>2</sup>. That's the equivalent of four return flights from London to Barcelona.



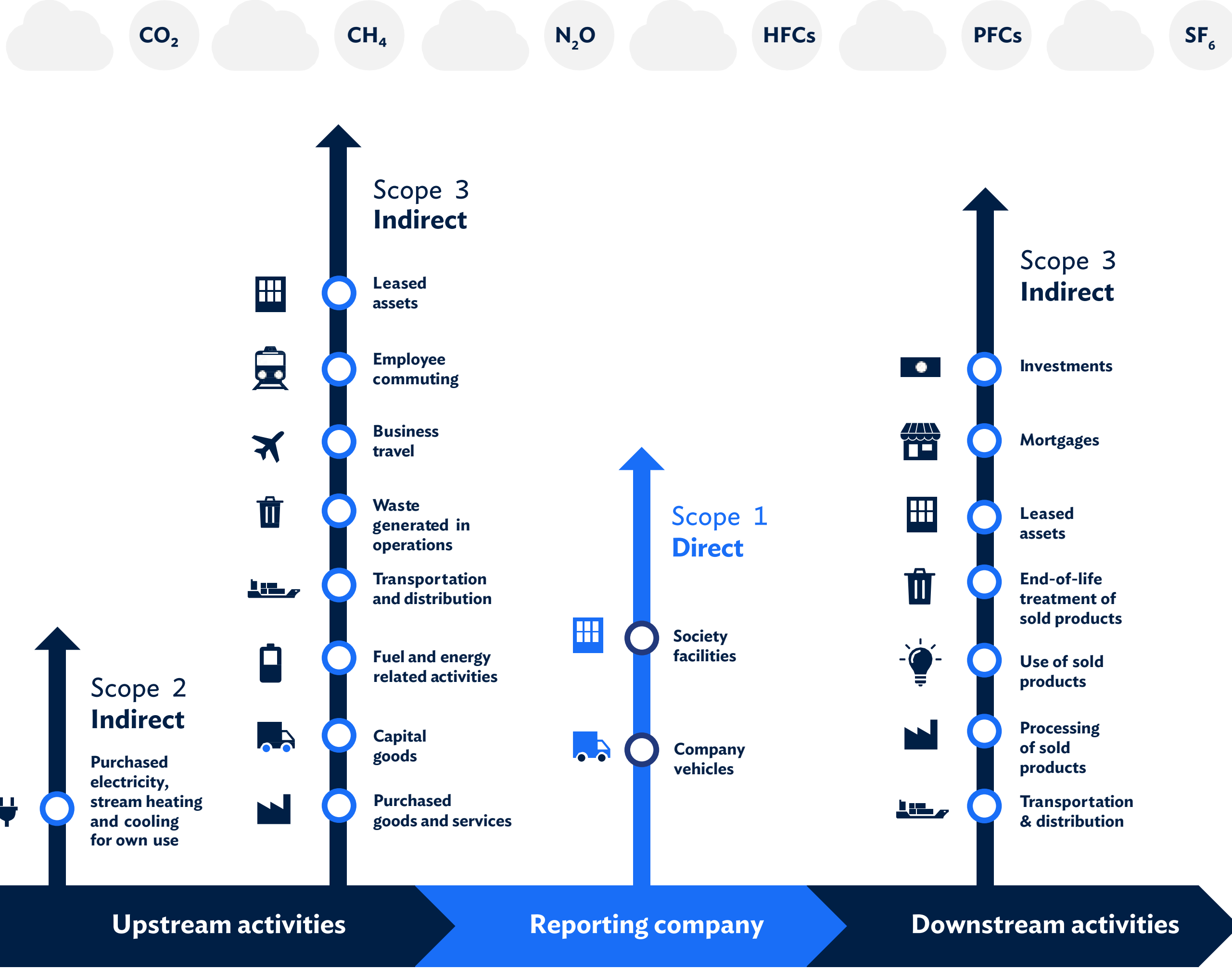
# Our 2023 emissions performance

The Society's metrics concerning emissions are driven by our climate change commitment to remain carbon neutral for Scope 1 and 2. We have an ambition to be Net Zero for Scope 1, 2 and partial 3 emissions 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 24](#).

We've remained carbon neutral for our business operations since 2021. We're pleased to confirm that we've achieved reductions in our Scope 1 and Scope 2 emissions through targeted initiatives and improvements in line with our Net Zero Transition Plan. We've achieved an 18% reduction in Scope 1 and 2 emissions 2023 vs 2022 and a 34% reduction in Scope 1 and 2 emissions 2023 vs 2020. In 2023, we've continued to measure all our greenhouse gas emissions for Scope 3.

From 2020, we've continued to successfully meet the requirements of Net Carbon Zero 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), energy consumption data and other environmental impacts can be found in the appendix.



**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. 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 products that help them achieve their goals, while 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'll deliver transformational change in our home city.

Social performance and target progress	35
Coventry futures	36
Centrepont	37
Layla's story	38
A future of possibilities	39
Developing future careers	40
A caring Coventry	41
Caring for our members	42
Caring for our colleagues	44
Diversity and Inclusion	46
Wellbeing	47
Financial wellbeing	48
Better financial wellbeing for colleagues	49
Colleague Regular Saver	50
Better financial wellbeing for our communities	51



**“We need clear ambitions and we need concrete data to evidence progress - and you'll find both in this section of the report. But above all, it's the real, human stories that I hope bring to life the true impact of our work with customers, colleagues and communities in 2023.”**

Lucy Becque  
Chief People Officer

**Our CARES alignment**

Caring | Straightforward | Empowered

**SDG and B Corp alignment**



**B Corp Impact Area**

- Community
- Colleagues
- Customers





# Social performance and target progress

## Goal

50% of roles filled internally

## Progress

43% of roles filled by internal candidates in 2023



## Goal

40% of senior manager and above roles held by women by 2025

## Progress

39% of senior manager and above roles held by women in 2023



## Goal

25% of manager and above roles held by colleagues from ethnic minority groups by 2025

## Progress

14% of manager and above roles held by colleagues from ethnic minority groups



## Goal

250 apprenticeships over five years from 2021

## Progress

180 apprentices since 2021



## Goal

50% of senior management roles from internal recruits by 2025

## Progress

56% of senior management role from internal recruits in 2023



## Goal

10,000 children and young people supported via education programmes over three years from 2021

## Progress

29,057 children and young people supported since 2021



## Goal

1,000 people supported through Better Foundations (formerly Access to Housing) between 2021 and 2025

## Progress

3,586 people supported through Better Foundations in 2023



## Goal

Supporting 10,000 first time buyers annually by 2023

## Progress

Supported 6,300 first time buyers in 2023



■ On track
 ■ Not on track
 ■ Achieved

As we have increased our community investment, we have also increased our targets on Better Futures and Better Foundations for the number of people we hope to reach.

# Coventry futures

We have a role to play in creating better futures for all of our stakeholders. For our members, through helping them save, and supporting their home ownership journey. For our colleagues, helping them develop and reach their full potential. For our communities, in supporting children and young people, helping to build aspirations and show a future of possibilities.

## A future home

We know how important it is to be able to plan a future in your own home, and in 2023, we continued 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.

We focused on our role as a building society to support as many first time buyers onto the housing ladder as possible. Despite challenging market conditions where lending to first time buyers fell by 24%, we increased our own first time buyer lending by 17%, supporting over 6,300 households into a first home.

Another key area for us in 2023 was improving the experience and offering to our existing customers. Through a programme of works we improved the way in which we communicate with our borrowers. We always offer the best rate to existing borrowers, as well as improving our internal processes to make the application journey as smooth as possible.

Other offerings in 2023 included:

- An energy savings tool on our websites, with support from the Energy Saving Trust, for our homeowners, landlords and brokers.
- Green additional borrowing aimed at our existing customers who wish to borrow in order to improve their energy efficiency.
- Continuing to accept claims from our Green Together Reward.
- Contacting selected borrowers who may benefit from a product switch or are not using the product's benefits following a fair value assessment of all on-sale products.

For some young people, having a safe place to call home isn't always easy, and in 2023, 136,000 found themselves homeless. Our new corporate charity, Centrepoin, is working to end youth homelessness, and we're working with them to make sure this happens.

**6,300**  
First time buyers  
supported



# Centrepont

In 2023, we launched our partnership with a new corporate charity. Centrepont is the UK's leading youth homelessness charity, working together with partners to support over 16,000 young people every year while campaigning to end youth homelessness by 2037.

Through our partnership, we aim to donate £1 million pounds every year for three years.

Donations will help fund the Centrepont Helpline, which provides specialist advice and guidance for young people across the UK who are homeless or worried about housing, as well as helping more young people into education, training and employment opportunities, enabling them to realise their potential.

Together, we've opened a brand new Youth Hub in Coventry with local Centrepont partner St Basil's. The new hub will revolutionise the support young people receive, ensuring every homeless and at risk young person in Coventry has a place to turn to in a time of need.

The Society will also fund a transformational prevention programme with schools, hitting at the heart of the problem by proactively identifying those at risk and taking steps to intervene early. This ambitious and much needed programme is the biggest of its kind to be piloted in the UK and will be part of the long-term route to ending youth homelessness for the next generation.



Society funding supported

**913**  
young people through the helpline



**512**

Young people supported through Centrepont Works



**2,120**

School children surveyed to identify those at risk of homelessness



We've opened a brand new

**Youth Hub**  
in Coventry



# Layla's story

Back in April, Layla had a serious falling out with her mum over finances. Layla was working as a cleaner and despite already paying her share for her upkeep, her mum asked her for more money or threatened to throw her out.

**“I knew my mum would spend it on drugs so I didn't want to give it to her. I had hardly any money in my account and have been supporting her for a while. I didn't want to enable her habit.”**

Layla had already been struggling with her mental health for some time and this situation caused her to have a serious episode which resulted in her being admitted to hospital.

The hospital helped to secure her emergency accommodation for three nights and recommended she ring the Centrepointhelpline to advise on longer-term support.

**“The Helpline reassured me and made me feel calm.”**

Layla went to Centrepointhelpline a couple of hours after her call and was seen by an Homelessness Prevention and Relief Service (HPRS) worker for an assessment straight away.

**“She was so helpful,” Layla remembers. “She was fairly new in the role, but she was amazing and got me into emergency accommodation the same day and even stayed past closing to make sure I got settled.”**

Today, Layla is feeling a lot better. She's moved into a flat managed by Centrepointhelpline and it's in her home town so she's nearer her friends and support network.

**“I feel so lucky,” she says. “The flat is affordable, freshly painted and it's the perfect size for me. I've been here three months now and I've settled in really nicely. I can stay here for two years while I get myself on my feet.”**

Layla is incredibly grateful for the support Centrepointhelpline have provided. **She says, “It was really scary being in that position, but now I am doing so much better and I owe it all to Centrepointhelpline's support. The workers there were so good and broke down difficult to understand information which can be really overwhelming.”**

Layla is currently doing an employment access course through Centrepointhelpline Works, where she will get help with her CVs and interviews. She hopes to get some bar or waitressing work and come off benefits.

**“I don't want for much. I just want a stable comfortable life where I can make ends meet without worrying all the time.”**



## A successful Centrepointhelpline model

A safe and stable home for up to two years



+

Specialist mental and physical health care



+

Intensive education and training support



=

94% of young people move on more positively



# A future of possibilities

Our 'Better Futures' careers programmes provide young people with the knowledge, skills and confidence to succeed. We work intensively with the Positive Youth Foundation and our nine partner schools – all serving some of the most disadvantaged communities in the city – to improve attainment and aspiration, and set young people up for a better future.

Our 2023 teacher consultations all highlighted a lack of opportunities for children to experience different workplaces and understand the world outside of the classroom. This can limit aspirations and motivation, and ultimately affect long-term social mobility. For primary school children, our Coventry Counts programme is set up to help address this, with all activities designed to improve literacy and numeracy, while providing context about how the skills children learn at school are relevant in the real world.

Young people taking part in our programmes have the opportunity to visit our Coventry House head office, Coventry Building Society Arena, and in 2023, we also took Year 6 children to the Belgrade Theatre. Each trip gives the children the opportunity to learn about careers and how maths is used in different settings.

All school sessions are delivered by colleague volunteers, and for any activities delivered out of the classroom, we fully fund all transport.

Our secondary school programme focuses on building confidence and employability, providing a real insight into the world of work, and the skills they'll need to succeed beyond school.



**“Engaging activity - good link to maths in everyday life e.g. budgeting. Good link to the different roles in the theatre and how a show is produced.”**

Year 6 Maths Lead,  
Alderman's Green Primary School

**“I was very interested in learning about how making a panto works and the budgets, the positions of how each person had a role.”**

Y6 Pupil,  
Edgewick Community Primary School

**‘The support of the Coventry Building Society team to PYF and the wider charity sector across Coventry is a fundamental source of support to thousands of people. At a time of significant challenge to many of our communities due to the cost of living crisis and increased poverty, this support is much valued and recognised. For PYF, the ability to work with the Society provides us with opportunities to increase our safe spaces for young people including the ability to provide food, warmth and pastoral care to young people living in challenging circumstances.**

**The support provided by the Society is second to none and a shining example of the incredible opportunities to deliver meaningful programmes as a partnership between the voluntary sector and influential corporate partners.**

Rashid Bhayat,  
CEO, Positive Youth Foundation

**14,073**

**Young people supported by our education programmes and hardship funding**



**782**

**Young people attended homework club at Positive Youth Foundation**



# Developing future careers

We want colleagues to have fulfilling futures at the Society and provide many opportunities for internal mobility. For some this is a promotion, for others, it's the opportunity to move to a new part of the business and retrain. Vacancies are advertised internally on a dedicated microsite, enabling employees to search for open roles that match their interests.

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

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. 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.

**43%**

**Of all roles are filled by existing colleagues**



**4,800 hours**

**Of learning take place every month**



**“In 2018 I joined the Society as an Intern in the Branch Network while completing my A levels. In 2020, rather than go to University, I got accepted onto the Finance Apprenticeship Programme. The help and support the Society has given me has been amazing and allowed me to complete all of my professional accountancy exams (Chartered Institute of Management Accountants) over the last three years, while still gaining invaluable work experience. I have recently been promoted to a Finance Business Partner and am looking forward to an exciting career at the Society.”**

Amy Delo

**36**

**New interns in 2023**



**77**

**New apprentices in 2023**



**9**

**Graduates in 2023**





# A caring Coventry

Our purpose guides the positive impact we aim to have on the lives of our stakeholders, and caring is at the forefront of our values. Whether this is caring about the service we provide to our members, caring for the wellbeing of our colleagues, or the more vulnerable members of our communities.

## 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 make a difference. These three focus areas are:

- Better Futures - supporting young people to 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 also have the Coventry Building Society Charitable Foundation, which in 2023, celebrated 25 years of supporting small local charities, during which time it has donated almost £2.4m. The Foundation operates independently of the Society, and has a place based focus, supporting charities in Coventry and Warwickshire primarily working to build communities, and alleviate loneliness.



**£3.1 million**

**Total community investment in 2023**



**8,420**

**Hours of colleague volunteering**



**21,545**

**People supported by our community programme**



**“Coventry Building Society plays an important, and active role in supporting Coventry’s residents and communities. As a key partner of the council, we work closely together with organisations from across the city to ensure that those people who are most in need are supported as much as possible. This is especially important as the cost of living continues to be challenging for everyone.”**

Councillor David Welsh,  
Coventry City Council

# Caring for our members

Rising interest rates have led to many conversations with members about their financial needs and what we can offer.

Calls to our Customer Service Centre were up over 31% on 2022, while branch colleagues supported with over 2 million face to face transactions.

Despite these increases, we answered all calls in under two minutes on average, halving the average waiting time experienced in 2022, and maintained an excellent level of service as demonstrated by our Net Promoter Score (NPS).

Our aim is to be digital first, human always and as part of that ambition we're developing our mobile App. It will enable our members to have up to date information at their fingertips. Beta testing was successful in 2023, with the App being made available initially to colleagues. The App was successfully launched for members in early 2024 and will continue to be updated with new features as we progress.

## Supporting borrowers in financial difficulty

We recognise that from time to time our borrowers can have issues affecting their payments, these have been heightened by the recent cost of living pressures. We work hard to contact our borrowers and encourage them to do the same if they have any concerns, there are many things we can do and repossession is always the last resort after many attempts to support.

When we speak to our borrowers we'll have a detailed look at their circumstances, understand what their challenges are and identify support through a range of forbearance solutions we can offer. We'll keep in regular contact through any arrangement period and provide ongoing support. This can also include a referral to our debt advice partners who can help resolve any wider pressures with other creditors.



**+76 NPS**

**Overall for the Society**  
(2022: +75)



**105**

**Seconds average call waiting time**  
(2022: 207 seconds)



# Caring for our members

## Ensuring all customers get good outcomes

We have a track record in doing the right things for all our customers including those that have characteristics of vulnerability. We have a well-established working group (since 2017) whose purpose is to champion the needs of vulnerable customers. We've delivered a number of initiatives that have arisen out of discussions at this forum.

## Colleague education

To support our network of Vulnerable Customer Experts (VCEs) who are embedded across our customer facing teams and in head office functions we hold two events annually where they get the opportunity to share knowledge and expertise with each another and get to hear from guest speakers on various subjects. This year we covered topics ranging from accessibility and what we can do individually to make services accessible, financial crime and being vigilant, spotting the signs of vulnerability and offering support, and looking at Power of Attorney for those who need help managing their finances.

Additionally, this year we ran a number of sessions on Economic Abuse, helping our colleagues identify potential warning signs and understanding how to support such sensitive situations.

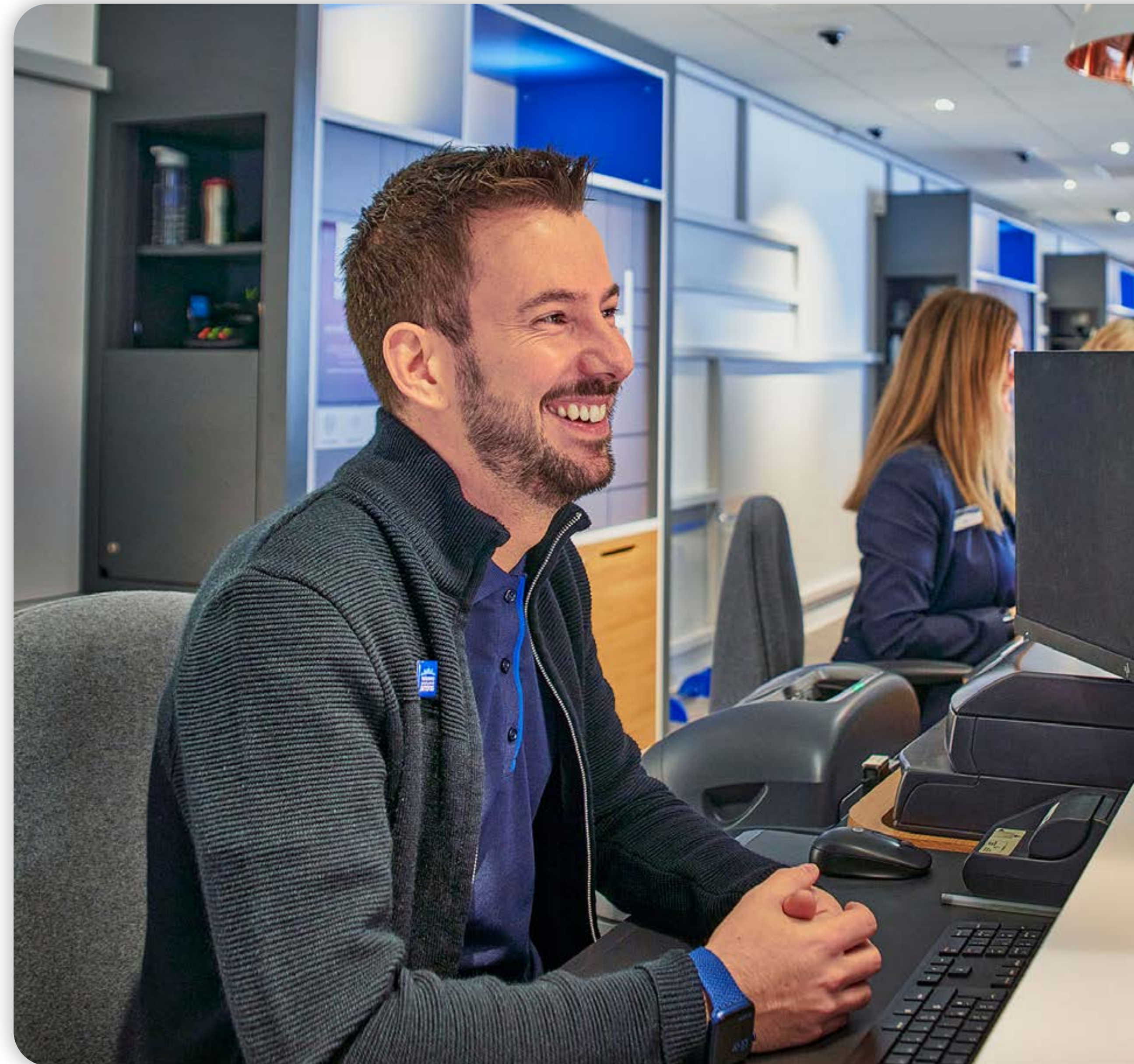
We've also introduced a new vulnerability guide for all Customer Service colleagues going through induction which pulls together information on vulnerability and the support services available. This is available to all colleagues electronically on our intranet site.

Training for our customer facing teams also includes consumer financial protection and to ensure that knowledge is kept up to date there are a number of mandatory courses that are taken throughout the year.

## Support for members

A new customer leaflet has been created called 'Making our services accessible, find out what we can do to help' to promote our support services and explain how to arrange them. This is available for members who may prefer to take something away with them to read and refer to at a later date.

We're also rolling out the Alzheimer's Society, 'Dementia awareness' sessions to colleagues who engage with members either face to face, over the phone or by post.



# Caring for our colleagues

In 2023, we were delighted to place 13<sup>th</sup> in Great Place to Work's® league table of super large organisations, in their list of the UK's Best Workplaces™.

There are many elements to this, from our colleagues understanding our purpose as a business and how proud they are to support our members and communities, to how we care for and support them as individuals. And this is where our employee networks come in.

This year we've added Asian and Carers networks to complement our existing networks – Black, Rainbow, Menopause and Neurodiversity. These colleague-led networks are empowered to take action, suggest changes, and connect with our diversity and inclusion governance groups – our Council and Thinktank – to share their feedback on working at the Society.

Some of our 2023 highlights include:

- a panel of employee network representatives educating 70 Society leaders about allyship
- our Rainbow Network going on tour around our offices and branches with a giant Pride flag – over 750 colleagues signed it before it was proudly waved at Warwickshire Pride
- hundreds of colleagues attending Vaisakhi, Windrush and Black History Month events, organised by our networks.

And we've seen great value in bringing together our networks to learn from each other. We held our first Network of Networks event in September 2023, welcoming representatives from each of our networks. As a result, 90% of attendees were going to take action and do something differently for their network after hearing from others.

Do employee networks make a difference? Absolutely. And we know this because our colleagues tell us. Not only do they share their feedback with us annually as part of our Great Place to Work survey, we've also run a survey focused specifically on diversity and inclusion for the last three years. In 2023, agreement with all 17 statements in the survey increased.

Colleague feedback was also a key part of us retaining external recognition through a Diversity Leader award from the Financial Times in 2023, where we made the top five of UK banks and building societies on the list.

We're planning to introduce more networks to support colleagues in 2024, including Social Mobility and Disability. And working with them further is a key priority from our diversity and inclusion strategy. We're proud of the difference they make to our people and they're a perfect example of all together, better.



**92%**

**Of colleagues believe the colleagues they work with treat each other with respect**



**85%**

**Feel a sense of being included at Coventry Building Society**



# Caring for our colleagues

“Having a Black Network has given black people at the Society a safe space to share our stories and to progress our vision of increasing the visibility and impact of black people. The Society has empowered us to be creative in how we engage stakeholders. In 2023, we’ve welcomed new members, shared learning with Black Networks in other organisations, fundraised for Centrepoin and local youth charity Coventry Fridays, involved hundreds of colleagues in celebrating black heritage and culture, and contributed our insight to how black people are represented and engaged at the Society. We’re incredibly proud of our talents, our achievements and the friendships we’ve formed within and outside the network.”

Rebecca Howard,  
Black Network Co-Chair



“Several of the Rainbow Network members visited our 64 branches and head office sites in 2023, collecting over 750 signatures and messages on our Pride flag, and sharing thoughts on why being an ally is so important. We then waved the flag proudly in the air at Warwickshire Pride as we marched together in joy. Several people have talked to me this year about how the existence of this network has helped them start supportive conversations with their family members. It’s so wonderful that our network not only supports colleague in work, but is also having a wider positive effect on people’s personal lives.”

Becky Orton,  
Rainbow Network Chair



82%

Believe the Society values diverse opinions and ideas

84%

Feel a sense of belonging at Coventry Building Society

81%

Trust Index® Great Place to Work



# Diversity and Inclusion

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

We believe in treating people fairly and recognise that different individuals bring different skills to our Society.

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.

You've seen how our employee networks provide a big support for colleagues, and our work on inclusion is much broader than this. Just some examples include visible support for LGBTQ+ colleagues through our sponsorship of Pride events, an increasing focus on social mobility with a strong link to our community programme, or reviewing our approach to workplace adjustments to support colleagues with a disability.

Our Diversity Think Tank that we mentioned earlier is made up of colleagues from all levels across the Society and chaired by a member of the Executive team. It's this group, supported by local diversity and Inclusion groups representing different teams and functions, that helps to shape priorities and monitor progress. Alongside this, our executive and senior manager levels participated in a comprehensive training session on trust and inclusion.

Over 700 colleagues completed our third annual diversity and inclusion survey in 2023. We highlighted on page 44 that scores increased for every statement.

Other highlights are shown below.

## Results from our 2023 diversity and inclusion survey were positive

- **78%** of positive responses overall (**73% in 2022**)
- Colleagues believe the colleagues they work with treat each other with respect – **up 4% compared to 2022**
- The Society does everything it can to make sure all employees feel fully engaged and involved – **up 12% compared to 2022**
- The Society treats colleagues fairly and consistently – **up 10% compared to 2022**

As we mentioned in 'Caring for our colleagues', we also partner with Great Place to Work. Women and colleagues from Black, Asian and Mixed Ethnic Groups reported trust levels higher than those of the wider Society at **81%**.

**We've set ourselves challenging targets and we're working hard to achieve them.**

## 25%

**Of management and above roles to be held by colleagues from ethnic minority groups by 2025**

## 50%

**Of management and above roles to be held by women by 2025**



# 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

- Launched My Wellbeing - Mind, Body, Spirit, including an app.
- Signed Time to Change Pledge.
- New Employee Assistance programme.
- New My Family policy with enhanced maternity, paternity and adoption benefits.
- Digital GP launched.
- Menopause toolkit launched.

## 2021

- Workplace choir launched.
- Offered cervical and prostate cancer checks.
- Signed up to the Workplace Pregnancy Loss Pledge, committing to providing support for colleagues through the distress of miscarriage.
- Committed to being a Menopause Friendly employer, the first step in accreditation to becoming fully Menopause Friendly.

## 2022

- Personalised health support via relationship with Peppy, focusing on menopause and fertility.
- Extended financial wellbeing programme covering budgeting to financial health check and pension planning.
- Signed the Menopause Workplace Pledge.
- Alcohol awareness with Alcohol Change - focus on mindfulness.
- First Colleague Speed Connect event - a platonic version of speed dating.

## 2023

- Launched a Colleague Saver.
- Bespoke men's health support.
- "Time for you" allowance of time dedicated to wellbeing and development.
- Established a Carer's Network.
- Recognised as a Menopause Friendly Employer.
- Held a popular Wellbeing and Benefits Fair.

 Mental  Physical

# Financial wellbeing

Our purpose is ‘making people better off through life’, across all aspects, but when it comes to finances, we work hard to help all our stakeholders achieve their financial goals.

Whether that’s ensuring our reward proposition works for colleagues, or that we’re paying great savings rates for our members, or helping the most disadvantaged to keep food on the table and a roof over their head.

## Better financial wellbeing for savers

We’ve continued to focus on how we reward our members through a continued roll out of our loyalty programme. We also launched a new branch based children’s proposition, supporting finance education, which is attracting around 100 brand new members each month in their journey to become savers of the future.

We recently launched a partnership with Salary Finance, who are the UK’s largest Financial Wellbeing provider. Through this partnership they will provide access for employees across 260 employers to our savings account where the employees can contribute directly from their salary, delivering ease and simplicity in creating a new cohort of savers.

## Better financial wellbeing for borrowers

This year we signed up to the Governments Mortgage Charter, which lays out a set of standards for mortgage lenders to follow when borrowers are facing financial hardship. We fully support measures such as the ability to reduce payments through a switching to interest-only for six months, or extending the mortgage term to reduce monthly payments, with the option to revert to the original term within six months without further assessment.

We continue to contact members who are identified as potentially vulnerable, or whose fixed rate mortgages are coming to an end and may experience increases in their mortgage rates due to the interest rate environment, highlighting support available in case of financial difficulty.

For our members experiencing financial difficulties, we contact them as soon as possible to provide support during their difficult time. In addition, we’ve removed arrears fees and Consent to Let fees to further reduce the financial burden.

**1.64 million**

**People able to save direct from salary via Salary Finance partnership**

**845**

**First Home Saver accounts opened in 2023**



**Rate increases**

**Were passed on to our savers at every base rate change in 2023**



**147,000**

**Accounts opened through our loyalty products in 2023**







# Better financial wellbeing for colleagues

Our reward proposition reflects our values and focus on wellbeing. Pay is benchmarked externally with comparable roles in financial services. In our customer facing 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 don't 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.

## Financial wellbeing package includes:

- pension provision
- life assurance
- occupational sick pay
- a financial education programme
- enhanced parental provision
- car scheme for electric/hybrid vehicles through salary sacrifice.



# Colleague Regular Saver

The importance of savings as a source of financial resilience and wellbeing is becoming increasingly understood. To be purpose-led, to be the best at savings and mortgages, to live our values, we need to encourage people to save whatever their circumstances. We need to help create a society of savers.

We do this for members in many ways. But this example is about delivering for colleagues. The idea was simple enough. To help build financial resilience we wanted to encourage colleagues to save. We used the same regular savings account that's available to all members and made a deposit from the Society of £100 when the account was opened by a colleague.

We wanted everyone to know about it, to talk about it and to encourage others to get involved so we worked really hard on communication. Over 1,900 employees opened a Colleague Regular Saver. We're hoping everyone will and that we really help our people to boost their financial resilience. And an added bonus is that colleagues also get to experience the service we offer, our warmth and expertise.

We think that our colleagues are best placed to tell you how they feel about this addition to our reward offering so here's what they told us:

**“A brilliant initiative and another reason to be super proud to work for the Cov!”**

**“Thank you for offering these incentives to the colleagues, it's really appreciated.”**

**“This is such a great initiative and product. Very encouraging for saving and thank you so much for the £100 bonus :-)”**

**“I opened mine this week and have already set up my payments! What an amazing incentive!”**

**“The Colleague Regular Saver is a wonderful initiative, so well done to Coventry Building Society for encouraging us all to save.”**



# Better financial wellbeing for our communities

Our Better Foundations work focuses on building the financial resilience of the most disadvantaged and vulnerable, something which has been particularly challenging in recent years.

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 some of the city's network of social supermarkets which provide food and support. Our partnership with Centrepoin also forms part of our Better Foundations commitment.

**3,586**

People supported through our Better Foundations work

**782**

People helped by Coventry Citizens Advice



## 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 2023, the Board continued to support and oversee the Society's sustainability agenda to ensure we're on track to deliver our targets.

Our approach to governance	53
Governance at a glance	55
Engaging with investors and ratings agencies	56
Combating financial crime	57
Grievances, raising concerns and whistleblowing	58
Health and Safety	59
Cyber security and data privacy	60
Human Rights	61
Our supply chain	62
Working sustainably with suppliers	63
Supplier standards, due diligence and prompt payments	64
Managing tax	65
Compliance with law and regulations	65



**“Ever since I joined the Board, I’ve been struck by how much focus the Society puts on strong governance, even to the extent of specifically asking the Nominations Committee to focus on governance in addition to other areas. It’s reassuring as a NED and should give confidence to other stakeholders that the Society sees this as so fundamental to our way of working.”**

Jo Kenrick

Deputy Chair of the Board and Senior Independent Director

### Our CARES alignment

Responsible | Straightforward | Empowered

### SDG and B Corp alignment



#### B Corp Impact Area

- Environment
- Colleagues
- Customers
- Governance



# 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's 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 plan and the actions required to achieve this plan.



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 plan for sustainability and the material elements of the Society's 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 sustainability matters:



# Governance at a glance

## Management's role

Steve Hughes, Chief Executive Officer, has overseen the Society's engagement on a range of climate change matters and 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.



### Informing

#### Board

- Approves Society's Annual Strategy Plan.
- Approves Society's Sustainability Plan.
- 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.
- Approves and receives updates on the Society's Climate Action Plan.
- Reviews sustainability related management information on a quarterly basis.
- 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.

#### Executive

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

#### Committees

- 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.
- 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.

### Reporting



# 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 choose our wholesale credit counterparties on an ESG rating and green bonds are something we invest in as long as the other elements of our risk appetite are met. We offer investors the opportunity to invest in an organisation with a lending strategy primarily focused on high quality, low Loan to Value mortgages, which is geographically spread across the UK. 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 2023, the engagement from investors remained high, with over 100 investor meetings through the year. Investors were interested in the following key themes:

- Cost of living crisis and the potential impact of this on borrowers and affordability more generally.
- Asset quality and expected credit losses.
- UK political and economic backdrop.
- Key risks for the business going forwards, both at a macro and business level.
- Growth plans in the short- to medium-term.
- 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.

## 2023 key activities and issues

During the year, the Society completed four public trades, a £350m residential mortgage backed securities (RMBS) in January, a £500m Covered Bond in March, a £400m Senior Non-Preferred in October and a £400m GBP RMBS executed in November. The order book for each of the transactions was more than double the requirement, demonstrating the strength of the Society's wholesale franchise and the benefits of having regular investor engagement. A further £145m of Senior Non-Preferred bonds were issued via private placements, contributing to meeting the Society's future minimum requirement for own fund and eligible liabilities (MREL).

In 2023, the emphasis from investors and ratings agencies was to understand the impact of the evolving global economic backdrop (including the cost of living crisis, inflationary pressures and the outlook for the UK housing and mortgage markets), on the Society's asset quality and affordability for our customers. A focus on the impact of interest rates, and the forward-looking view of these, on margin and profitability was also evident. Looking forward to 2024, we expect these areas to remain a focus for investors.





# Combating financial crime

We're 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 2023 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 2023, 98% of all employees were confirmed as having undertaking training on ABC.

Whistleblowing has its own section on the Society's intranet 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 2023, 98% 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 intranet. 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 2023, 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 comprises a range of senior individuals in the Society and is overseen by the Head of Enterprise Shared Services. The Whistleblowing Policy and an annual Whistleblowing Report are considered by the Board. 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 2023, 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 are 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. The Society's Whistleblowing Policy is available on our website.

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.

# Health and Safety

The Chief Executive is accountable for effectively managing health and safety within the Society. The Society's Board nominates the Director of Corporate Services as the Executive responsible for health and safety. A dedicated Health and Safety team maintains our Health and Safety Policy and occupational health and safety management system.

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. In 2023, our Internal Audit function awarded the Health and Safety team an 'A – Good' rating with no significant issues identified. The audit recognised the strength of controls and processes in place, ensuring that Society premises are well maintained and comply with internal health and safety guidelines.

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. Anti-bullying and Harassment, and Whistleblowing policies safeguard employees from reprisals.

In 2023, the Society focused on reasonable workplace adjustments for employees with disabilities, impairments, other medical conditions, and neurodiversity, with a continued focus on raising awareness, educating line managers, and integrating adjustments into daily business practices.

All employees must undertake mandatory online health and safety training as part of their induction and annually after that. In 2023, we further strengthened online training by introducing a new learning module for line managers, covering legal obligations, roles, responsibilities, identifying workplace hazards, reporting incidents, managing change, and supporting team members' 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.

As a building society we process large amounts of personal information every day to help facilitate our member's financial transactions. The Society takes our cyber security and data protection responsibilities very seriously. We have established a Technology Risk Committee and Data Risk Committee to give oversight of cyber security and data privacy respectively. Both committees have membership from the senior management team.

To remain on the front foot, we've refreshed our overarching Cyber Security Strategy, defining clear principles, objectives and a roadmap. The strategy drives our future cyber investment programme. Our cyber security policy framework ensures that we keep the Society safe and secure for members. Our policies are regularly reviewed and audited. The Society maintains strict access control and data security measures for the protection of personal and sensitive data.

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 mandatory for all employees and contractors to regularly undertake this training. 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've had no significant cyber related incidents over the last year.

The Member privacy notice 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. In 2023, we created a youth privacy notice for members and applicants who are children. All privacy notices are reviewed annually.

We 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. A data retention and disposal policy governs the lifecycle of data storage and deletion. These policies are aligned to the data protection legislation which applies to the Society. The Policy is owned and overseen by the Society's Data Protection Officer (DPO) and approved at Data Risk Committee.

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 DPO is supported by the Data Protection Manager and the Data Protection team who advise and provide support on the Society's obligations and undertake and support assurance activities to ensure ongoing compliance with data protection legislation. They also acts 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 and colleagues responding to data rights requests.

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 2023, 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 suffered no data breaches that required notification to the ICO in 2023.

In 2023, four complaints were received from outside the Society and were substantiated by the Society and there were zero complaints from regulatory bodies. 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.



## Be Safe

The **Be Safe** campaign is part of the wider Financial Crime education strategy. 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.



# Human Rights

The Society understands the importance of upholding and championing human rights, not just within its own operations but throughout its supply chain and takes proactive measures to protect the human rights of all its stakeholders.

## 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 procedures and controls require that potential modern slavery and human trafficking risks related to our business are understood. Through third party risk management active steps are taken to ensure our supply chain is not engaging in any form of modern slavery or human trafficking through due diligence and ongoing monitoring controls.

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 2023, a refreshed [Modern Slavery 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.

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 2023, no instances of modern slavery or any associated concerns were identified.

## Human Rights policy

The Society is committed to operating in line with the UN's recognition of human rights across the products and services it offers, in its own operations as well as across its third-party supply chain.

In 2022, the Society formalised its commitment to human rights through the creation of its Human Rights Policy. The policy sets out the Society's commitment to meeting its responsibility to respect internationally recognised human rights standards.

Since 2021, the Society has been committed to the United Nations Global Compact (UNGC) corporate responsibility initiative and its 10 Principles. The 10 principles of the UNGC are part of the Society's strategy, culture and day-to-day operations. To embed these principles the Society undertook practical measures such as incorporating the principles in its contractual arrangements with suppliers and ensuring the commitments it expects from suppliers were consistent with the UNGC.

The Human Rights Policy continues the Society's commitment focusing on member and customer rights, employee rights and third-party rights, including in the Society's supply chain.

The [Society's Human Rights Policy](#) can be found on our website.

# Our supply chain

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

## Our supply chain

In 2023, the Society spent around £173 million on a broad range of products and services with:

- 759 suppliers, of which around 86 are deemed Key Suppliers.
- Tier 1 (highest criticality, of which there are around 43 suppliers).
- Tier 2 (lower criticality, of which there are around 43).
- Tier 3 (lowest criticality, of which there are around 85).
- Tier 4 (transactional suppliers, of which there are around 588).

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 2023, 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 17% of expenditure with suppliers in 2023 was assessed as expenditure with local suppliers.

In 2023, the Society continued to identify which suppliers are diverse and managed by underrepresented groups including women, LGBTQ+ groups, people with disabilities, ethnic minorities and veterans. We define a diverse supplier as organisations at least 51% owned by members of these groups.

## 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 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 entering into a contract with us.

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 material issues were reported by suppliers in 2023.

# Working sustainably with suppliers

Since 2021, we've been working hard to take the time and care to deliver on this topic and ensure existing processes are not disrupted.

Our work will be ongoing to continue to develop sustainable practices with our suppliers but we've made great progress in this time, including:

- implementing a Sustainable Procurement Policy and strategy
- considering ESG as 20% of tender weighting
- 100% of our key suppliers agreed to our Supplier Code of Conduct or equivalent
- identifying our diverse supplier numbers and increasing our local supplier spend
- launching the Sustainable Procurement Working Group
- receiving the CIPS Ethics Kitemark
- creating a supplier decarbonization plan and publishing minimum ESG standards for suppliers
- attaining ISO 20400 and meeting UK Prompt Payment Code Conditions.

## 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 2023 survey, suppliers told us they wished for more opportunities for engagement. In response, we continued to publish our Supplier Bulletin twice a year, are launching a Supplier Welcome Pack and have streamlined our engagement approach. We've also invited our suppliers to participate in our Annual Supplier Survey and our Materiality Assessment and our Procurement and SRM team hosted the following events:

### 1. Supplier awards

37 suppliers were nominated for awards to celebrate their contribution to not only the Society but the community as a whole including Best for Member Outcomes, Climate Change Champion, Value Add & Innovation and Supplier of the Year. 20 suppliers were shortlisted and attended the ceremony where eight winners' trophies were awarded.



### 2. Technology supplier strategy day

This event provided our strategic technology suppliers a view of the Society's portfolio roadmap and areas where we could work together in current and upcoming projects.

### 3. Diverse supplier event

The Society invited current and potential suppliers who are owned and managed by underrepresented groups. The event provided an opportunity for potential suppliers to get to know the Society and understand pathways to partnership with us. The Society's current diverse suppliers showcased their career journeys and how they had gained corporate customers.

Our suppliers also engaged with the Society's wider community by generously donating their time and expertise:

- supplier volunteers helped to refurbish areas in our partner school Grace Academy in June 2023
- supplier volunteers supported motivational talks at our partner schools
- our technology partner BT provided a workplace visit to 23 students from our partner schools
- supplier volunteers ran stalls and workshops at a careers fair with our charity partner Centrepoin in August 2023
- supplier volunteers helped to refurbish a property with our charity partner Centrepoin in November 2023.

# Supplier standards, due diligence and prompt payments

We aim to reduce any negative environmental and social effects of the goods and services that 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 2023, the procurement and supplier relationship management (SRM) team attained ISO 20400. In order to obtain the standard, the Society continued to adapt our approach. Sustainable procurement continued to be embedded into the sourcing process and our supplier selection criteria with up to 20% of the overall weighting being assigned to sustainability issues and all suppliers undergoing a sustainability evaluation at onboarding, regular due diligence checks and audits.

All competitive bids feature sustainability questions including suppliers confirming current carbon footprint, Net Zero targets, waste and water management approaches and all partnership supplier governance meetings feature sustainability action plans.

# 100%

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



# ISO 20400

Attained







## 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 2023, 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 2023. Our effective tax rate this year was 26% and the amount of tax we paid can be found in the 2023 Annual Report and Accounts.

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 2023, 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 2023, 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 2023, 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 2023, the Society made no political contributions directly or indirectly, including in-kind contributions. In 2023, 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 2023 can be found on page 81 in the appendix.

## Appendix

Our stakeholders	67	Other environmental impacts	79
Our materiality assessment	69	Waste and recycling data	80
Global Reporting Initiative content index 2023	70	Water data	80
Reporting standards and methodologies	75	Health and safety statistics	81
Our energy consumption	76	2023 workforce at a glance	81
Our energy intensity	77	Additional HR information	82
Our emissions performance	77	Consultations held by public bodies	83
		B4SI assurance data	84
		Glossary	85



# 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, colleague,; 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 2023 Annual Report and Accounts.

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

# Our stakeholders

Stakeholder group	What do they expect from us?	How we engaged	What's material to them?
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>To do business with us on terms which are commercially beneficial.</li> <li>To be paid promptly.</li> <li>To work with consistent and understandable procurement processes.</li> <li>Decisions that are made in a consistent, ethical and fair way.</li> <li>For local SME suppliers, procurement processes which are proportionate and straightforward.</li> </ul>	<ul style="list-style-type: none"> <li>Regular governance meetings with key suppliers. Suppliers are provided with feedback on sourcing activities they're involved in, including debriefing unsuccessful suppliers.</li> <li>Supplier awards where all suppliers were invited to self-nominate.</li> <li>Annual supplier surveys to gain an understanding of the views of our suppliers.</li> <li>Diverse supplier event for prospective suppliers, with current local, small and micro business and social enterprise suppliers providing best practice experiences.</li> </ul>	<ul style="list-style-type: none"> <li>Understanding more about our strategy.</li> <li>Prompt payment.</li> <li>Finding out about opportunities that might be available to local suppliers.</li> </ul>
<b>Community groups</b>	<ul style="list-style-type: none"> <li>Support – financial and in kind – and to benefit from our skills and knowledge.</li> <li>Help to raise awareness of key issues and signposting those in need.</li> <li>A community strategy which makes clear what we support and how this can be accessed.</li> <li>Funding commitment across the medium term.</li> </ul>	<ul style="list-style-type: none"> <li>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.</li> <li>We've established key points of contact in each of the organisations we work with.</li> <li>Established a long-term relationship with the UK's leading youth homelessness charity, Centrepoin.</li> <li>Continued to support the community through the Coventry Building Society Charitable Foundation.</li> </ul>	<ul style="list-style-type: none"> <li>Building successful partnerships which bring value to community organisations.</li> <li>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.</li> <li>Creating access to opportunities and raising aspirations.</li> </ul>
<b>The environment</b>	<ul style="list-style-type: none"> <li>To contribute towards tackling climate change.</li> <li>Measurement and reporting of our emissions.</li> <li>The reduction of our own emissions and broader environmental impacts.</li> <li>Helping customers make the transition to homes which reduces emissions.</li> </ul>	<ul style="list-style-type: none"> <li>Working with a range of external bodies and suppliers to monitor, manage and reduce our environmental impacts.</li> <li>Working with third parties for to conform with ISO 14064 and ISO 20400 standards.</li> </ul>	<ul style="list-style-type: none"> <li>Our Climate Action Plan outlining our progress towards improving our impact on the environment.</li> <li>Detailing our approach to a Net Zero future.</li> </ul>

# Our materiality assessment

The following table provides an overview of all topics used in the 2022 materiality matrix, on which the 2023 report is based, and the relevant GRI topic.

Material Issue	Description	Relevant GRI topic where applicable
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 and Equal Opportunity GRI 406 Non-discrimination
Effective governance	Ensuring we're 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 201 Economic Performance GRI 401 Employment GRI 404 Training and Education



# Global Reporting Initiative content index 2023

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've prepared report in reference to the GRI Standards: Core Option.

## Key

GRI Standard Based on 2022 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 (2023 AR&A) or Coventry Building Society Sustainability Report (2023 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
2 General Disclosures	2-1 Organizational details	Contents page Auditors report	SR p5 AR&A p107
	2-2 Entities included in the organization's sustainability reporting	Welcome to our report	SR p2
	2-3 Reporting period, frequency and contact point	Welcome to our report	SR p2
	2-4 Restatement of information	N/A	N/A
	2-5 External assurance	Welcome to our report	SR p2
	2-6 Activities, value chain and other business relationships	Coventry Building Society at a glance Our external associations - how we've worked together It feels good to B first Centrepont	SR p3 SR p14 SR p7 SR p37
	2-7 Employees	2023 workforce at a glance	SR p81
	2-8 Workers who are not employees	2023 workforce at a glance	SR p81
	2-9 Governance structure and composition	Governance at a glance Directors' Report on Corporate Governance Board of Directors	SR p55 AR&A p70 AR&A p67
	2-10 Nomination and selection of the highest governance body	Nominations & governance committee report	AR&A p82
	2-11 Chair of the highest governance body	Directors' Report on Corporate Governance	AR&A p70
	2-12 Role of the highest governance body in overseeing the management of impacts	Directors' Report on Corporate Governance 2023 double materiality assessment Board Risk Committee report	AR&A p70 SR p18 AR&A p84
	2-13 Delegation of responsibility for managing impacts	Governance at a glance Our stakeholders	SR p55 SR p67 AR&A p15
	2-14 Role of the highest governance body in sustainability reporting	Directors' Report on Corporate Governance	AR&A p70
	2-15 Conflicts of interest	Directors' Report on Corporate Governance	AR&A p70
	2-16 Communication of critical concerns	Directors' Report on Corporate Governance Grievances, raising concerns and whistleblowing	AR&A p70 SR p58
	2-17 Collective knowledge of highest governance body	Directors' Report on Corporate Governance	AR&A p70
	2-18 Evaluation of the performance of the highest governance body	Directors' Report on Corporate Governance	AR&A p70
	2-19 Remuneration policies	Directors' remuneration report	AR&A p91

GRI Standard	Disclosure	Reference	Page
2 General Disclosures	2-20 Process to determine remuneration	Directors' remuneration report	AR&A p91
	2-21 Annual total compensation ratio	Directors' remuneration report	AR&A p91
	2-22 Composition of the highest governance body and its committees	A view from the Board	SR p6
	2-23 Policy commitments	Policy and documents	<a href="#">Website</a>
	2-24 Embedding policy commitments	Doing the right thing	AR&A p20
	2-25 Processes to remediate negative impacts	Grievances, raising concerns and whistleblowing	SR p58
	2-26 Mechanisms for seeking advice and raising concerns	Grievances, raising concerns and whistleblowing	SR p58
	2-27 Compliance with laws and regulations	Compliance with law and regulations	SR p65
	2-28 Membership associations	Our external associations - how we've worked together	SR p14
	2-29 Approach to stakeholder engagement	Our stakeholders	AR&A p15
3 Material Topics	2-30 Collective bargaining agreements	Additional HR information Non financial information	SR p82 AR&A p29
	3-1 Process to determine material topics	Our materiality assessment 2023 double materiality assessment	SR p17 SR p18
	3-2 List of material topics	Our materiality assessment 2023 double materiality assessment	SR p17 SR p18
201 Economic Performance	3-3 Management of material topics	Our materiality assessment 2023 double materiality assessment	SR p17 SR p18
	201-1 Direct economic value generated and distributed	Income Statements	AR&A p116
	201-2 Financial implications and other risks and opportunities due to climate change	Climate strategy and TCFD	AR&A p55
	201-3 Defined benefit plan obligations and other retirement plans	Notes to the accounts	AR&A p153
202 Market Presence	201-4 Financial assistance received from government	N/A	N/A
	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	N/A	N/A
203 Indirect Economic Impacts	202-2 Proportion of senior management hired from the local community	Additional HR information	SR p82
	203-1 Infrastructure investments and services supported	N/A	N/A
204 Procurement Practices	203-2 Significant indirect economic impacts	N/A	N/A
	204-1 Proportion of spending on local suppliers	Our supply chain	SR p62
205 Anti-corruption	205-1 Operations assessed for risks related to corruption	Combating financial crime	SR p57
	205-2 Communication and training about anti-corruption policies and procedures	Combating financial crime	SR p57
	205-3 Confirmed incidents of corruption and actions taken	N/A	N/A
206 Anti-Competitive Behaviour	206-1 Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	N/A	N/A
207 Tax	207-1 Approach to tax	Managing tax	SR p65
	207-2 Tax governance, control, and risk management	Managing tax	SR p65



GRI Standard	Disclosure	Reference	Page
207 Tax	207-3 Stakeholder engagement and management of concerns related to tax	Managing tax	SR p65
	207-4 Country-by-country reporting	N/A	N/A
302 Energy	302-1 Energy consumption within the organization	Our energy consumption	SR p76
	302-2 Energy consumption outside of the organization	N/A	N/A
	302-3 Energy intensity	Our energy intensity	SR p77
	302-4 Reduction of energy consumption	Our energy consumption	SR p76
	302-5 Reductions in energy requirements of products and services	N/A	N/A
303 Water and effluents	303-1 Interactions with water as a shared resource	N/A	N/A
	303-2 Management of water discharge related impacts	N/A	N/A
	303-3 Water withdrawal	N/A	N/A
	303-4 Water discharge	N/A	N/A
305 Emissions	303-5 Water Consumption	Water data	SR p80
	305-1 Direct (Scope 1) GHG emissions	Our energy consumption	SR p76
	305-2 Energy indirect (Scope 2) GHG emissions	Our energy consumption	SR p76
	305-3 Other indirect (Scope 3) GHG emissions	Our energy consumption	SR p76
	305-4 GHG emissions intensity	Our energy intensity	SR p77
	305-5 Reduction of GHG emissions	Our energy consumption	SR p76
306 Waste	306-1 Waste generation and significant waste-related impacts	Waste and recycling data	SR p80
	306-2 Management of significant waste-related impacts	Waste and recycling data	SR p80
	306-3 Waste generated	Waste and recycling data	SR p80
	306-4 Waste diverted from disposal	Waste and recycling data	SR p80
	306-5 Waste directed to disposal	Waste and recycling data	SR p80
308 Supplier Environmental Assessment	308-1 New suppliers that were screened using environmental criteria	Supplier standards, due diligence and prompt payments	SR p64
	308-2 Negative environmental impacts in the supply chain and actions taken	Supplier standards, due diligence and prompt payments	SR p64

GRI Standard	Disclosure	Reference	Page
GRI 401: Employment	401-1 New employee hires and employee turnover	2023 workforce at a glance	SR p81
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Better financial wellbeing for colleagues	SR p49
	401-3 Parental leave	Additional HR information	SR p82
GR1 402 Labour/Management Relations	402-1 Minimum notice periods regarding operational changes	Additional HR information	SR p82
403 Occupational Health and Safety	403-1 Occupational health and safety management system	Health and safety statistics	SR p81
	403-2 Hazard identification, risk assessment, and incident investigation	Health and safety statistics	SR p81
	403-3 Occupational health services	Health and safety statistics	SR p81
	403-4 Worker participation, consultation, and communication on occupational health and safety	Health and safety statistics	SR p81
	403-5 Worker training on occupational health and safety	Health and safety statistics	SR p81
	403-6 Promotion of worker health	Health and safety statistics	SR p81
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Health and safety statistics	SR p81
	403- 8 Workers covered by an occupational health and safety management system	Health and safety statistics	SR p81
	403-9 Work-related injuries	Health and safety statistics	SR p81
	403-10 Work-related ill health	Health and safety statistics	SR p81
404 Training and Education	404-1 Average hours of training per year per employee	Additional HR information	SR p82
	404-2 Programs for upgrading employee skills and transition assistance programs	Developing future careers	SR p40
	404-3 Percentage of employees receiving regular performance and career development reviews	Additional HR information	SR p82
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	Board of Directors 2023 workforce at a glance	AR&A p66 SR p81
	405-2 Ratio of basic salary and remuneration of women to men	Gender pay gap	<a href="#">Gender pay gap</a>
406 Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	Additional HR information	SR p82
413 Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Social	SR p34
415 Public Policy	415-1 Political contributions	Directors' Report Government and regulators	AR&A p103 SR p65
417 Marketing and Labelling	417-2 Incidents of non-compliance concerning product and service information and labelling	None	N/A
	417-3 Incidents of non-compliance concerning marketing communications	None	N/A
418 Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cyber security and data privacy	SR p60

# Reporting standards and methodologies

We've prepared our greenhouse gas (GHG) reporting in accordance with key concepts and requirements stated by the International Organization for Standardization in ISO 14064 (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. Since 2022, we measured all our Scope 1, 2 and 3 GHG emissions and we have continued to disclose 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 (CO<sub>2</sub>e) and include three of the six GHGs covered by the GHG Protocol – carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>) and nitrous oxide (N<sub>2</sub>O). We've 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 (SF<sub>6</sub>) emissions.

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

We've 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. Due to the timescales of our external reporting it's been necessary to make estimations for a small percentage of 2023 data. During 2023, a more detailed assessment of our 2022 emissions data has been completed, replacing estimates with actual data and this has resulted in more accurate comparative information now being reported. We've also included estimates for the emissions from our mortgage portfolio and supply chain emissions.

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. The appropriateness of the base year will be reviewed on an annual basis.

In 2024, we'll set further quantitative targets aligning to the Science Based Targets initiative.



# Our energy consumption

Since 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 tCO<sub>2</sub>e/MWh of electricity consumed from November 2021 to December 2023.

Details of our energy consumption in 2020, 2021, 2022 and 2023 are set out below:

Energy Consumption		2023	2022	2021	2020	2023 v 2022	2023 v 2020
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (kWh)	2,314,556	2,806,846	3,352,305	3,150,749	(18)%	(26)%
	Direct Transport Company Cars (kWh)	361,194	366,064	200,486	229,849	(1)%	57%
	Gas Oil (kWh)	0	0	19,089	3,932	N/A	(100)%
	Green Diesel HVO (kWh)	0	0	19,860	0	N/A	N/A
	White Diesel (kWh)	6,012	12,472	0	0	(52)%	N/A
	Refrigerants (kg)	9	15	112	16	(41)%	(44)%
Total Scope 1: Energy (kWh) excl Refrigerants		2,681,762	3,185,382	3,591,740	3,384,530	(16)%	(21)%
Total Scope 2: Electricity purchased (kWh)		4,877,523	6,451,758	6,694,859	7,216,648	(24)%	(32)%
Scope 3: Indirect Transport	(Inc only employee -owned vehicles) (kWh)	562,593	341,504	260,205	228,856	65%	146%
Total Scope 1, 2 and 3 Energy Consumption (kWh) excl refrigerants		8,121,878	9,978,644	10,546,804	10,830,034	(19)%	(25)%

The following aspects are reported as zero in all years: Cooling Consumption, Steam Consumption, Electricity, Heating, Cooling, and Steam sold.

The figures provided above for energy consumption for 2023 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. The Society's 2023 Annual Report & Accounts continues to reflect the 2022 estimates used in the previous year to maintain consistency with the published data. Additional information from fuel cards, expenses claims for mileage and transport have been included in this assessment.

We're proud to have achieved significant reductions in our gas and electricity use. We've reduced our gas consumption by 26% (2023 vs 2020) due to the targeted interventions to transition our buildings to electric heating. We've also reduced our electricity consumption by 32% (2023 vs 2020), again due to our energy efficiency measures we've put in place.

We manage our direct energy consumption through strategic measures, such as the targeted energy efficiency measures and adaptive measures in portfolio management, therefore, we set the framework for continued improvement. This strategic orientation is then implemented throughout the Society, leading to tangible changes such as: installing solar pv and air source heat pumps, adopting measures like switching to LEDs, refurbishing windows, removing gas consumption where possible or optimising building services (such as heating, cooling, ventilation and lighting). We only purchase 100% renewable energy and we continue to invest in on-site solar energy generation where possible. We're on track for removing our gas consumption completely by electrifying our heating demand and transitioning our business fleet to 100% electric vehicles by 2030, therefore significantly reducing our Scope 1 emissions. We'll continue our procurement of renewable electricity via solar and wind and investing in improving our energy efficiency, therefore reducing our Scope 2 emissions.

The figures provided for white diesel' in the table above for 2022 and 2023 reflect activity undertaken to replace diesel to meet new legislative requirements. The diesel removed will be recycled into compliant fuel for future use. There has been an increase within direct and indirect Transport (Scope 1 and 3): due to an increase in business travel, as we establish new ways of working since the Coronavirus pandemic. However, we've launched our electric vehicle fleet scheme and reintroduced our car share schemes, so this will be reduced in future years. This data has been verified through our ISO 14064-1 certification.

# Our energy intensity

In 2023, the Society reported an energy intensity ratio of:

Intensity Metric Assessment		2023	2022	2021	2020	2023 v 2022	2023 v 2020
Intensity Ratio (Total Gross Scope 1 and 2)	tCO <sub>2</sub> e/Net Interest Income £m	2.00	2.87	4.46	5.76	(30)%	(66)%
Intensity Ratio (Total Gross Scope 1-3)	tCO <sub>2</sub> e/Net Interest Income £m (partial Scope 3)	2.31	3.18	5.34	6.28	(27)%	(63)%
Intensity Ratio (Total Gross Scope 1-3)	tCO <sub>2</sub> e/Net Interest Income £m (All category Scope 3)	925.66	1,069.93	1,521.86	1,779.63	(13)%	(48)%

# 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've remained carbon neutral for our own operations. In 2023, the Society calculates that it produced **709,981** location based tCO<sub>2</sub>e against its full Scope 1, 2 and 3 emissions.

We're pleased to confirm that we've achieved reductions in our Scope 1 and Scope 2 emissions through targeted initiatives and improvements in line with our Net Zero Transition plan. We've achieved a 18% reduction in Scope 1 and 2 emissions 2023 vs 2022 and a 34% reduction in Scope 1 and 2 emissions 2023 vs 2020.

To tackle our indirect emissions we're working with our top tier suppliers to understand their Net Zero targets and emissions data. This enables us to engage with our suppliers, to ensure they align with our Climate Action Plan. Actual data from our suppliers ensures we can more accurately measure our Scope 3 emissions, so we can update our Net Zero transition plan accordingly instead of a spend based methodology approach. To ensure successful implementation, transparency as well as for monitoring purposes, all our 2020, 2021 and 2022 emissions data for Scope 1, 2 and 3 have been externally certified for the accuracy of our energy and emissions reporting (ISO 14064-1).

To address our financed emissions, we've launched our Green additional borrowing to incentivise borrowers to make green home improvements. We'll continue to support green homeowner and landlord improvements through innovative products, propositions and partnerships 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'll continue to evolve our plans, aligning with relevant industry and sector reviews. We'll 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'll 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. 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.

Our overall Scope 3 emissions for 2023 have increased by 1%, this is due to business growth and the increase of number of homes on our mortgage book, despite slightly reducing our average financed emissions per property within our portfolio to 2.22 (tCO<sub>2</sub>e). We've also seen an increase in business travel, employee commuting and working from home, as we establish new ways of working since the Coronavirus pandemic, further initiatives will be put in place to continue to help our employees reduce this impact where we can. There was also an increase for Category 1: purchased goods and services within Scope 3, this is due to a methodology change and increase with the DEFRA carbon conversion factors in 2023.

For emissions reporting, the Society adopted 2020 as its base year. No mandatory emissions have been excluded from this report, we've voluntarily disclosed our complete GHG footprint for Scope 1, 2 and 3 in 2023. The DEFRA 2023 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 emissions data (tCO<sub>2</sub>e) are based on extrapolated values. The Society has zero biogenic emissions. The data provided is for location-based emissions.

# Our emissions performance

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

Emissions Assessment		2023	2022	2021	2020	2023 v 2022	2023 v 2020
Scope 1: Combustion of fuel and operation of facilities	Natural Gas (tCO <sub>2</sub> e)	427	512	614	579	(17)%	(26)%
	Direct Transport (tCO <sub>2</sub> e)	88	92	64	57	(4)%	54%
	Gas Oil (tCO <sub>2</sub> e)	0	0	5	1	N/A	(100)%
	Green Diesel HVO (tCO <sub>2</sub> e)	0	0	0	0	N/A	N/A
	White Diesel (tCO <sub>2</sub> e)	2	3	0	0	(46)%	100%
	Refrigerants (tCO <sub>2</sub> e)	17	31	235	33	(46)%	(48)%
	<b>Total Scope 1 - tCO<sub>2</sub>e</b>	<b>534</b>	<b>638</b>	<b>918</b>	<b>671</b>	<b>(17)%</b>	<b>(21)%</b>
Scope 2: Electricity purchased	<b>Total Scope 2 - tCO<sub>2</sub>e Location Based Emissions (LB) (tCO<sub>2</sub>e)</b>	<b>1,010</b>	<b>1,248</b>	<b>1,422</b>	<b>1,683</b>	<b>(19)%</b>	<b>(40)%</b>
	<b>Total Scope 2 - tCO<sub>2</sub>e Market Based Emissions (MB) (tCO<sub>2</sub>e)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>80</b>	<b>N/A</b>	<b>(100)%</b>
Scope 3: Indirect Emissions (Category as per GHG Protocol)	Cat 1: Purchased Goods and Services (tCO <sub>2</sub> e)	18,069	14,570	13,284	15,718	24%	15%
	Cat 2: Capital Goods (tCO <sub>2</sub> e)	1,687	3,471	3,988	3,988	(51)%	(58)%
	Cat 3: Fuel and energy related activities (tCO <sub>2</sub> e)	425	552	670	501	(23)%	(15)%
	Cat 4: Upstream transportation and distribution (tCO <sub>2</sub> e)	1,404	0	0	0	100%	100%
	Cat 5: Water (tCO <sub>2</sub> e)	7	13	16	24	(43)%	(71)%
	Cat 6: Business Travel (tCO <sub>2</sub> e)	143	89	72	57	62%	151%
	Cat 7: Employee Commuting (tCO <sub>2</sub> e)	3,446	3,274	1,612	1,613	5%	114%
	Cat 15: Mortgages (tCO <sub>2</sub> e)	683,256	680,000	702,726	702,726	0%	(3)%
<b>Total Scope 3 Emissions (tCO<sub>2</sub>e)</b>	<b>708,437</b>	<b>701,968</b>	<b>722,369</b>	<b>724,628</b>	<b>1%</b>	<b>(2)%</b>	
<b>Location Based - Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>709,981</b>	<b>703,854</b>	<b>724,708</b>	<b>726,981</b>	<b>1%</b>	<b>(2)%</b>	
<b>Market Based - Total Scope 1, 2 and 3 Emissions (tCO<sub>2</sub>e)</b>	<b>708,971</b>	<b>702,607</b>	<b>723,287</b>	<b>725,378</b>	<b>1%</b>	<b>(2)%</b>	

The above table reflects actual data for all years except 2023, which reflects estimates calculated in line with industry best practice for the final two months of the year. The Society's 2023 Annual Report & Accounts continues to reflect the 2022 estimates used in the previous year to maintain consistency with the published data.

# 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 have materially reduced our amount of waste by 50% comparing 2023 vs 2020. In addition, we're proud to say we delivered the 50% reduction in paper usage in 2023 from our 2017 baseline.

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 2023, 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, disposable coffee and water cups from all sites.
- Recycling bins installed at all sites.
- We have reduced our total waste by 42% between 2022 and 2023, through our targeted interventions.
- Since 2017, none of the Society's waste has been sent to landfill and, in 2023, 77% of our total waste was recycled.
- The remaining 23% 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 277 tonnes in 2022 to 249 tonnes in 2023.

## 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've water saving taps and waterless urinals in all our head office sites.
- We've reduced our water usage by approximately 25% when comparing 2023 consumption to that of 2020.

# 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 2023, the Society generated approximately 270 tonnes of waste, of which 208 tonnes was diverted to recycling and 62 tonnes was used for energy recovery.

77% of our waste was recycled in 2023 and we have achieved a 42% year on year reduction comparing 2022 to 2023 and a 50% reduction when compared to a 2020 baseline. This is due to a variety of targeted interventions across the Society to reduce waste and increase the amount of reused and recycled products, and through this work, we've managed to achieve a year on year reduction in our waste.

In 2023, 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're looking to materially reduce our amount of waste, specifically the plastic and non-recyclable material we generate.

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, 2022 and 2023. 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.

Waste Data	2023	2022	2021	2020
Energy Recovery (tonnes)	62	123	128	145
Recycling (tonnes)	208	339	401	398
Percentage of total waste recycled	77%	73%	76%	73%

Waste Breakdown (data in tonnes)	2023	2022	2021	2020
Bulky general waste including WEEE/Hazardous	0	2	2	1
Bulky mixed general waste	0	6	4	2
Confidential paper onsite shredding	122	231	258	236
Dry mixed recycling	32	75	91	107
Food waste	2	0	12	11
General waste excess weight	0	0	1	2
General waste to energy	62	95	120	143
Paint waste	0	0	1	0
Paper and cardboard	52	32	40	42
Battery waste	0	0	0	1
Electrical waste (WEEE)	0	0	0	1
Non-Hazardous Industrial	0	21	0	0
<b>Grand total</b>	<b>270</b>	<b>462</b>	<b>529</b>	<b>546</b>
<b>Year on Year Variance</b>	<b>(42%)</b>	<b>(13%)</b>	<b>(3%)</b>	

# 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 2023, we've 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 2023 performance, the Society's total consumption of water across all its sites equated to 8.5 megalitres and equals a 25% reduction when compared to 2020. This figure was assessed by reference to water consumption invoices and conversions to tonnes of CO<sub>2</sub>e using DEFRA 2022 conversion factors.

Water Consumption	2023	2022	2021	2020	2023 v 2022	2023 v 2020
Total Water (m3)	8,568	11,028	11,498	11,450	(22)%	(25)%



# Health and safety statistics

## Work related injuries and ill health

There have been no fatalities or work related injuries for employees or those not classed as employees but whose work and/or workplace is controlled by the Society apart from those shown in the table below.

For all employees	2023	2022	2021	2020
The number of fatalities as a result of work-related injury	0	0	0	0
The rate of fatalities as a result of work-related injury	0	0	0	0
The number of high-consequence work-related injuries (excluding fatalities)	0	0	0	0
The rate of high-consequence work-related injuries (excluding fatalities)	0	0	0	0
The number of recordable work-related injuries	0	0	1	0
The rate of recordable work-related injuries	0	0	2	0

# 2023 workforce at a glance

Data below is as at 31 Dec 2023.

	Female		Male		Total
	2023	%	2023	%	
<b>Full time employees</b>					
Under 30	313	17%	254	21%	567
30-50	614	34%	670	55%	1,284
Over 50	229	13%	233	19%	462
<b>Total</b>	<b>1,156</b>	<b>64%</b>	<b>1,157</b>	<b>95%</b>	<b>2,313</b>
<b>Part time employees</b>					
Under 30	90	5%	18	1%	108
30-50	372	21%	21	2%	393
Over 50	182	10%	26	2%	208
<b>Total</b>	<b>644</b>	<b>36%</b>	<b>65</b>	<b>5%</b>	<b>709</b>
<b>Total employees</b>	<b>1,800</b>	<b>100%</b>	<b>1,222</b>	<b>100%</b>	<b>3,022</b>
<b>Permanent/Temporary</b>					
Permanent	1,788	99%	1,210	99%	2,998
Temporary	12	1%	12	1%	24
<b>Total</b>	<b>1,800</b>	<b>100%</b>	<b>1,222</b>	<b>100%</b>	<b>3,022</b>
<b>External new hires</b>					
Under 30	161	57%	105	48%	266
30-50	91	32%	84	39%	175
Over 50	32	11%	29	13%	61
<b>Total</b>	<b>284</b>	<b>100%</b>	<b>218</b>	<b>100%</b>	<b>502</b>
<b>Turnover</b>					
Under 30	90	46%	57	41%	147
30-50	63	32%	56	40%	119
Over 50	42	22%	27	19%	69
<b>Total</b>	<b>195</b>	<b>100%</b>	<b>140</b>	<b>100%</b>	<b>335</b>
<b>Turnover rate</b>	<b>11%</b>		<b>11%</b>		

# Additional HR information

		Female	Male	Total
Average training hours per employee	Full-time	22.8	18.1	20.5
	Part-time	15.5	15.7	15.5
	Permanent	20.1	18.0	19.3
	Temporary	32.1	15.9	24.0
All employees are entitled to parental leave through birth or adoption	Number of employees who took parental leave	55	24	79
	Number of employees who returned to work in the reporting period after parental leave ended	51	32	83
	Number of employees who returned to work after parental leave ended that were still employed 12 months after their return to work	53	44	97
	Return to work and retention rates of employees who took parental leave	88%	92%	90%
Percentage of employees receiving regular performance and career development reviews		90%	90%	90%
Percentage of senior management hired from the local community - geographical definition of local is 50 miles of the Society's head office site		69%		
Percentage 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		7 reported allegations; 3 remedial action, 4 feedback only, all concluded		

The Society captures data related to employees in a dedicated system. All employees, whether permanent or temporary have been included in data provided and data is effective as of 31 December. Data is not included in these number for the provision of services where this is done through 3rd party contractors e.g. cleaning, maintenance.

# Consultations held by public bodies

In respect of consultations held by public bodies in 2023, the Society participated as follows:

Public Body	Paper Reference	Paper Name	Response
Prudential Regulation Authority	Consultation paper (CP) 16/22	<a href="#">Implementation of the Basel 3.1 standards</a>	Directly
Prudential Regulation Authority	CP26/23	<a href="#">Operational Resilience: Critical third parties to the UK financial sector</a>	Via UK Finance
Prudential Regulation Authority	CP23/13	<a href="#">Strengthening protections for borrowers in financial difficulty: Consumer credit and mortgages</a>	Via Building Societies Association
Financial Conduct Authority	CP23/20 & CP18/23	<a href="#">Review of the Senior Managers and Certification Regime (SM&amp;CR) - Bank of England</a> <a href="#">Review of the Senior Managers and Certification Regime (SM&amp;CR) - FCA</a>	Via Building Societies Association
Financial Conduct Authority & Prudential Regulation Authority	DP23/3 & DP1/23	<a href="#">Diversity and inclusion in the financial sector - working together to drive change - FCA</a> <a href="#">Diversity and inclusion in PRA-regulated firms - Bank of England</a>	Via Building Societies Association
Payments Systems Regulator	CP23/1	<a href="#">APP scams data publishing guidance</a>	Via UK Finance
Payments Systems Regulator	CP23/4	<a href="#">APP fraud: reimbursement requirement - draft legal instruments</a>	Via UK Finance
Payments Systems Regulator	CP23/5	<a href="#">APP fraud: APP scams measure 1 reporting guidance second cycle</a>	Via UK Finance
Payments Systems Regulator	CP23/6	<a href="#">APP fraud: Excess and maximum reimbursement level for FPS and CHAPS</a>	Via UK Finance
Payments Systems Regulator	CP23/7	<a href="#">APP fraud: The consumer standard of caution</a>	Via UK Finance
Payments Systems Regulator	CP23/8	<a href="#">APP fraud: APP scams measure 1 cycle 2 additional changes to timeline and reporting periods</a>	Via UK Finance
Payments Systems Regulator	CP23/10	<a href="#">Specific Direction on FPS participants - implementing the reimbursement requirement</a>	Via UK Finance

# B4SI assurance data

Coventry Building Society Community Investment (as per B4SI Community Investment Framework)	2023	2022
<b>Type of Contributions</b>	<b>£000</b>	<b>£000</b>
Cash	2,375	2,604
Time	257	181
Management Costs	476	370
<b>Total Value of Contributions</b>	<b>3,108</b>	<b>3,155</b>
Total Value of Contributions (excl. management costs)	2,632	2,785

Subject Focus	£000	£000
Education	663	702
Health	48	425
Environment	39	36
Social Welfare	1,701	1,374
Emergency Relief	25	5
Other Support	156	242
<b>Total</b>	<b>2,632</b>	<b>2,785</b>

Number of colleagues volunteering in company time	1,003	961
Number of hours in company time	8,420	6,131
Total number of direct beneficiaries	21,545	6,145
Total number of beneficiary organisations	415	348

Leverage	£000	£000
Employees - payroll giving	13	12
Employees - other	71	6
Customers (Members)	262	303
Other Sources	92	129
<b>Total Leverage</b>	<b>438</b>	<b>450</b>

Impacts		
Number of direct beneficiaries where results were measured	15,185	Not measured
Number that:		
Made a CONNECTION through our community activity	13,019	
Made an IMPROVEMENT through our community activity	1,395	
Made a TRANSFORMATION through our community activity	527	

## Glossary

**Cash Contribution** The gross monetary amount paid by the Society in support of community organisations, projects and causes.

**Time Contribution** The cost to the Society of the paid working hours contributed by employees to a community organisation or activity.

**Management Costs** Costs related to the management of our community programmes, including the employment cost of the Community team.

**Leverage** The measure of any additional resources contributed to a community organisation or activity that come from sources other than the Society, notably members and employees

**Impacts** The changes that happen to direct beneficiaries in the short or longer-term, as a result of a community activity.

Please see here for a link to our [B4SI Assurance Statement](#)

# 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 <sub>2</sub> released into the atmosphere from a company's activities, this is balanced by an equivalent amount being removed.
CO <sub>2</sub>	Carbon Dioxide
CH <sub>4</sub>	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 <sub>2</sub> ) 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 Service (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 <sub>2</sub> 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 <sub>3</sub>	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 and 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"> <li>Upstream Scope 3 emissions: business travel by means not owned or controlled by the Society, waste disposal and purchased goods and services; and</li> <li>Downstream Scope 3 emissions: the emissions from the properties financed through the Society's operations – i.e. our mortgage customers</li> </ul>

Term	Description
SF <sub>6</sub>	Sulphur hexafluoride
Supplier Code of Conduct	Outlines the minimum requirements that our suppliers must meet with regard to integrity, conflicts of interest, labour practices, health and safety and impact on the environment.
The Climate Pledge	Initiative to reach Net Zero carbon emissions by 2040—a decade ahead of the Paris Agreement’s goal of 2050.
Taskforce on Climate Related Disclosure (TCFD)	The Financial Stability Board created the TCFD to improve the quality and quantity of reporting of climate related financial information, including the concentration of carbon related assets within the financial sector and the financial system’s exposure to climate related risks.
tCO <sub>2</sub> e	Tonnes(t) of carbon dioxide (CO <sub>2</sub> ) equivalent (e)
UN SDGs	United Nations Sustainability Development Goals - framework of 17 global goals set by world leaders in 2017 that are designed to create better world by 2030, by ending poverty, fighting inequality and addressing the urgency of climate change. The Society has selected four goals of these goals to be our areas of focus.
Wholesale funding	Funding received from external counterparties that operate within the global financial markets (for example, insurance companies, pension funds, large businesses, financial institutions and sovereign entities).