



HELPING
**IT'S ABOUT
WORKING
TOGETHER**
HAPPEN

WELCOME TO OUR ESG REPORT

Our Environmental, Social and Governance (ESG) report complements our Annual Report and Accounts (ARA), by providing a more in-depth update on the progress we're making against our ESG strategy.

The report reflects activities undertaken from 1 January to 31 December 2022, and the information presented refers to Yorkshire Building Society (YBS) and all subsidiaries, as detailed in our 2022 ARA, unless otherwise stated.

The report has been produced with reference to the Global Reporting Initiative (GRI) standards 2021. Using the GRI standards has helped us consider the disclosure requirements of our stakeholders and focus on issues that align with our material topics; the ESG topics most important to us and our stakeholders.

The full YBS reporting suite brings together the Society's financial, non-financial, risk and ESG performance for 2022. Alongside this ESG report, please refer to the following documents:

- [2022 Annual Report and Accounts](#) - includes reporting based on the Task Force on Climate-related Financial Disclosures (TCFD) recommendations
- [Gender Pay Gap Report](#)
- [YBS Policies](#)

The report has been signed off by the ESG Committee, a sub-committee of the Executive Committee. We have not procured external assurance on the content, although this is our aim for the future.

Contacts

The Society's Media Relations Team acts as the point of contact for ESG related enquires:

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I am pleased to present our second ESG report, which sets out the progress we have continued to make on the management and implementation of our Environmental, Social and Governance priorities during 2022.



Last year we set out our aim to formalise the governance of ESG, and formed an ESG sub-committee in April, chaired by our CEO. The committee has discussed a broad range of themes in monthly meetings and has progressed each of the six priorities we defined last year. A number of matters are discussed at Board level, such as climate risk and modern slavery, with updates provided throughout the year.

The increasing cost of living has been a growing concern for many in the UK and these pressures appear to show little sign of abating, which means that delivering on our purpose, of providing Real Help with Real Life, is now more important than ever. Despite the many challenges of the last year, our commitment to our purpose and operating as a responsible business has not wavered - we have always and continue to put our members at the forefront of our decisions. We have sustained a high volume of mortgage lending, launched targeted propositions to help underserved areas of the market, such as first-time buyers, delivered better rates of return on our savings products and continued to reward our members' loyalty.

As part of this year's Annual Report and Accounts we continued our journey towards compliance with the Taskforce on Climate-related Financial Disclosure (TCFD) principles regarding how the Society is managing the risks posed by climate change. An update to these disclosures, and the progress made toward our metrics and targets, is provided in our ARA, with a summary on page 61 of this report.

Our long history of maximising the positive impact we create in our communities has been strengthened with an increased annual investment into our community programmes. This investment supports local, regional, and national initiatives and is something I am personally very proud of. Education around personal finances never ceases to be valuable, and as the Society becomes further reliant on digital technologies, the related skillsets are becoming essential for employability and everyday life. The launch of Money Minds online was a milestone in 2022, helping even more people to benefit from our financial education programme. We also continued to support our successful partnership with Age UK and expanded our partnership with Citizens Advice.

As we move towards our 160th year, our commitment to our colleagues, customers and communities remains a constant and the recognition of our impact upon the environment and the part we play in tackling climate change, is at the forefront of our minds. We have an exciting year ahead and I look forward to working with our new CEO Susan Allen, and the teams across YBS, to continue delivering responsibly against our purpose.

John Heaps,
Chair of the Board

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A PLACE TO CALL HOME



Helped **55,000** people to have a place to call home¹

48% of lending supported people to have a place to call home²

FINANCIAL WELLBEING



248,000 people supported towards greater financial wellbeing³, through our savings products and local community initiatives, including:

- **152,000** helped to build more financial resilience through our savings products
- **23,500** people across our communities received personal support with their financial wellbeing⁴

£1.7m donated to charities and good causes⁵

18% colleagues using volunteering hours

MEMBER VALUE



Delivered rates which consistently beat the rest of the market, on average by **0.56%**⁶

Passed back an extra **£198.6M** to our savers through our member loyalty products and by increasing savings rates

+54 Net Promoter Score⁷

45.5% achievable customer base e-enabled

PEOPLE



8.6 colleague engagement score

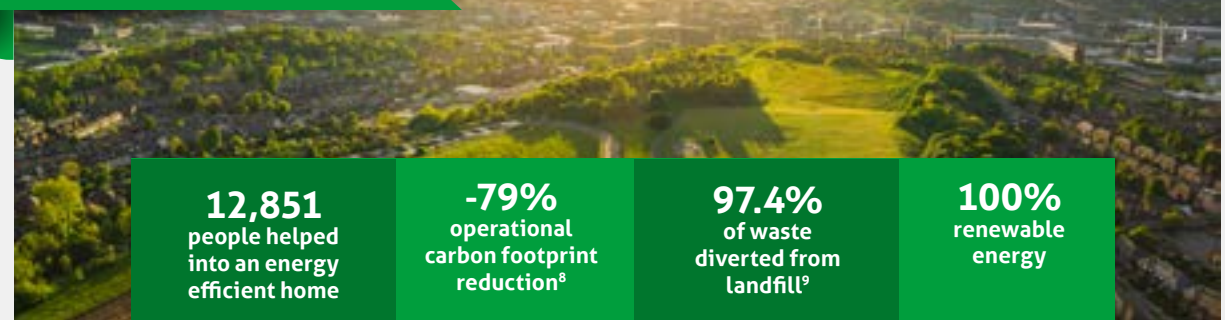
8.8 diversity, equity and inclusion engagement score

50% women in senior management

7.5% of colleagues in senior management from Black, Asian and ethnically diverse backgrounds

15.4% of colleagues from Black, Asian and ethnically diverse backgrounds

ENVIRONMENT



12,851 people helped into an energy efficient home

-79% operational carbon footprint reduction⁸

97.4% of waste diverted from landfill⁹

100% renewable energy

¹Includes people we've helped buy or rent a home through our mortgages and social housing lending.

²Percentage of people we've helped into a home including: mortgages for first time buyers, house purchasers and buy to let. It excludes remortgages and further advances.

³Includes people we've helped to save through access accounts (excluding fixed-term bonds) and direct-from-salary savings schemes from Salary Finance, also those we've supported through our community programmes and charity partnerships.

⁴Includes people we've supported through our community programmes with personal interactions, including face to face and telephone.

⁵Includes monetary donations and contributions of time and resources to charities and good causes from YBS, colleagues and customers.

⁶YBS Group average savings rate compared to rest of market average rates. Source: CACI's Current Account and Savings Database (CSDB), Stock. Data

period January – December 2022.

⁷Net Promoter Score and NPS are trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. Data period January – December 2022, based on 41,703 responses. Following a change in the calculation methodology for Group NPS in 2022, the comparative period 2021 has been restated on a consistent basis.

⁸The 2021 carbon footprint has been updated to include actuals figures rather than the estimates for final month/quarter amounts included in the 2021 disclosures. Calculations were also altered to reflect the 2022 carbon footprint's calculation methodologies.

⁹In 2022, The Society collected additional data to include waste from capital projects which was not available in 2021. Excluding waste from capital projects, the landfill diversion rate was 99.9%.

Receiving external awards is a wonderful way of recognising the hard work of our colleagues, helping them feel proud of their contributions, as well as sharing the great progress we are making with others.

We recognise the strength of collaboration and learning that comes from working with peers, and look forward to continuing to work with partner organisations as we strive for better.



AWARDS

Purpose

Business Moneyfacts Awards 2022	Best Commercial Mortgage Provider
Moneyfacts Awards 2022	Best Building Society Mortgage Provider
	Best Building Society Savings Provider
	Best Personal Finance Provider
Fairer Finance	Gold Ribbon for Savings Customer Experience
	Gold Ribbon for Mortgages Customer Experience
Mortgage Finance Gazette Awards	Customer Service/Treating Customers Fairly – Lender
	Leadership award – Jeremy Duncombe
Money.net Personal Finance Awards 2022	Mortgage Provider of the Year
	Best First Time Buyer Mortgage Provider
Savings Champion Awards	Best Building Society
	Best Easy Access Account Provider

Responsible Business

Third Sector Business Charity Awards	Charity Partnerships: Banks and Financial Services
Collaboration Network Awards	Best Approach to Collaboration
National Centre for Diversity FREDIE Awards 2022	Financial Services Company of the Year Award
	Ranked 3rd in the top 100 most inclusive companies
National Centre for Diversity	Leaders in Diversity
Inclusive Top 50 UK Employers 2022/23	Ranked 10th
Working Families	Top 10

MEMBERSHIPS AND ACCREDITATIONS

Building Societies Association
Business in the Community (BiTC)
Business for Social Impact (B4SI)
Disability Confident Employer (Level 2)
Financial Intermediary and Broker Association
Intermediary Mortgage Lenders Association
ISBA
Leeds Climate Commission
National Association of Commercial Finance Brokers

MEMBERSHIPS AND ACCREDITATIONS

Principles for Responsible Banking
Signatories of the Race at Work Charter
TheCityUK
UK Finance
West and North Yorkshire Chamber of Commerce
Women in Finance Charter
Yorkshire and Humber Climate Commission

Principles for Responsible Banking

In 2022 we agreed to become signatories of the Principles for Responsible Banking and in 2023 will begin the formal process towards becoming compliant, committing the Society to become fully aligned to the framework by 2027. The Principles for Responsible Banking (PRB) is a unique framework created by the United Nations Environment Programme (UNEP). It's designed for financial organisations to identify and set targets against their areas of greatest impact; and is aligned to the Sustainable Development Goals (SDGs) and the Paris Climate Agreement. The principles unite over 300 signatories, totalling 49% of global banking assets, towards a standardised and in-depth annual reporting framework.

Over the next 12-24 months, the Society will undertake a thorough impact analysis process, enabling the areas of most significant impact to be identified, which will then have targets set against them. The Society's first PRB report will be published in 2024 which will document progress towards becoming compliant.

WELCOME

from Susan Allen

I'm delighted to be taking over as Chair of our Environmental, Social and Governance (ESG) Committee and look forward to further progressing our ESG strategy. Leading a mutual organisation which places purpose at its heart is a real privilege and I am committed to continuing YBS's long history of support for customers, colleagues and communities.

In what is our second report, we're sharing the progress we've made on strengthening our governance of ESG, the increased investment committed to deliver financial education and wellbeing support across our communities and the range of new propositions we have brought to market, to help support more people to have a place to call home or become more financially resilient. We've also gained more insight into the inclusivity of our workforce, through an all-colleague survey, and now have an action plan in place to continue to champion Diversity, Equity and Inclusion, as we move forward through 2023.

We recognise that many people are facing cost of living pressures and have continued our focus on practical support and guidance. Much of our continued focus is in response to the ongoing cost-of-living situation. We're ensuring our members are supported and provided with information about interest rate rises (for those on standard variable rates and those on fixed rate deals who face substantial interest rate rises) and are providing extra support for those already on payment plans. Our [cost-of-living](#) webpage consolidates all the support we offer. Alongside supporting our customers, we're also providing wellbeing support to colleagues, and last year saw an additional payment made to support them through this difficult time.

Our responsibility to fully understand our environmental impact and the increasing risks presented by climate change will remain a key priority for the business over the coming year; we're currently in the process of recruiting a dedicated Environmental Sustainability team, who will be essential to helping the Society reach its net zero targets in a timely manner.

In the latter half of the year we'll be undertaking a comprehensive ESG materiality assessment, to understand the ESG themes most important to our business and stakeholders, to establish our updated business themes and impacts so that we can further refine our ESG strategy and integrate our approach into our wider corporate plan. I will also be reviewing our ESG ambitions, setting clear goals for further improvement, to help us drive progress and delivery of our purpose, and create a more responsible business.

The advancement of our ESG agenda will remain a key focus and I look forward to updating you in due course on our successes and key achievements in this exciting journey ahead.

Susan Allen,
Chief Executive



OUR STRATEGY AND PURPOSE

- [Materiality refresh](#)
- [Our purpose and ESG priorities](#)
- [Creating value](#)
- [ESG governance](#)



OUR STRATEGY & PURPOSE

Materiality refresh

In 2020, we conducted a materiality assessment which identified our most significant ESG themes, helping us to shape our ESG strategy. The assessment consulted nearly 1,700 stakeholders, including colleagues and potential colleagues, members, mortgage brokers, business partners, suppliers, investors and political, regulatory and community representatives, through surveys and in-depth interviews.

Over the last few years, the world around us has changed considerably, and as a result, so have the needs and priorities of our stakeholders. In preparation for our 2022 report, we wanted to ensure that our ESG priorities were reflective of the changing external environment, alongside our business strategy and purpose. For that reason, we conducted a refresh of our 2020 assessment, supported by a third-party expert. To do this we:

- Conducted desk top research, using insight from investors, non-financial rating requirements and peers in the financial sector to understand shifting ESG themes.
- Revised the list of themes from the 2020 assessment, to reflect a change in priorities.
- Held workshops with senior leaders from across the organisation and asked them to identify the themes most material to ensuring the long-term success of the Society.
- Consolidated our findings and sought approval of the primary and secondary themes from our ESG Committee.

We plan to conduct a full materiality assessment in 2023, to coincide with the review of our business strategy and the recent change in leadership.





Our purpose and ESG priorities

Our purpose, to provide Real Help with Real Life, is underpinned by two long-term ambitions: helping people to have a place to call home and supporting them towards greater financial wellbeing. These are supported by a third ambition: reflecting our mutual heritage by creating long-term value for our members.

Our materiality refresh confirmed that our purpose of providing Real Help with Real Life remains relevant, with the majority of the ESG themes fitting naturally under each purpose priority, and the remaining themes fitting under our three additional responsible business priorities: investing in our people, building a greener society and operating responsibly.

Following the refresh, we made some small changes to the wording and prioritisation of some themes, most notably:

- The inclusion of 'responsible lending' and increasing the ranking of offering 'attractive products', signalling the importance of offering meaningful solutions to customers during this time.
- Increasing the importance of 'digital transformation', which has become even more important to our customers since the pandemic and is one of YBS's key priorities.

We've also continued to map our ESG priorities to the United Nations Sustainable Development Goals¹⁰ (SDGs), to better understand how our work supports global efforts to achieve some of these goals by 2030.

Throughout this report, we have provided an update on our progress against each of these material themes, with an indication of our goals for 2023.

The material ESG topics that we have identified as most relevant to our stakeholders has informed the Global Reporting Initiative (GRI) topics which we are reporting against in this report, a full table can be found in the Appendix on page 7.

¹⁰The United Nations Sustainable Development Goals refer to 17 goals that were agreed by world leaders in 2015, aiming to create a better world by 2030, by ending poverty, fighting inequality and addressing the urgency of climate change. More information can be found [here](#).

Creating value

Our value creation model shows the resources we rely upon to deliver our strategy – our inputs – and the impact of the activities we carry out as part of our strategy – our outputs. We measure the value we create for our stakeholders by comparing inputs against the outputs and impacts we produce.

OUR VALUE CREATION MODEL

INPUTS	OUTPUTS	IMPACTS (KPIs with 2022 measure)	MORE INFO
Financial <ul style="list-style-type: none"> Interest received from customers on residential and commercial mortgages Fees and charges received from customers Members' savings deposits Funding from investors Financial capabilities (e.g. financial reserves and risk management) 	<ul style="list-style-type: none"> Interest paid to our members and investors Profits to ensure our long-term sustainability for all stakeholders Pay and benefits provided to our colleagues Taxes paid to the Treasury Investment in the economy 	<ul style="list-style-type: none"> Average rate paid: 1.20% Additional interest paid to our savers: £198.6m Core operating profit: £425.6m Colleague pay and benefits: £120.8m Total tax paid¹¹: £160.5m Suppliers spend¹²: £151.4m 	<ul style="list-style-type: none"> - <u>Member Value</u> - <u>People</u> - <u>Operating Responsibly</u>
Social <ul style="list-style-type: none"> Strong relations with stakeholders, including partner organisations Thriving local communities Healthy housing market and employment rates 	<ul style="list-style-type: none"> Access to a place to call home through mortgages and End Youth Homelessness partnership Greater financial wellbeing through savings accounts and financial education programmes Great customer service in branches, agencies, by phone and online Investment in our local communities 	<ul style="list-style-type: none"> People helped into a home: 55,589 People helped towards greater financial wellbeing: 248,147 Net Promoter Score (NPS™): +54¹³ Community investment contribution: £2.35m 	<ul style="list-style-type: none"> - <u>Place to Call Home</u> - <u>Financial Wellbeing</u> - <u>Member Value</u> - <u>Appendix</u>
Human <ul style="list-style-type: none"> Colleagues' time, skills, knowledge and experience Internal systems, processes and technology 	<ul style="list-style-type: none"> Training and development for our colleagues Engaging and inclusive workplace culture 	<ul style="list-style-type: none"> Colleague training investment: £1.3m Colleague engagement score: 8.6 Diversity, equity & inclusion engagement score: 8.8 Representation of women at Board: 44.4% 	<ul style="list-style-type: none"> - <u>People</u>
Environmental <ul style="list-style-type: none"> Energy, water and other natural resources consumed 	<ul style="list-style-type: none"> Environmental footprint 	<ul style="list-style-type: none"> Operational Carbon footprint: 416 tCO2 	<ul style="list-style-type: none"> - <u>Environment</u>

¹¹Total tax paid includes UK corporation tax, bank surcharge, irrecoverable VAT, business rates and employer payroll taxes. Payroll taxes collected and paid over on behalf of employees are excluded.

¹²This does not include non-procurable spend, including: Banking Charges, Charity/Donations, Inter/Intra Company Payments, Letting/Estate Agency Services, Membership, Regulatory Payments, Rent and Rates, Sponsorship, and Taxes.

¹³Net Promoter Score and NPS are trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. Data period January – December 2022, based on 41,703 responses. Following a change in the calculation methodology for Group NPS in 2022, the comparative period 2021 has been restated on a consistent basis.

ESG governance

In 2022 we established an ESG Committee, a sub-committee of the Executive Committee, which has delegated authority to drive progress on the ESG strategy. The role of the ESG Committee is to support the Board in overseeing the delivery of the Society's ESG strategy, and to drive progress against both our purpose ambitions and responsible business priority areas.

The ESG Committee is chaired by our CEO and its membership includes the Chief People Officer, Chief Commercial Officer, Chief Financial Officer, Chief Internal Audit Officer and Chief Operating Officer, all of whom lead functions crucial to the delivery of the strategy. The Board is also responsible for the management of ESG risks, which are embedded into existing governance structures, detailed in the Annual Reports and Account's Corporate Governance Report.

We have also strengthened the governance and management of Environment as well as Diversity, Equity and Inclusion, re-working the structure of the forums and working groups, which now feed into the ESG Committee.

In September, we took the decision to increase the frequency of our ESG Committee meetings from bi-monthly, to monthly, recognising the increased importance of timely ESG governance.

The Committee's principal responsibilities include:

- Review, challenge and oversight of the Society's ESG Strategy, to ensure alignment with YBS purpose, priorities and behaviours.
- Implementation of a consistent approach to the execution and embedding of the ESG Strategy across the business.
- Alignment of the ESG strategy with other commercial priorities to ensure the delivery of the corporate plan and wider business strategy.
- Development, review and approval of appropriate ESG measures and metrics, aligned with the Group's purpose ambitions and responsible business priority areas.
- Review of reports and management information from other relevant Committees, Forums and Working/Steering Groups relating to the Group's wider ESG strategy.
- The consideration of the Society's position on relevant existing and emerging ESG issues, and where appropriate, the review of updates on material regulation and legislation on ESG issues.



ESG governance continued

Our 2022 meetings have covered a number of topics, such as:

- Regular progress updates against the Society's climate commitments, including updates on the changing regulatory landscape.
- Analysis of financed emissions, temperature alignment and the Society's capabilities to monitor and manage climate risk across the balance sheet.
- Overview of the Society's proposed approach to green propositions and participation in the new and emerging 'green market'.
- Updates on the progress and impact of our community programmes and partnerships, following the £1.8m investment made in 2020 and agreement to support activity on an ongoing basis.
- Proposal and approval to become signatories of the UNEP Principles for Responsible Banking.

Our plans for 2022 included reviewing our materiality analysis, last undertaken in 2020, and seeking agreement on a proposed set of ESG measures, including relevant key performance indicators, and a review of the ESG metrics that are included within our executive remuneration bonus scheme. This work will conclude in early 2023. We plan to build on this progress and further embed our ESG strategy and performance measures throughout 2023.

In 2023 we'll continue to focus on driving and measuring progress in the following ways:

- Update our ESG strategy, to reflect the implementation of our newly defined ESG measures and KPIs.
- Undertake a full and comprehensive ESG materiality assessment to identify the most up-to-date and important material issues for the Society.
- Undertake a detailed impact analysis and assessment to identify our areas of most significant impact, setting targets to drive improvement, working towards full compliance of the UNEP's Principles for Responsible Banking.
- Work with the business to further integrate our commitment to ESG into the wider corporate strategy and plan.
- Continue to drive measurable progress on each of our ESG priority areas, as outlined in the following chapters.



PLACE TO CALL HOME

- Home ownership
- Responsible lending



PLACE TO CALL HOME

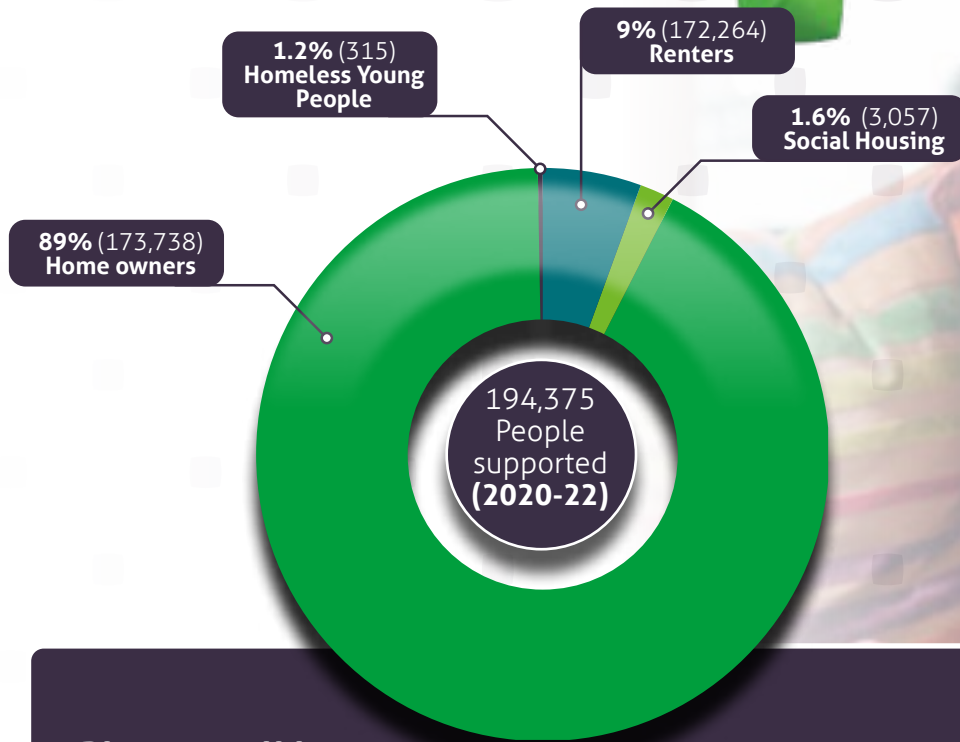
We're here to help people have a place to call home. This includes supporting first time buyers and house movers through our residential mortgages, people renting from our buy-to-let landlords, and those we've supported through social housing.

Through our materiality research, we know that our stakeholders expect us to support people to have a place to call home and lend responsibly. Our model for mortgages enables us to lend to both segments of the mortgage market; those people who have straight forward requirements and those whose needs are more complex than the vast majority of people looking to purchase a home. We do this by looking to develop propositions targeted to those less well served by the wider market.

ESG THEME	PROGRESS IN 2022	NEXT STEPS
Home ownership	3.2% market share - people supported to have a place to home in 2022 ¹⁴	We're aiming for 3.5% market share - people supported to have a place to call home in 2023
Responsible lending	0.44% of customers were in arrears, a reduction from 0.50% in 2021	We will continue to lend responsibly

¹⁴ This includes first time buyers, home movers and remortgages. It excludes buy-to-let.





Place to call home

We have an ambition to help 500,000 people into a place to call home.

Since 2020, we've helped 194,375 people into a home¹⁵ – 55,589¹⁶ in 2022. These figures show a decrease on last year (84,568), however, 2021 represented a high point with exceptional demand in the housing market, supported by external incentives like the Stamp Duty Land Tax relief.

Our mortgage propositions team aim to find solutions to real-life problems, which is why we continuously explore new products and review our lending criteria so we can help borrowers less well served by the wider market.

¹⁵Includes people we've helped buy or rent a home through our mortgages and social housing lending.

¹⁶We calculate the number of people helped by the average occupancy rates according to the Office for National Statistics (2.4).

Home ownership

First time buyers and smaller deposits

Lending to first-time buyers, the self-employed and contractors is core to our purpose, giving us the opportunity to help people reach the first rung of the property ladder or find a mortgage where they would struggle elsewhere. We supported 21,660 people to have a place to call home for the very first time in 2022 (2021: 41,594).

Demonstrating our commitment to help people with low deposits, 24% of our business to new customers was to those with a deposit of 5% to 10%. We also help people maximise borrowing relative to income, with 50% of our borrowers utilising up to 90% of their affordability limit. We take the time to understand complex variable incomes and income sustainability, whilst ensuring this is affordable through our robust affordability measures.

Common sense underwriting

In keeping with our purpose of Providing Real Help with Real Life, our common-sense approach to decision-making gives our underwriters the freedom to make the right decision for the customer.

Through regular training and bespoke guidance, our underwriters understand the risk that sits behind the Lending policy, empowering them to apply discretion and make informed, common-

sense decisions for individual customers. 18% of our mortgage offers in 2022 were made using this approach – applying a human touch, not solely automation and algorithms.

Purposeful propositions

Our mortgage propositions team aim to find solutions to real-life problems, which is why we continuously explore new products and review our lending criteria so we can help borrowers less well served by the wider market.

We launched a number of new purposeful propositions in 2022:

Deposit Unlock

Deposit Unlock, a partnership with The Home Builders Federation, leading house builders and reinsurance broker Gallagher Re, provides new-build housing options to customers who have a 5% deposit. Launched in August 2022 alongside a number of property developers, we became one of only a few lenders to launch 5% deposit lending on new builds. Given the wind down of the Government's Help to Buy scheme, propositions like this provide valuable support to first-time buyers.

We continued to offer Help to Buy products until the end of November, which were withdrawn to allow enough time for mortgages to complete by the Help to Buy England scheme completion deadline of the 31 March 2023.





We referred 53 customers to Age Partnership in 2022.

Cascade Score

Cascade Score uses our common-sense approach to underwriting, to support customers who require a higher loan to value (LTV).

Launched in April, it's designed for customers who pass our standard credit scorecard requirements but wouldn't have previously met our higher LTV scorecard requirements. They are automatically considered for our Cascade Score product range, increasing the LTV options available.

Boost LTI

Boost loan to income (LTI) was launched in August and offers eligible customers mortgages to the value of up to five-and-a-half times their income, providing more options for those who need that extra boost to buy their forever home.

These propositions, launched through our intermediary channel Accord, utilise our enhanced capabilities around risk profiling, offering more options to customers whose affordability allows, whilst still ensuring we lend responsibly.

This journey is ongoing and we're developing further purpose-aligned propositions for delivery in 2023 and beyond.

Increased maximum borrowing age

As interest rates rise and the age of first-time buyers increases, we've extended the length of our mortgages, giving people longer to repay.

At YBS, the maximum age for a borrower to

complete repayment of their mortgage is 80. Stretching the mortgage term helps people lower their monthly payments and makes buying a property more affordable. It can also help people downsize or re-mortgage their property later in life.

Age Partnership

We work with retirement specialists Age Partnership to help customers coming to the end of their interest only mortgage to access lifetime lending product structures not provided by the Society.

As much as we'd like to say 'yes' to all our mortgage applicants, we're not always able to. Working with Age Partnership allows us to help the small minority of customers who require support through specialists, by providing a referral, rather than closing the door. We don't receive any referral fees from Age Partnership, and thanks to our relationship, they provide this service for free to our customers. We referred 53 customers to Age Partnership in 2022.

¹⁷Accord Mortgages is a subsidiary of Yorkshire Building Society which offers residential and buy to let mortgages through intermediaries only.



Product transfers

We've worked to optimise our product proposition for existing mortgage-holding members. New pricing capability for product transfers introduced in February across our Yorkshire and Chelsea brands has been one of the most impactful changes we've made for our borrowing members. It's enhanced our ability to offer transfer products tailored to groups of customers whose products are reaching maturity, differentiated through interest rates, fees, and cashback combinations.

Buy to let

Home ownership isn't a realistic ambition for all, and we understand the private and social rental markets form a key part of the UK's housing market. We want to support landlords by financing high quality rental properties, for those who can't buy their own and have grown our buy to let (BTL) book by 87% in 2022. We've done this by adding a range of new criteria over a 12-18 month period starting in 2021, including top slicing, (giving clients the flexibility of topping up a rental shortfall with income), launching BTL new build products, expanding BTL lending into Scotland, removing minimum income requirements (as affordability is assessed using rental coverage), lending to first time landlords and launching products with no early repayment charges. We've helped landlords provide homes to almost 9,336 renters in 2022.

Commercial lending

We've started to expand our regional commercial lending hubs to further support the UK business community. Relationship Directors in other cities, such as Cardiff, Leeds, and Exeter, use our four established hubs to

directly serve their local property markets. This enables landlords throughout the UK to access long term, stable borrowing to build a diverse portfolio of commercial investment and buy to let products, including residential investment, holiday let, semi commercial, commercial investment and Houses of Multiple Occupation borrowing.

We have ambitious growth plans for commercial lending in 2023, with the evolution of our strategy to support targeted sectors within the small and medium sized enterprises to purchase their own property to trade from. With the creation of 40 new roles, we'll maintain our exceptional service and the strength of our teams, alongside our consistency as a strong, stable lender. We're a responsible lender and our robust lending processes ensure areas like fire safety and EPC requirements are met, and renting is of a good standard.



We've helped landlords provide homes to almost 9,336 renters in 2022.



Responsible lending

We aim to support customers with propositions that are tailored to their individual needs, to help more people build a savings habit and buy their own home. This is demonstrated in the range of purposeful products covered in the Financial Wellbeing section of the report.

The Society has an established responsible lending policy, designed to ensure borrowers can afford to repay over the term of their mortgage. The low risk profile of our mortgage book is reflected in our current low level of arrears, both historically and compared to the current market average. The proportion of our customers who are more than three months in arrears, including repossessions, is 0.44%, a reduction of 0.06% from 2021 - significantly lower than the market average of 0.75% (2021: 0.85%).

Continued cost of living challenges, alongside the enduring constraints of the UK housing market, may negatively impact some existing mortgage holders. Any fall in house prices increases the risk of negative equity, and borrowers may struggle

to meet their monthly payments—especially those on variable rates.

Ahead of the annual mortgage review in January, we proactively engaged with customers in arrears, understanding how increased mortgage payments will impact their ability to address their arrears and exploring solutions. We're also doing this with customers we've identified as being most at risk of experiencing affordability pressures so we can help by discussing available support before they fall into arrears.

We expect 2023 to be a challenging year, so the team is working with colleagues across the Society, finding new ways to support customers. We'll be proactive in working with borrowers facing difficulties and support them to navigate their individual circumstances.

The Society has an established responsible lending policy, designed to protect borrowers from being lent more than they can comfortably repay over the term of their mortgage.



HELPING BUILD A SAVINGS KITTY HAPPEN

By accessing his savings quickly, Erik was able to adopt Pattie.

Being able to access my funds in an emergency has been an absolute saviour really. With support from the branch, I was able to withdraw the necessary funds to let me rehome Pattie quickly over the space of a weekend. She's my best friend, she's there for me when I'm at home and participates in whatever I'm doing. I really don't know where I would be without her.

It's hugely reassuring to know that I have the funds available in an emergency, to access things like Pattie's medical needs.



FINANCIAL WELLBEING

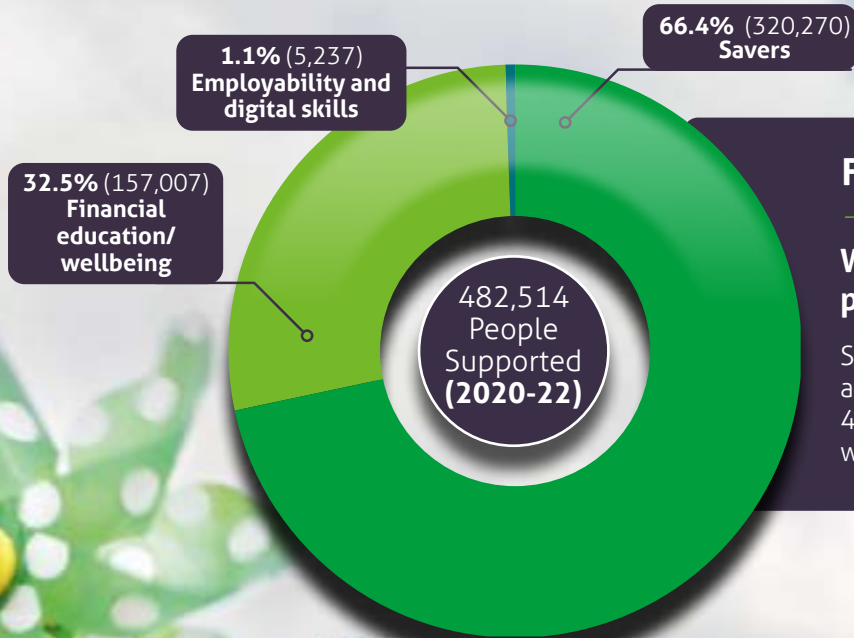
- Financial resilience
- Local community support

FINANCIAL WELLBEING

We're here to support people towards greater financial wellbeing. This includes finding ways for people to save through our easy access savings products and supporting our customers and communities with financial education and employability skills programmes.

Saving provides many benefits, including resilience to withstand unplanned events, reduced reliance on potentially expensive debt, and support towards reaching savings goals. The importance of having savings to fall back on has become more pronounced in recent years, first as the pandemic disrupted livelihoods, and more recently through the sharp rises in the cost of everyday living.

Our materiality research showed us that supporting people to build their financial resilience and helping people to access relevant products are both important. We recognise that alongside offering inclusive savings products, we can play a role in helping people feel empowered and confident to make informed choices that unlock their long-term financial goals and build their financial resilience.



Financial Wellbeing

We have an ambition to help 500,000 people with their financial wellbeing.

Since 2020 through our savings products and community initiatives, we've supported 482,514 people toward greater financial wellbeing – including 248,147 this year.



To encourage the habit of saving, we provide a range of savings accounts to meet the differing needs of our members; fixed rate accounts for those wanting to put money away for longer; easy access accounts for those saving for emergencies or a special occasion; and regular savings accounts to build a savings habit, rewarded with higher rates for regular deposits.



ESG THEME	PROGRESS IN 2022	NEXT STEPS
Financial resilience	152,000 people in 2022 were helped to build more financial resilience ¹⁸ with our access saving products	We aim to support 100,00 people to build more financial resilience in 2023, through our range of access saving products
	A further 23,500 people across our communities received personal financial wellbeing support ¹⁹	We aim to reach 36,000 people across our communities with personal financial wellbeing support in 2023
Local community support	We contributed £1.68m to charities and good causes ²⁰	We aim to donate £1.5m to charities and good causes
	18% of colleagues used some or all of their volunteering hours	We aim to support even more colleagues to use some or all of their volunteering hours

¹⁸Includes people we've helped to save through access accounts (excluding fixed-term bonds) and direct-from-salary savings schemes from Salary Finance, also those we've supported through our community programmes and charity partnerships.
¹⁹Includes people we've supported through our community programmes with personal interactions, including face to face and telephone.
²⁰Includes monetary donations and contributions of time and resources to charities and good causes from YBS, colleagues and customers.

Financial resilience

Encouraging savings habits

Our products and support for customers aims to help build their financial resilience over the longer-term, by having money to fall back on in emergencies. However, inflation has eaten into household incomes across the country, making prioritising saving even more difficult, whilst the importance of having savings to fall back on becomes more pronounced.

To encourage the habit of saving, we provide a range of savings accounts to meet the differing needs of our members; fixed rate accounts for those wanting to put money away for longer; easy access accounts for those saving for emergencies or a special occasion; and regular savings accounts to build a savings habit, rewarded with higher rates for regular deposits. Our savings propositions team also develop purposeful additions to this core range.

In 2022, we helped 152,123 people improve their financial wellbeing by saving money in our expanded range of regular savings accounts.

To encourage savings members to build and maintain a strong savings habit, we have a pipeline of regular communication. This includes deposit reminders to encourage customers to save, even a little bit, each month; emails to maximise payments with tips and guides to help customers save a little more, so they build up a savings pot, and links to our online resources Money MOT and Money Movement.

In September 2022, the Society was a proud supporter of the first UK Savings Week, which aimed to highlight the importance of saving, and provide access to useful resources and information. We promoted the week to customers in our e-newsletter and offered saving reviews to customers in branch.

The week, managed in conjunction with the Building Societies Association, its members, and key partners, aims to become an annual event.

Purposeful propositions

Below is a summary of our purposeful propositions, launched to support people in increasing their financial resilience.

Christmas Saver

Over 9,200 customers benefitted from taking out our first online regular savings account. Launched at the end of 2021, our Christmas Saver encouraged people to start saving early for Christmas and lessen the financial burden of the festive season in 2022. To build on this success we'll launch our latest Christmas Regular Saver in January 2023.

Make Me a Saver

In January 2022 we launched 'Make Me A Saver', another regular savings account that encourages first time and non-regular savers to develop a positive savings habit. The account also offered holders the chance to win one of 10 monthly £1,500 prizes, which at the time was an amount close to the average monthly cost of household bills for a family. Over 20,000 customers opened this account and we've spoken to some of the lucky winners who've used their prize money to help with extra costs.

HELPING MAKE ME A SAVER HAPPEN

Nicola from Peterborough was one of the first winners. She said,

Having some extra cash that I didn't know I'd have just allows that breathing space to do things that haven't been as much of a priority previously. I thought the account would just be a good way to put away a bit of money and save up for expenses across the year, I never thought I would actually win!



Flexible Tiering

Towards the end of the year, we announced our flexible tiering approach, a new purpose-aligned approach to savings interest payments. Applied to most of our savings accounts, flexible tiering allows us to pay different interest rates dependent on customer balances. Balances in the lowest tier attract the highest rate of interest, so the highest returns go to those who need it the most.

Rainy Day

September 2022 saw the launch of our flexible tiered Rainy Day Account both online and in branches. This account aimed to help customers build their financial resilience and its launch coincided with the first annual UK Savings Week, which sought to raise the importance of savings across the nation. Along with flexible tiering, this product also offered two withdrawal days plus closure. These features made this product extremely popular, with a total of 39,000 accounts opened since its launch.

Salary Finance

Since 2018 we've worked in partnership with Salary Finance²¹, who have enabled 2,128 people to save directly from their salary in 2022.

The product was valued by account holders, but had limited reach as it

was only available to employees of Salary Finance clients. So, we decided to discontinue the Salary Finance partnership and will withdraw the product in 2023. This will allow us to focus attention on strengthening our entire financial resilience product range, which is available to all customers.

Financial wellbeing is likely to remain a critical issue in the coming years, and the Society will continue to devote resource and energy to supporting our members achieve greater financial resilience and healthy saving habits. Our community programmes are also designed to deliver financial education and wellbeing support.



38,000

Rainy Day accounts
opened since
September 2022

²¹ Salary Finance is an employee financial wellbeing benefit that helps staff improve their lives by improving their finances. More information can be found here.

Local community support

As part of our commitment to supporting people achieve greater financial wellbeing, we invested an additional £1.8 million to develop our community programmes and partnerships throughout 2021-22. In 2022 we built on the success of our community programmes in 2021 and have approved ongoing investment to run the programmes into 2023 and beyond. In 2022, we supported 96,000 people.

Colleagues can volunteer for a number of our programmes and this year spent 5,467 hours volunteering. We saw a return to pre-pandemic levels with colleagues delivering financial education and employability workshops awareness raising sessions, among other opportunities.

The programmes are designed to support people at all stages of life, beginning with financial education for young people, support for working aged people at risk of being financially excluded, and help for those in crisis. We also understand that financial inclusion starts with financial education and access to employment, a key enabler to financial wellbeing. That's why we provide financial education and employability and skills training in our communities and for our customers and colleagues.

Young people

As a financial organisation, we feel a responsibility to ensure young people have the necessary financial skills and education to succeed in the future. In 2022 we continued to invest and expand our educational programmes, reaching over 16,000 children.

Money/Career Minds

Once Covid restrictions were lifted in early 2022, our colleagues resumed our financial and employability educational sessions in their communities, delivering 756 Money Minds and Career Minds to over 16,000 children aged 5-19. Both programmes have continued to be a huge success – 89% of students that took part said they learned something new from their Career Minds session, and 94% of teachers said the Money Minds session brought financial education to life for their students.

I liked how even though it was really fun, we were able to learn about budgets, money and the real-life consequences.

Year 5 student, Settrington C P School

We found the workshop very useful, and it gave us an insight as to what a real job interview would be like. It gave us more confidence for our futures.

Year 11 student, Immanuel College Bradford

Money Minds Online

In May, we expanded our Money Minds programme to include online resources, as a way to broaden the programmes impact and reach a new audience. The online platform provides interactive, flexible learning for children aged 11-19, suitable for inside and outside the classroom. Since its launch, the site has had 8,200 unique users and 850 teacher and parent/carer packs have been downloaded. We've also developed new content for colleagues to deliver in person sessions in secondary schools.

HELPING MONEY/ CAREER MINDS HAPPEN



I can't recommend these resources highly enough! As we all know, time as a teacher is precious and these resources have been developed to not only present vital information to our young people in a genuinely engaging, age-appropriate way, but are created to make the lives of teachers SO much easier! An easy to navigate site, with a plethora of lessons, which can be delivered as a scheme or as a standalone. They also come with suggested homework pieces, lesson plans, assessment for learning strategies, and a tool to create your own 'playlist' of lesson sessions. They are not your run of the mill company resources; they're made with continuous real life teacher input and feedback and will honestly make a hugely positive impact on your teaching and your students learning

Sarah,
Religious Studies Teacher,
Sandbach.

**Work Experience**

As part of our Emerging Talent programme, delivered in our heartland of Bradford, we trialled in person and virtual workplace visits and work experience sessions with one of our partner schools and universities. We've used the feedback to develop our offering for 2023, complementing the Money Minds sessions delivered in our partner schools.

In 2023, we'll offer our Emerging Talent Bradford programme to Year 10 students in each of our partner schools to raise aspirations and support the students in future applications for education, training or employment. The employability sessions will be accredited by the AQA Unit Award Scheme, so students will receive certificates in Teamwork, Problem Solving and World of Work.

MyBnk

In 2021 we partnered with MyBnk to fund a new programme called Money Works within Bradford, aimed at supporting young people aged 16-25, who are not in mainstream education and moving on to independent living.

The programme delivered sessions to help them improve the management of their finances. Money Works was delivered to 70 young people across 2021 and 2022, with 92% of them saying they would start new savings habits and 77% saying they would make different spending decisions because of the sessions. We've decided to increase investment into our other community programmes rather than expanding this programme further.



I really loved how enthusiastic the trainer was, she made the sessions fun and engaging and kept me interested at all times. She really highlighted the importance of the subjects and I enjoyed learning about pensions. I wish we had this at school.



Participant from University of Bradford Money Works session.

Working Age People

We know managing finances and preparing for the future can be incredibly difficult, and the last few years have been increasingly challenging. So, we've been stepping up our efforts to ensure our members, customers and communities are supported.

Citizens Advice

In 2022, we've continued to build our successful partnership with Citizens Advice – an organisation which offers free, impartial advice on a wide range of issues.

The initiative sees the Society fund advisers from Citizens Advice inside our participating branch locations. The advisers provide free, face-to-face independent advice and support across a wide range of issues, including financial wellbeing, with appointments available for YBS members and customers and the wider local community.

After a very successful pilot in 2021, which demonstrated significant demand for the service, this year we trebled the number of participating locations, from 6 to 18. By the end of 2022, the referral service had supported 2,151 people, helping generate an estimated income gain of £883,538.

The partnership has also been well received by our colleagues, especially by those in the branches involved with the partnership, with the colleague engagement score averaging 0.9 higher than the average branch engagement score. We're delighted to have been recognised in the Third Sector Business Charity Awards in the *Charity Partnership: Banks and Financial Services* category and the 2022 *Collaboration Award* at the Collaboration Network Annual Awards.

As a response to increasing cost of living challenges, from March 2023 we're increasing our investment to

be able to offer more appointments across half of the existing 18 locations, with further expansion planned in more branches across the UK later in 2023.



Before we spoke to the advisor at Citizens Advice we were just really worried about money. We don't have a lot coming in and it's hard for everyone at the moment with the cost of living. It's not getting better. We've been cutting back on heating and energy costs. I can't cut back on food because I'm diabetic, so things have been tight.

We heard Citizens Advice would be at the Yorkshire Building Society, so we went along. They talked through our finances and our concerns, and they advised us that we needed to call our housing association as soon as possible as we'd been overpaying by quite a bit each week. I just felt relieved that someone was listening to us. When we spoke to the lady at the housing association office she was in shock as to how much they owed us, which was £900 over the two years.

I just couldn't have done without the help of Citizens Advice. We were just banging our heads up against the wall. As soon as we spoke to the advisor, they got it sorted for us and we're very, very appreciative of their help. That £900 will really help with the bills, it means we'll be able to have the heating on without worrying.

Linda,
from Liverpool



Business outreach

To enhance our Money Minds programme, we created two new modules in 2022, for delivery in person by our colleagues to support adults with their financial education. Through our own research²², we know one in five adults (19%) have less than £100 in savings, so we wanted to create content to help adults budget and take control of their finances. In 2022 we've delivered over 118 sessions and supported 949 adults, with 95% of participants reporting a positive impact on their financial decisions and/or wellbeing.

Money MOT

In addition to our in-person financial education sessions focused on building adults' confidence in managing and protecting their money, the Society offers online resources through its Money MOT programme.

The programme features carefully curated content and tools tailored to the specific needs of working adults. A key resource is the budget calculator that empowers individuals to take control of their finances and improve their future financial wellbeing. We actively promote these resources to our customers to support their money management efforts, and in 2022 our Money MOT content reached 18,320 users.

Good Things Foundation - Bradford

It's estimated that 92% of businesses require a basic level of digital skills from employees²³, however, on average 36% of adults in the UK don't have the essential digital skills required for work, with Yorkshire being the worst region at 41%²⁴. These figures are further exacerbated by ethnicity, with 76% of white people in employment compared to 67% of all other ethnic groups combined, and

Pakistani and Bangladeshi having the lowest employment rates of any ethnicity group with 58%²⁵.

In 2021, we piloted a digital skills programme in Bradford with Good Things Foundation, aimed at providing the necessary digital skills to help people into employment. The programme targeted socially excluded ethnic minority communities, supported by local community partners who deliver the training. The programme has been a huge success, helping 578 people, to date, and has been extended into 2023.

Our programme also contributed to the Good Things Foundation's Digital Skills for Employability Playbook; it's a tool designed to provide guidance to community centres throughout the UK on effectively providing digital skills training to their local communities.

Older people

Good financial wellbeing and resilience is just as important in later stages of life, whether you're coming up to retirement or already retired. It's essential that people can access information and support during this time.

Age UK

Life is fast becoming unaffordable for many older households on low and modest incomes, with millions unable to pay for basic items, according to



Age UK²⁶.

Our charity partner Age UK is the leading charity for older people and is there for older people when they need it the most. We've been supporting the charity since 2020 by raising money to help Age UK improve the financial resilience of older people across the country. The need for this support has never been greater, as older people navigate the cost-of-living crisis.

Since the start of our partnership, our colleagues and members have raised over £550,000, while the Society has donated £350,000, bringing the combined total to just over £900,000.

²² Yorkshire Building Society Financial Resilience survey: The research was carried out online by Opinium. All surveys were conducted between 7th May 2021 and 11th May 2021 and the sample comprised 2,000 UK adults.

²³ [WorldSkills UK – Disconnected? Exploring the digital skills gap](#)

²⁴ [Lloyds Bank – Essential Digital Skills, 2022 Consumer Digital Index](#)

²⁵ [Gov.uk – Employment November 2022](#)

²⁶ [Age UK – It Doesn't Add Up: the hard times facing millions of pensioners](#)

This funding has enabled Age UK to deliver their Building Better Lives programme which aims to provide intensive support to more than 5,000 vulnerable older people. By providing holistic advice and support to older people experiencing a significant life event, Age UK can equip older people with the skills they need to be better prepared to cope, both now and in the future.

So far, the programme has supported over 4,135 older people and unlocked over £6.5m worth of benefits that older people weren't claiming. That's an average potentially life-changing additional annual income of around £1,700 for each older person supported by the programme.

In addition to fundraising, the partnership has helped YBS colleagues to support their older members by signposting to Age UK's services. Over 150 YBS colleagues have also taken part in Age UK's Digital Buddies initiative which has helped 849 older people improve their digital skills.



Mrs Green (67) lives alone in a rural area. She fractured her ankle in 2018 and since then has had several operations. After a third operation, Mrs Green was unable to work with very little support around her. A benefit check highlighted several payments Mrs Green was entitled to, and her income has increased by almost £280 a week.

I can't thank Age UK enough for all the help I received, both financially and emotionally. I was very down, felt very isolated and didn't know what to do, worrying constantly about my finances. My operations left me off my feet, in pain and relying on friends to get my shopping and prescriptions. I was at my lowest point when I rang Age UK, but the help I received was invaluable. It has enabled me to pay for the help I need, and no longer worry about the bills. Even though I have to have further operations, I don't feel worried as I have proper care in place and the help and support, I need.



ClickSilver

We also saw 45 colleagues volunteer with Business in the Community's ClickSilver programme. Colleagues are matched with a vulnerable older person, to help them develop their digital skills and confidence online, increasing independence, reducing feelings of loneliness, and bridging the digital divide between young and old.

Money Movement

To provide useful information and guides for older people approaching retirement, we created Our Money Movement, a webpage filled with helpful tips and guides. In 2022, it's received over 43,000 visits.

Measuring impact

As a Society, we strive to ensure our community investment has a measurable and meaningful impact. To achieve this, we have joined the Business for Societal Impact (B4SI) network and are actively aligning our programs with the B4SI Community Investment Framework, which is helping us to evaluate the social impact of our community programmes and partnerships.

In 2023, we'll enhance the evaluation of our Money Minds programme and work with our partners to align key performance metrics with B4SI. We want to clearly understand the extent to which our communities are benefitting from our programmes by using B4SI's three levels of impact - connect, improve and transform. Part of our B4SI journey will include completing the 2023 B4SI global benchmark tool to assess our performance and inform our longer-term community investment strategy.

Yorkshire Building Society Charitable Foundation

Yorkshire Building Society Charitable Foundation (the Foundation), an independent registered charity governed by a Board of internal and external trustees, continued to make donations of up to £2,000 every quarter to charities nominated by members and colleagues.

In 2022, the Foundation donated over £315,000 to 230 charities focused on improving health, alleviating poverty and saving lives across the UK. It also celebrated reaching the milestone of donating £9 million since its first donation in 1999, totalling over 25,000 donations!

Moray Fresh Start received a donation of £1,800 to fund starter packs for homeless people. James Workman, Chair of Fresh Start, said:

“We’d like to thank everyone who supported us. We supply starter packs for people who have been homeless. The packs include basic household items that everyone needs when they move into new homes. Last year, through thick and thin, we helped 263 Moray people, on their way out of a very traumatic period and into a fresh start in their new homes. They ranged from new-born babies, teenage children and right up to people well into their 70s.”

Real Help with Real Life Fund

In 2021, YBS donated £100,000 to the Foundation, which funded four projects to support digital skills and employability in the UK, throughout 2022.

- **Refugee Action:** supported 104 refugees with their employability programme. From a group of 50 that completed feedback, 15 refugees who enrolled on

the programme went on to secure paid employment, 12 secured undergraduate and postgraduate university places, 13 moved into further education diplomas/courses, and 11 secured voluntary positions²⁷.

- **Canopy Housing:** delivered employability training to 104 people with 96% reporting positive outcomes and 85% reporting increased employability.
- **Smart Works Leeds:** delivered employability coaching to 110 women and formed partnerships with 36 organisations to establish outreach in marginalised communities. 68% of women who received coaching reported positive outcomes.
- **Groundwork Northeast & Cumbria** delivered employability training to 212 young people. 95% of people who received training reported positive outcomes. 82 young people went on to secure employment or further training and education.

In 2022, the Society donated a further £100,000 to the Foundation to launch the renamed 'Real Help with Real Life Fund' for a second year. Four charities benefited from the £100,000 fund to support projects working with vulnerable young people and people from minority ethnic communities in 2022 and 2023:

- **Refugee Action:** an extension to the project previously funded, enabling them to continue to help refugees secure employment up until 2024.
- **Vulcan Learning Centre:** helping vulnerable individuals move toward employment and training opportunities in a very deprived area of Hull.
- **Bradford Foodbank:** providing an employability and digital help desk at their sessions to help people back into work and overcome digital and financial exclusion.

- **Albert Kennedy Trust:** helping homeless and vulnerable LGBTQIA+ individuals in Manchester to access emergency support and accommodation.

Donations are made possible thanks to Yorkshire Building Society members who take part in the Small Change Big Difference® scheme. This scheme allows members to donate pennies from the interest they earn on their savings accounts or round up their mortgage payment to the next pound and donate the difference to the Foundation once a year.

You can find out more information regarding the Foundation [here](#).



²⁷ There is some overlap in outcomes as some group participants have achieved more than one transformational outcome (e.g. a university/course offer and a job/volunteer position).

DONATIONS & FUNDRAISING

Colleague fundraiser for our charity partner, Age UK

Andy Sullivan
(Mortgage Team Manager)

I have thoroughly enjoyed being involved with raising money and awareness for Age UK. It's a charity that does so much amazing work and it really had a personal impact on me as my Mum is of an age that she would use their services and although she is lucky enough to not have to, not everyone is in that position, and it breaks my heart thinking that some people are lonely and struggling when they should be enjoying their older years.

To support Age UK I have taken part in walks, bake sales, thrown Yorkshire puddings and run a sweet stall in a freezing field. These activities have brought my direct team and the wider team together. I have lost track of how much money we have raised overall however it's enough to make anyone feel proud.



VOLUNTEERING



Colleague volunteer for our Emerging Talent programme

Emma Abel
(IT&T Strategic Excellence Partner)

Having been involved in the design of the work experience project, I was delighted to see how the students took the project topic and delivered some really insightful, well researched presentations. I felt incredibly proud of the work that we'd undertaken to support the students - seeing their potential and Emerging Talent - but I was also incredibly impressed by my YBS colleagues who did an amazing job of presenting and delivering some truly inspirational content. For many of us, this was a step out of our own personal comfort zones - but so worth it. I'd recommend to anyone to get involved!



£1.7M
contributed to charities and good causes²⁸

£350,000
donated from YBS to our charity partner, Age UK since 2020

Over
£555,000
raised for Age UK through colleague and customer fundraising since 2020

£100,000
donated from YBS to the Yorkshire Building Society Charitable Foundation

£308,000
raised by members taking part in the Small Change® Big Difference scheme

5,467
volunteering hours during work time

18%
of colleagues volunteered

²⁸ Includes monetary donations and contributions of time and resources to charities and good causes from YBS, colleagues and customers.

PROVIDING SUPPORT

Colleague involved in Citizens Advice partnership

Anees Naseem (Customer Consultant)

2022 has been extremely difficult, as we have all had to make changes to the way we live our daily lives. But partnering up with Citizens Advice just goes to show how much we truly care about our members.

Since starting the partnership, we have received some fantastic positive feedback from our members as they believe we're going above and beyond to ensure we give 'Real Help with Real Lives', and we have been lucky enough to help both our customers and local communities through this difficult time.



TALK TO CITIZENS ADVICE

AT YOUR LOCAL YORKSHIRE BUILDING SOCIETY

Citizens Advice help people find a way forward. Whoever you are, whatever your problem.

Book a **FREE** and confidential appointment at your **Liverpool branch**

☎ 0151 5150437
🏠 66 Lord Street, Liverpool L2 1TD



Yorkshire Building Society is a member of the Building Societies Association and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. ybs.co.uk
Citizens Advice is an operating name of The National Association of Citizens Advice Bureaux. Registered charity number 279057.

YBM 12589 Liverpool 03 05 22

96,000
people supported through our community programmes, including:

70,000
people accessing financial wellbeing support online²⁹

23,500
people across our communities receiving personal support with their financial wellbeing³⁰

2,463
people supported through Age UK's Building Better Lives

1,669
people supported through Citizens Advice

463
people supported through the Yorkshire Building Society Charitable Foundation's Real Help with Real Life Fund

230
charities supported through the Yorkshire Building Society Charitable Foundation

²⁹ Includes people accessing online resources: Money Movement, Money MOT and Money Minds.

³⁰ Includes people we've supported through our community programmes with personal interactions, including face to face and telephone.

MEMBER VALUE

- Digital transformation
- Attractive products
- Responsible customer relations
- Vulnerable customer support
- Business resilience

MEMBER VALUE

As a building society we're run differently from a bank. Our mutual business model means we're accountable to our members, rather than external shareholders, so the delivery of sustainable value drives our decision making.

We understand that our stakeholders expect us to provide flexible, competitively priced products, develop tailored propositions to address customer needs, and deliver friendly, practical customer service with specialised support for vulnerable members. Our profit is given back to members in better interest rates, goes towards paying for the products and services we provide, or gets re-invested to build a stronger Society for the future.



Making sure customers can do business with us in their preferred way is important to us. Customer research and feedback tells us many of our customers really value our face-to-face service, and this channel remains a core part of our offering.



ESG THEME	PROGRESS IN 2022	NEXT STEPS
Digital Transformation	Previously we recorded e-enablement which was 45.5% of achievable customer base in 2022. From 2023, we will be using a new measure, e-active, as this gives us a better understanding of how frequently customers are using our digital services	We aim for 19% of our achievable customer base to be e-active (web) in 2023 We aim for 10% of our achievable customer base to be e-active (app) in 2023
	We increased our Digital Net Promoter Score to +34	We are investing heavily in digital and aim to increase our Digital Net Promoter Score to +41 in 2023
Attractive products	Our average savings rate ²⁹ was 0.56% above the market average	We will continue to attract new customers to YBS and reward our loyal members with our member pass back programme
	We passed £198.6m of profit back to members	
Vulnerable customer support	Our Vulnerable Customer Net Promoter Score was +49	We aim to continually improve our Vulnerable Customer Net Promoter Score
Responsible customer relations	We increased our Net Promoter Score to +54 ³⁰	We aim to continue to increase our Net Promoter Score to 55 in 2023
	We received an average of 4.32 complaints out of 1,000 for mortgages and 0.65 complaints out of 1,000 for savings	We aim to have less than 7 out of 1,000 complaints for mortgages and less than 3.5 out of 1,000 complaints for savings
	16% of cases were upheld by FOS, which meant they agreed with 84% of our complaint responses ³¹	We aim to maintain less than 20% of cases upheld by the FOS
Business resilience	We generated £425.6m in core operating profit	We will continue to manage our business responsibly, ensuring operational resilience, to enable us to deliver the best value to our members
	Our Cost to Core Income Ratio decreased from 50% to 41%	

²⁹ YBS Group average savings rate compared to rest of market average rates. Source: CACI's Current Account and Savings Database (CSDB), Stock. Data period January – December 2022.

³⁰ Net Promoter Score and NPS are trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. Data period January – December 2022, based on 41,703 responses. Following a change in the calculation methodology for Group NPS

in 2022, the comparative period 2021 has been restated on a consistent basis.

³¹ This figure is for H2 2022 and is only for the YBS brand. FOS did not publish H2 2022 data for Accord because it did not meet their over 30 cases criteria. More information can be found [here](#).



Digital transformation

One of our key priorities is digital transformation. Throughout 2022, we've continued to grow our online and digital capabilities, improving our online journeys to give customers greater choice and more ability to self-serve.

We've invested significantly in our digital capabilities. This has included strengthening existing partnerships, building new ones and increasing our internal resource, who are working on the development of our mobile app and Digital Experience Platform, increasing the frequency of improvements. Our app now supports over 215,000 members, with a 65% increase in logins this year (7.9m logins vs 4.8m in 2021). We've added more functionality and many customers have told us they find it easy to use, allowing them to transact online instead of visiting a branch. This feedback is supported by the good ratings from app stores, and a good NPS score for the app of +47 (2021: +48).

We migrated to a new and improved digital experience platform, enabling us to deliver an enhanced user experience on our website. We've improved our online account opening experience and delivered new and improved journeys for managing password resets and username recovery, which has already been used 8025,000 times, addressing a major pain point for both members and our Customer Services team. The vulnerable customer section of the report summarises some of the specific enhancements we're making to ensure all of our customers can access our digital platforms. We've also developed fully digital solutions to validate member ID, setting us up for enabling new members to instantly access and fund their accounts in 2023.

We want our customers to receive the same high-quality service regardless of whether they engage with us in person, by telephone, through the website or mobile app.

Face-to-face

Making sure customers can do business with us in their preferred way is important to us. Customer research and feedback tells us many of our customers really value our face-to-face service, and this channel remains a core part of our offering.

This year, we've continued to optimise our national network of branches and agencies³⁴. We've made some changes that make the channel more cost effective to run; upskilling our branch colleagues to support other areas of the business with customer experience or business growth and expanding our Citizens Advice partnership to offer support in more locations.

We closed one branch this year, London Strand. When making this difficult decision, we looked at customer behaviour, and ease of access to other YBS branches or agencies. We had a proactive and personalised customer contact strategy so customers knew about the changes and how they could continue to do business with us.

We also transferred six branches to agencies. This strategy enables us to maintain our services in local communities and continue to provide customers with the same great level of service, but at a lower operating cost.

Throughout the branch closure and agency transfers, we've worked hard to treat people with care and respect and sought to offer impacted colleagues the chance to move to new roles within agencies or elsewhere in YBS. Of the 33 colleagues affected, 20 have kept a role in the new agency and 4 were redeployed to another role within YBS.

Over the year, we've focussed on developing the digital skills of our branch colleagues so they can support customers with online services and safety.

In 2022 the number of customers who took out products online rose from 74% in 2021 to 77%, highlighting the continued importance of ensuring colleagues to have the right skills to support them.

We currently have a network totalling 230 branches and agencies, vs 231 in 2021. Throughout the year we've maintained a customer retail network NPS score of +83 and customer retail network satisfaction levels of 95, with customers regularly praising colleagues' helpfulness, professionalism, and knowledge.

Attractive products

Our Place to Call Home and Financial Wellbeing priorities cover a range of the purposeful propositions that we've developed. These products have been developed to address customer needs and help them access flexible and competitively priced products.

Rewarding our members' loyalty

We continued to offer very competitive rates to our existing members, through the four new loyalty products we launched in 2022.

These cover various savings accounts, including a six-access saver, a cash ISA, a fixed-rate bond, and a regular saver, benefit members who have been with us for 12 months or longer.

As a result of our loyalty recognition – including passing back a share of our profits, the rates we paid our savers during 2022 were on average 0.56 percentage points above the market average, equating to an additional £198.6 million of interest paid to our savers over 2022 (2021: £107m).

WINNER
Moneyfacts
 Consumer Awards 2023
 High Street Savings
 Provider of the Year

**HELPING
 NOW THAT'S
 REWARDING
 HAPPEN**

**BE
 CASH
 ISA
 CLEVER**

³⁴ Agencies are independent businesses, such as estate agents or solicitors, which offer Yorkshire Building Society savings accounts and manage savings transactions. We carefully select businesses to act as local agencies on our behalf.

Responsible customer relations

Engaging with our members

Members are at the heart of our decision making, and their views inform decisions about how we run the Society.

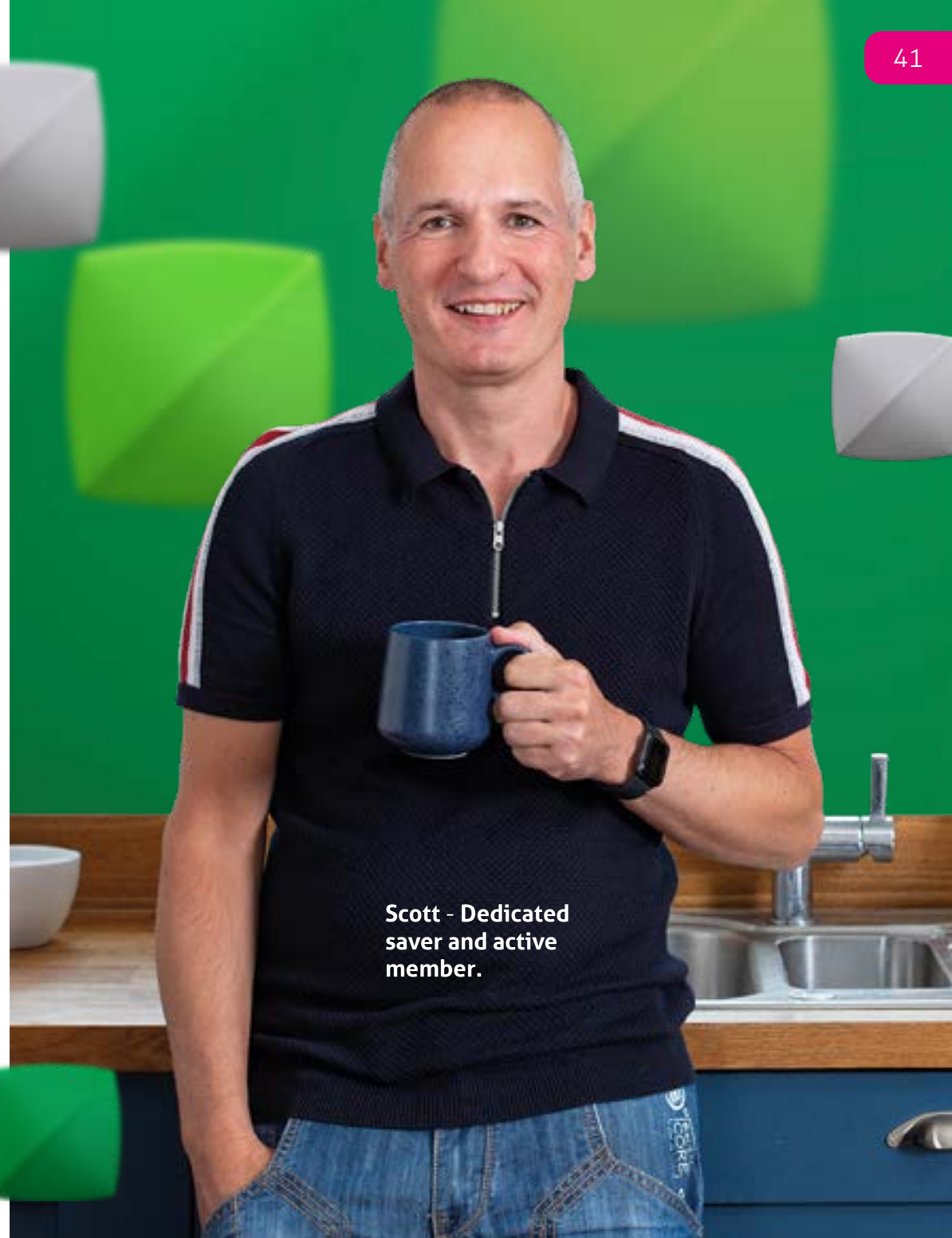
All members can ask our Chief Officers and Directors questions and hear about our performance through our Annual General Meeting (AGM) communications, voting process and meeting itself. Members can vote in person, online or by post on key decisions, including the election and re-election of Executive Directors who run YBS. To encourage participation, we made a donation to our charity partner for each vote made at our 2022 AGM, with members' votes raising £21,000 for Age UK in 2022.

As well as our AGM, our 1,100 strong My Voice panel is an online community of YBS members who take part in surveys and discussions on a range of topics throughout the year.

In 2022, My Voice members gave their views on everything from cost of living, the role of branches, our mobile app and managing savings, with highlights including:

- Early access to new, improved features of our online savings management system to test the software before a wider roll out.
- Influencing member communications, including welcome emails, advertising campaigns and savings tips.
- Sharing their tips on saving at Christmas, on holiday, and household bills, as part of UK Savings Week and to help the development of new savings products.

In addition to our My Voice community, we'll occasionally ask a wider group of members to take part in surveys or focus groups to inform the Society's strategy by helping our Board understand what matters to them.



Scott - Dedicated saver and active member.

Customer service

We set high standards for customer service. When higher mortgage and savings rates caused customer demand to peak in both areas simultaneously this year, we were clear our standard of customer service shouldn't fall. To meet demand, we cross-skilled our Customer Services colleagues, allowing us to process these larger volumes whilst maintaining a high-quality service, and the efforts of colleagues featured highly in customer feedback.

As we anticipate more customers will face financial challenges in the future, we've reviewed our resourcing and solutions toolkit to offer the right support at the right time.

One way we track customer endorsement is our Net Promoter Score (NPS), which measures if customers would recommend our products and services to friends and family. Our overall NPS score for 2022 stands at [+54]³⁵, an increase on our 2021 position. We consider this a real success, given market conditions and increased demand across our telephony and admin channels by 9% from 2021; new savings customer demand rose by over 50% compared with 2021. Yet again, the friendly, helpful, and efficient support from colleagues shone through the feedback we received.

We have a number of policies that demonstrate our commitment to responsible customer relations. Our Sales and Financial Promotions Policies underpin our approach to the provision of products. These ensure the delivery of fair customer outcomes, alongside our unbiased commitment to always providing products based on a customer's identified needs, circumstances and priorities. They also ensure the marketing of financial products is clear, fair and not misleading.

With the implementation of the FCA's new Consumer Duty fast approaching, we've been working hard throughout 2022 to make sure our approach and processes to delivering good customer outcomes are regulatory compliant. That's meant reviewing and

enhancing all of our relevant policies, frameworks and procedures that underpin our approach to the provision of products and services and demonstrate our commitment to responsible customer relations. We've also created new frameworks setting out our approach to fair value and ensuring our customers receive communications from us with the right information, at the right time, and in a way that they can understand to enable them to make informed choices. Colleagues continue to receive development to maintain competence standards and ensure we're acting to deliver good customer outcomes, as detailed in our Training and Competence Policy Guide.

Complaints

We recognise we occasionally fall short of the standard our customers expect and deserve and encourage any unhappy customer to let us know. We try to resolve issues at the first point of contact; however, should we be unable to do this, our Customer Solutions Team steps in to resolve problems fairly, simply and quickly.

We aim to resolve any payment issues within 15 days and all complaints within 28 days. If a complaint is escalated and a vulnerability identified, the complaint will be prioritised. Customers unhappy with our final response can escalate their complaint to the Financial Ombudsman Service (FOS). Of the cases reviewed by the FOS during the second half of 2022, FOS agreed with 78% of the complaint outcomes made by the Society, which is higher than the industry average of 66%. In the second half of 2022, we received complaints from 4.32 out of every 1,000 mortgage customers (2021 H2: 4.68) and 0.65 out of every 1,000 savings customers (2021 H2: 0.39).

Customers in financial difficulty

We have a dedicated team that works with mortgage customers who find themselves in financial difficulties. We have a number of ways we can help borrowers in

arrears, and work with them to find the best solution. In 2022, we helped 2,044 people in arrears onto payment plans.

Repossession of a property is always a very last resort, but unfortunately, it's sometimes the only available solution to prevent members from getting into unmanageable debt, as well as being in the best interests of our whole membership and long-term financial sustainability.

In 2022, we repossessed 70 properties, which unfortunately saw an increase from 45 in 2021. This is reflective of Government and FCA guidance to assist homeowners in managing their mortgage repayments, and a hold on repossessions from March 2020 to April 2021.



In 2022, we continued to refer customers to the Money Advice Trust, whose circumstances would benefit from their specialist support. The Money Advice Trust's National Debtline and Business Debtline services provide free, impartial and confidential debt advice and resources to help customers take control of their debts and deal with their financial problems.



Vulnerable customer support

So that all customers receive the right support, all frontline colleagues across our branches and head office functions are trained to recognise when individuals may need extra help in managing their finances. Customers can be vulnerable for various reasons, so there isn't a one size fits all approach. Our colleagues follow the principle that fair outcomes are to be achieved throughout the customer journey, and any barriers should be removed, so they take a flexible approach. All colleagues are required to complete and pass the 'Vulnerable Customers' e-learning test as a new starter and then on an annual basis.

Our [Product and Distribution Governance Policy](#) ensures vulnerable customers are considered as part of product development. All products and channels, including written, face-to-face, phone and online digital, are reviewed to ensure compliance with the policy.

In 2022 our digital team undertook a number of steps to ensure our digital capability and offerings are as inclusive as possible for all customers. We took the following actions:

- Procured software called 'site improve' that assesses the website for accessibility so that we can quickly identify errors and fix them, such as offering text alternatives to images and icons. We now provide a text alternative or label to all impacts, icons, buttons, links and video frames on our website.
- Collected user feedback on our website and app so that issues can be addressed.
- Manually migrated to a new content management

system, addressing accessibility issues throughout the process, rather than lifting and shifting what we had previously identified wasn't fit for purpose.

We're working towards gaining web content accessibility guidelines of AA standard across our digital channels. The improvements will continue into 2023, with plans including:

- Awareness sessions to share understanding and knowledge of inclusive design and accessibility within digital channel teams.
- 3rd party review of accessibility on our websites.
- Inclusive design techniques built into processes for user experience, content, tone of voice development & testing.
- Increased usability testing carried out with an audience that have a variety of accessibility needs.

We also have a specialist team that offers advice and guidance. This includes providing documents in alternative formats such as braille and larger print, arranging British Sign Language (BSL) interpreters in branches, and this year we've partnered with SignLive, an app our customers who communicate via BSL can use to get immediate access to an interpreter. We also have Text Talk in our contact centre as an alternative. We liaise with local authorities or trusted third parties when concerned about the safety of customers, and sign-post customers to organisations who can provide expert advice and assistance.

The team regularly review circumstances, so we continue to provide the right support for customers' specific needs, and they don't have to tell us twice about their situation. In 2022 we completed



12,877 reviews for customers who had a vulnerable customer flag on their account, to understand if the support is still relevant.

In 2022, we created a new net promoter score survey specific for vulnerable customers to understand the satisfaction of our vulnerable customers. We'll use the data and insight to drive actions and progress in 2023. In 2022, the NPS score was +49, 65% of respondents were promoters.

More information can be found in our [Vulnerable Customer Policy](#), which represents YBS's regulatory requirements and legal obligations including those under the Equality Act (2010).

Unacceptable customer behaviour

In May 2022 we launched an Unacceptable Customer Behaviour Policy (UCB), ensuring zero tolerance of harassment, victimisation and bullying. The policy sets out our approach to reporting, recording, and handling unacceptable customer behaviour with a clear and consistent approach.

YBS has a zero-tolerance approach to unacceptable customer behaviour, including against protected characteristics. The policy aims to recognise and take appropriate action to protect colleagues and customers.

A monthly UCB activity report tracks year to date figures and provides insight into the reasons and outcome of UCB. These statistics are also produced for a weekly report to the Executive Committee.



...we increased our variable savings rates seven times...



Business resilience

During 2022, the economy shifted significantly, with growing pressure on the cost-of-living crisis, rising inflation and a number of increases in the Bank of England's base rate. Many UK households are now facing difficulties in managing their finances as limited wage growth is outpaced by the rising cost of everyday essentials. In this context, our purpose of providing long-term value to our members is more important than ever before.

When a change occurs in the interest rate environment, the Society carefully considers how best to balance potential rate changes with our long-term organisational sustainability. As our funding costs increased, we increased our borrower standard variable rates and fixed rate offers, whilst making sure that our savers benefitted by raising the lowest rates we pay across almost all of our variable rate savings accounts.

Taking into account our responses to the Bank Rate increases effected up to and including December 2022, we increased our variable savings rates seven times; after these changes, the variable rate products we offer do not pay a rate lower than 2.55%³⁶.



³⁶ Excluding offset savings accounts.



**HELPING
MY MONEY
MY CHOICE
HAPPEN**

Retired teacher Vera started saving with YBS after taking out one of our mortgage products.

I like saving with Yorkshire Building Society because the ethos is different to a bank. It makes me feel better knowing that my money is going towards helping other people get on to the property ladder, instead of going into profit. I like the choice of going into branch and using the app – I'm by no means technically-minded, but I find it easy to use and I like that I can keep tabs on my money through my phone and tablet.

INVESTING IN OUR PEOPLE

- Talent attraction and retention
- Diversity, equity and inclusion
- Health and wellbeing

INVESTING IN OUR PEOPLE

We believe our people shape our future, strive for the best and always focus on doing the right thing. We make sure our colleagues feel valued, listened to and are fairly rewarded for their hard work, within an inclusive workplace that supports and engages everyone. We invest in them so they can reach their goals and continue to deliver the best service for our customers.

Ensuring we attract and retain the best talent, through development, engagement and fair reward, is of paramount importance. This also extends to fostering an inclusive and diverse workplace, where we take care of our colleagues' health and wellbeing. As part of our commitment, we have focused on these themes.

ESG THEME	PROGRESS IN 2022	NEXT STEPS
Talent, attraction and retention	8.6 colleague engagement score (upper quartile) ³⁷	We aim to maintain our Upper Quartile position for employee engagement
	56.7% of grade C+ roles filled internally	We will continue to fill at least 40% of grade C+ level roles internally
Diversity, equity and inclusion	8.8 diversity, equity and inclusion engagement score (upper quartile)	We aim to maintain our Upper Quartile position for our diversity, equity and inclusion engagement survey
	50% women in senior management (levels E,F,G)	Our Women in Finance Charter ³⁸ commitment aims to make sure that 50% of our senior colleagues are women
	7.5% colleagues from Black, Asian and ethnically diverse backgrounds in senior management (levels E,F,G)	We want our decision makers to be more diverse, so we aim for 8% of our senior colleagues to be from Black, Asian and ethnically diverse backgrounds
Colleague health and wellbeing	15.4% of colleagues from Black, Asian and ethnically diverse backgrounds	We want to better reflect the UK's population, so we aim to maintain at least 14% of our colleagues to be from Black, Asian and ethnically diverse backgrounds
	Reduced sickness rate to 4.6%	We are developing a new wellbeing strategy and will create a new measure to ensure we are supporting colleague's with their health and wellbeing

³⁷ Benchmark sourced from Peakon.

³⁸ More information can be found [here](#).



Talent attraction and retention

Colleague engagement

It's important that our colleagues are highly engaged. A key method of measuring engagement across the Society is through our annual engagement survey, alongside regular engagement temperature checks. In 2022, 90% of colleagues completed the annual survey and the Society's score increased to 8.6 (from 8.5 in 2021), maintaining our position in the top quartile for engagement of financial companies. Our employee net promoter score (eNPS) also increased to 66 (+2 from 2021), placing us in the top 5% of financial companies.

We keep colleagues connected through regular intranet features and stories, quarterly discussion packs and annual Strategic Blueprint events. These sessions, held for all colleagues at the end of the year, bring our people together to reflect on the Society's achievements and understand the part they will play in the year ahead.

Colleague forum

We remain committed to meaningfully engaging with colleagues through established listening channels, including our regular Board listening groups and Colleague Forum.

Our quarterly Colleague Forum, chaired by our Director of Marketing & Digital Channels, has colleague representation from across the Society, and a focus on diversity and representation. Outputs are shared with our Executive Committee and Alison Hutchinson, Workforce Engagement Non-Executive Director, who also shares outputs with the Board.

The Colleague Forum aims to ensure that colleagues' views are considered to inform better Board discussions and decisions. Board papers are also structured to include consideration of colleague views.

Forum topics have included colleague survey results, workload, Strategic Blueprint Behaviours, learning at YBS, and the cost-of-living crisis. Examples of the influence of colleague views include:

- A revised approach to communicating our Purpose and community programmes.
- Changes to how learning is encouraged, managed and supported, in response to a clear appetite for the creation of a culture where learning is important, prioritised and critically, not separate to people's jobs.
- A review of LinkedIn Learning and how it can be embedded further.
- The creation of a bi-monthly download on our digital transformation after colleagues expressed apprehension about what it means for them.



Board listening sessions

The Board understands the importance of colleague engagement at all levels and Our Board listening sessions held in January and July 2022, enabled all our non-executive Board members to hear directly from 50 colleagues who volunteered to take part. Key issues and themes from Colleague Forum discussions were woven throughout, alongside topical items, including pay, and changes to our Senior Leadership Team.

Collective bargaining

We recognise the importance and benefit of a collective bargaining process and have nurtured a strong working relationship with Aegis the Union, which has sole negotiating and consultancy rights with YBS.

Membership of Aegis, which offers support through specialist employment advice and representation at formal meetings, is open to all colleagues, with information about joining available in the induction process and on the intranet.

Membership is at 42.29%, which has remained broadly consistent with 2021 (43.6%). Employees who choose not to be members have the same working conditions and terms of employment as those who are.

There is regular engagement between Aegis and our Executive Committee via our Joint Consultative and Negotiation Committee (JCNC), with the Chief Executive Officer attending twice a year, alongside a rotation of Chief Officers.

Working in partnership with Aegis allows us to create a positive employee relations environment and a culture of trust and transparency. Constructive challenge helps ensure the best outcomes for colleagues, customers and the long-term sustainability of YBS.

We consult with Aegis on proposed organisational change. Where collective consultation is necessary, we comply with the minimum legal requirements and seek to consult for longer, where possible. In 2022, we consulted with Aegis on proposed changes to redundancy, overtime, standby and callout; the process resulted in a final position that was well received by colleagues.

Our behaviours

We believe engaged colleagues who find their work meaningful and feel they have a voice, will proactively seek out solutions to provide a better service for our customers. We had an increased focus on our four behaviours this year:

- **We care about people:** To go further for our customers and colleagues, acting with empathy and being aware of the impact of our actions or inactions.
- **We say it straight:** To build trust and get great results faster.
- **We reach for better:** To raise our level of ambition and success in a digital age.
- **We make it happen:** Working in an agile way, we can't let barriers and bureaucracy slow us down in today's fast-paced world.

Insight from the Colleague Forum helped shape 2022 plans to embed our Behaviours – specifically the need to raise awareness, share more great examples of our behaviours in action, and align with our learning, leadership, and inclusion messages.

To support this, we created a secondment opportunity for a full time Culture Change Manager, to help colleagues contribute to making the Society's cultural shift happen. As part of this work, we've created a series of videos, podcasts, listening sessions and a self-assessment tool that link to a series of learning pathways.

Working in partnership with Aegis allows us to create a positive employee relations environment and a culture of trust and transparency.



Learning and development

At YBS we seek to fully understand the knowledge, skills and experience needed to deliver our Strategic Blueprint – our overarching business strategy. We know the talent and capabilities of our people, and how we can optimise these to achieve our goals. Investment in our people's learning and development equips them to deliver excellent customer service and allows us to deliver our strategy and purpose and safeguard the longevity of the Society.

We've also made a clear link between our performance development framework and our wider strategy, embedding 'My Blueprint', our performance development process, which focuses on ensuring colleagues have clear objectives that align to our strategy. This includes up to four objectives on 'what' they need to achieve, one objective related to 'how' they need to achieve, based on one of our four behaviours, and one objective related to personal growth. Each objective is broken into quarterly areas of focus, with quarterly performance discussions to help colleagues and leaders have honest conversations around performance and potential stretch opportunities.

Onboarding

Our approach to learning and development starts the moment a colleague joins us. New starters can access a pre-boarding portal and magazine, welcoming them to YBS before they've officially started their role, and allowing them to hit the ground running from day one. Onboarding guides follow once they begin, alongside weekly nudges from our learning platform to remind them of content to read or learn, and conversations to have.

In addition, each month all new starters form a cohort and are invited to join a series of discussions over

several weeks, focused on our purpose, our strategy and our behaviours, and how their role fits into these key areas.

Training

We encourage colleagues at all levels to pursue professional and technical training to enhance their skills and reach their career goals, from apprenticeship schemes to specific leadership development programmes.

Our approach to colleague learning has been adapted in recent years, to include a blend of in-person and online delivery methods. Most training in 2022 remained true to this approach, with colleagues benefitting from the convenience of online learning and virtual workshops.

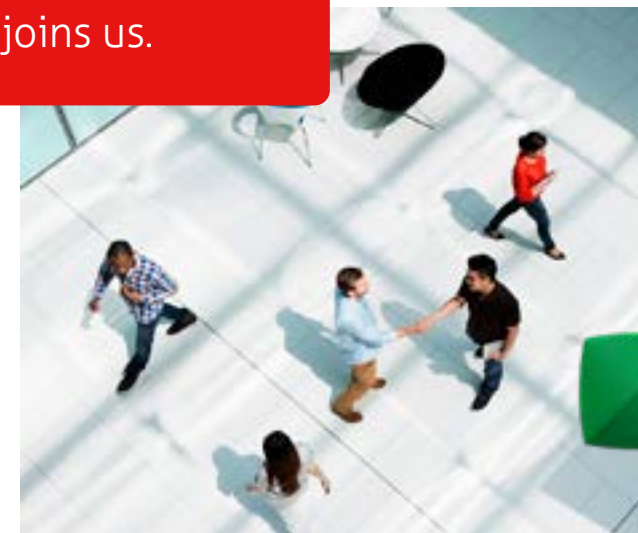
Over the past year, we've also developed design standards in line with industry best practice to remove accessibility barriers by utilising dark mode, subtitles, and easy to navigate controls where possible. We had an average of 45 minutes per week of training per colleague; within this figure, each colleague completed an average of 13.8 hours on our 'Learn' system, an increase of 4% against 2021.

Dedicated learning partners, including 7 Learning Heroes and 47 Learning Champions, have extended our reach to colleagues, and provided greater insight into their learning needs.

We've started to deliver improved learning solutions to our most critical business areas, including Customer Services, Retail Distribution, Financial Crime, and IT. Through closer working with these areas, prioritisation

of our digital and online capabilities became a clear organisational requirement, and as such has been reflected in our colleague training. In our customer teams, we launched digital skills training, with a focus on literacy and promoting our digital offering to customers to increase digital enablement.

Our approach to learning and development starts the moment a colleague joins us.



Our learning offering is underpinned by a programme of dynamic mandatory learning, which ensures we operate in a safe and responsible way and adhere to our regulatory and legislative requirements. Training is tailored to the individual's function or location and is set by a personal calendar to ensure that timely reminders are sent when training is due to be completed. Upon arrival, all new starters at YBS receive a thorough grounding in what is required of them.

Leadership development

We place great emphasis on the role of our people leaders in engaging their teams to help individuals understand how their role fits with and contributes towards the delivery of our wider purpose.

To ensure leaders were supported in their development in 2022, we gave them access to 7 Leadership Immersions, including bitesize, regular and virtual group-based learning. We also recognised that our frontline leaders were a priority audience for leadership development, so launched a bespoke programme for them, including 5 Immersions. A total of 80% of our frontline leaders are currently participating in the programme.

Over 400 leaders took part in leadership development opportunities in 2022, either via Immersions, bespoke development programmes, coaching, leadership apprenticeships or LinkedIn Learning.

The impact of the Leadership Immersions showed:

- An average score of 9.46 for the question 'On a scale of 1 to 10, how relevant has this learning been to your role?'
- An average score of 9.16 for the question 'On a scale of 1 to 10, how

confident do you feel putting this learning into practice?'

- 83% of participants felt a positive difference in their leadership capability
- 91% of line managers of participants experienced a positive difference in their direct reports' leadership capability
- 83% of direct reports of participants experienced a positive difference in their leader's capability
- Overall engagement was 0.5 higher for leaders who took part than those that haven't.

The Leadership Expectations Immersions have really helped me grow as a leader, they allow me dedicated time to work on my development and have given me really useful tools to improve both my own mindset and how I lead and support my team. I have learnt a lot from the other leaders on the course, and grown my network so I have more connections across the business who can help and support each other. I feel like my confidence as a leader has really grown through doing the Immersions, and I have a much clearer focus on my own development which has spread beyond the Immersions and made me curious to learn and grow even more.

Hannah Day from Credit Risk.



Apprenticeships

Our apprenticeship schemes provide support toward achieving a professional qualification, alongside valuable on the job experience. We track diversity across our apprenticeship intake, with specific monitoring for gender and ethnicity. We're proud that 20 colleagues have completed their apprenticeships this year, with a further 38 colleagues either at the beginning or part way through their apprenticeship journey. This year, we've also supported 6six colleagues to develop their management capabilities by studying for the Building Societies Association (BSA) Masters in Strategic Leadership, at Loughborough University.

Reward & recognition

It's important our colleagues feel recognised, valued and fairly rewarded for their contributions to supporting the Society deliver our Strategy. As part of their reward package, colleagues can access a range of benefits, including critical illness cover, private medical insurance, and a health cash plan. Benefits can also be flexed depending on individual circumstances.

Reward

In 2022 we continued to support colleagues by paying the Real Living Wage³⁹ as a minimum, completing the annual pay review and paying an annual Building Together bonus. In delivering our annual pay review, we took a one-off approach and awarded a fixed pay uplift of £1,000 per colleague; - this gave a greater percentage increases to our lower paid colleagues.

In addition, given the rapidly changing pay landscape we also took a number of additional steps to support colleagues, including:

- An early pay review for colleagues in 'front line' roles taking into consideration the external market - as a result, 740 colleagues received an average of a 10.6% raise.
- A one-off payment of £1,200 to support with the increasing and ongoing challenge with the cost of living, for colleagues' grade E and below.

Recognition

We were delighted to host our annual 'Raising the Roof' recognition awards in November 2022, to celebrate our colleagues achievements aligned to our behaviours and purpose. Over 400 nominations were received for colleagues across the business, 86 of whom were selected to attend the event by a judging panel of their peers and senior leaders.

'Raising the Roof' is in addition to our local recognition practices which include 'thank you' cards, electronic everyday thanks, and a budget for leaders to spend on 'on-the-spot' recognition.



HELPING WE SAY IT STRAIGHT HAPPEN

Being a finalist in the 'We Say it Straight' category was a surprise as I wouldn't say this behaviour is a natural strength of mine.

It was really uplifting hearing about all the amazing work that's going on across the Society and the great colleagues who are determined to make it happen. I'm really proud of the work I've done with the Diversity, Equity and Inclusion (DE&I) working group and loved that another colleague was a finalist in my category after he was inspired by the work we'd done. Being recognised for the conversations I've led around D,E&I really reinforces that YBS is serious about driving positive change. Winning was the icing on the cake.

Jenny Whitefield, We Say It Straight award winner



³⁹ The Real Living Wage is based on the cost of living, which is calculated by the Living Wage Foundation Charity. More information can be found [here](#).

Working model

As a business, we've been working hard to formalise our future 'Ways of Working' proposition, considering the positive impacts and learning from the last few years to inform our future approach.

We know that a blended working model benefits our members, teams and colleagues which is why we plan to retain a blended approach and keep evolving the model as the needs of our members and colleagues change.

...as a business we're committed to the redeployment of colleagues across the Society where possible, and last year 39% of vacancies were filled with internal candidates.

We've built our model on a set of guiding principles, instead of a mandated approach, to support leaders and colleagues to establish the best ways of working for them and their individual teams. Our approach continues to open up internal opportunities across the Society, especially for those who previously wouldn't have been able to change job due to location specific roles. We've adapted our offices to work better for colleagues when they are together for those moments that matter, through the improvement of collaboration spaces.

We've created guides and policies to better support colleagues and leaders, which will be launched in 2023.

Leaving YBS

Our training and development programme supports individuals to find new roles outside of the Society. However, as a business we're committed to the redeployment of colleagues across the Society where possible, and last year 39% of vacancies were filled with internal candidates. If a colleague faces redundancy, we have a number of ways we support them to seek alternative employment and our redeployment guide outlines how we actively

work to redeploy colleagues into internal roles. Where a colleague isn't able to find a position internally, we have a partnership with an outplacement service, and colleagues receive credits to support with retraining, job hunting and interview skills.

Moving to a hybrid of home and office-based working has continued to open up more opportunities for colleagues who live away from our office

locations. Alongside this, we also offer secondment opportunities, and our apprenticeship programme is also open to internal colleagues.

For colleagues nearing retirement, Fidelity, the Pension Trustee's pension scheme administrator, provides a programme of pre-retirement communications beginning with wake-up packs and signposting to Pension Wise - Money and Pensions guidance service - five years before the colleague's selected retirement date. Further communications are sent six months before the selected retirement date, or at any other time as requested by colleagues.



Diversity, equity and inclusion

We're strongly committed to diversity, equity and inclusion (DE&I) and aim to foster a culture of which we can all be proud and comfortable working in. This is a continuous journey and though there is always more to do, the Society has made good progress against our targets and in furthering initiatives this year, including exceeding our Board diversity target for representation of women.

Strengthening DE&I governance

In 2022 we agreed to strengthen our DE&I governance, redefining the three key groups that support the delivery of our DE&I Strategy:

- Firstly, the DE&I Forum, an established committee, receives quarterly progress updates on our DE&I strategy and momentum measures. Chaired by Executive sponsor Kate Ireland, Chief Internal Audit Officer, it now updates directly to the ESG Committee.
- Secondly, we've introduced the DE&I Working Group to drive initiatives linked to the DE&I strategy, including our commitment to attain the Race at Work Charter and Disability Confident Leader Level 3. This group, which meets monthly, has representation from the Senior Leadership Team (SLT) and Colleague Network Co-Chairs, and reports to the DE&I Forum on a quarterly basis.
- Thirdly, our five Colleague Networks (LGBTQIA+, Ethnicity, Women's, Accessibility, Parents & Carers) continue to deliver against the DE&I strategy, take ownership for key initiatives and provide insight into the Working Group and Forum. Each

Network has two SLT members who provide sponsorship and allyship. An additional two SLT members have monthly meetings with the Network co-chairs to raise any issues, which are then discussed at the DE&I Forum.

The Networks have been in place since May 2021 and are now firmly embedded within the organisation as a valuable way for our colleagues to support one another and help guide our policies and procedures. We also launched a new health and wellbeing allyship group ManKind in 2022. Over 300 colleagues are members of the networks, driving conversations that make sure everyone has the opportunity to talk about their lived experiences in a safe space.

We have an annual communications and events calendar supported by SLT members, who provide the Colleague Networks with guidance, as well as co-hosting or leading events. All communication activity is supported by the CEO, who launches our key awareness dates and events, for example Ramadan, National Inclusion Week, International Women's Day, Black History and Disability History months, Pride and Global Accessibility Day, to raise awareness and participation. This year,



we've seen blogs on topics as diverse as religious festivals, fertility, breast feeding, hearing loss, Pride and violence against women.



Over 300 colleagues
are members of the
networks.



Momentum measures

We've set out clear DE&I momentum measures, and we've met or exceeded five out of eight of the measures over the past 12 months to December 2022, including:

- Maintained the Woman in Finance Charter commitment of 50% women at level E and above
- Increased the % of Black, Asian and Ethnically Diverse (BAED) colleagues from 14.3% to 15.4%
- Increased the % of BAED colleagues at level E and above from 6% to 7.5%
- Increased the % of BAED colleagues seen as potential successors for Director roles from 6% to 11%
- Increased the % of women in IT from 36% to 37.5%

For the remaining three measures, we're putting plans in place to help us address the gaps in 2023. This includes reviewing our retention and attraction strategies to help us meet our targets for the number of:

- Men in Customer Services Customer facing roles (grade A, B & C) – in 2022 there was a slight reduction to 31.7% from 32.5% in 2021, which was below our target of 36%.
- Men in Branch (grade A, B & C) - in 2022 we increased from 17.1% to 17.7%, but this was below our target of 22%.

Our final momentum measure is to reduce the percentage of unknown data in our HR System, for colleagues disclosing if they have a disability and their sexual orientation. This figure slightly increased (from 44.4% to 47.7% of unknown), so we're developing an action plan to help close this gap in 2023.

Gender pay

Our 2022 Gender Pay Gap report is available on our website. The findings showed a narrowing of our gender pay gap against last year, with the mean difference in hourly rate falling from 28.1% to 25.7%. The make-up of our workforce continues to be the key driver of any pay gap, and a number of actions were taken following our 2021 report to address some of the imbalance. A major factor which contributed to the improvement year on year was through adapted recruitment processes, which saw an increase in the proportion of men occupying entry-level roles, particularly in our branch network.

Creating an inclusive workplace

With the support of our Colleague Networks and allyship, we've made great progress in 2022, culminating in winning the best Financial Services Organisation at the National Centre for Diversity Awards and coming third in their Top 100 Inclusive Companies list. We're also listed as one of the UK's Top 10 family-friendly employers by Working Families.

We updated 'Our Promise', which outlines our commitment to celebrating the diversity of our people and delivering lasting change for everyone, whoever they are. We also launched a new 'Unacceptable Customer Behaviour Policy', which focuses on the importance of colleague wellbeing and sets out a zero-tolerance approach to any form of discriminatory language or behaviour.

Our senior leadership team (SLT) receive a quarterly DE&I dashboard and have access to data on our HR System 'My Work Life', which tracks gender and ethnicity diversity in their team. The Talent

We're also listed as one of the top 10 family-friendly employers by Working Families.

Team support and help SLT improve diversity of their teams through attraction, retention and development initiatives.

During National Inclusion week in September, we launched our first DE&I focused engagement survey through Peakon. The survey established a baseline of colleague opinion and provided valuable insight into how we can create a more inclusive workplace.

A total of 62% of colleagues completed the survey. Participants told us we could do more around our recruitment process to attract and select a diverse workforce and improve opportunities for people of all backgrounds. We are committed to providing equal opportunities and are working towards a workplace that represents the societies in which we live and work. We believe this will result in better levels of diverse thinking across the organisation and is key to true innovation and growth for the Society.

Our results were shared and discussed at our DE&I Forum with the co-chairs of our Colleague Networks and our ESG Committee, and we've agreed three areas of focus:

- **Recruitment:** We'll be reviewing our recruitment processes to ensure we're doing everything we can to attract and retain a more diverse workforce. We need to understand more about how diverse talent progresses through our recruitment process and what more we can do to ensure we're reaching more diverse talent pools.
- **Opportunities:** We'll be reviewing how we assess and manage the great talent we already have, as well as ensuring we have transparent processes when it comes to talent mobility. We want all colleagues to have the opportunity to reach their potential and for the diversity of our teams to reflect the communities we serve.
- **Data:** We want to improve the collection and use of our colleague data. This will enable us to focus our initiatives where we can have the most impact, effectively measure the success of our DE&I initiatives and share our progress against our momentum measures.

Attracting the right colleagues

We're committed to championing diversity and ensuring our workforce is reflective of the society in which we operate. In 2022, we built on the work over the last three years around inclusive recruitment, including:

- Ensuring our adverts are free from gender bias and advertise on more diverse platforms.
- Pro-actively sourcing diverse candidates and working with our Colleague Networks to seek referrals for vacancies.
- Providing hiring managers with a balanced shortlist and supporting them to have balanced interview panels.
- Rolling out our strengths-based interview approach across all roles at grades A-E, with interview questions, activities and training to help hiring managers assess potential as well as capability.
- Guaranteeing an interview to candidates identifying as having a disability and meet the minimum criteria for the role.
- Working in partnerships with six education providers across West Yorkshire with high number of pupils from lower socio-economic backgrounds to deliver careers and financial resilience sessions, insight days at YBS and virtual work experience. More details can be found in the Community section of the report.
- Partnering with the EY Foundation in 2022 to support virtual work experience for students from low socio-economic backgrounds and ethnic minorities.



Progressing diverse talent

In 2022, we signed the Race at Work Charter, and with the support of Business in the Community (BITC), we've committed to completing the seven charter commitments throughout 2023.

As part of this commitment, we launched REACH, our Black, Asian and Ethnically diverse (BAED) leadership programme, to help address representation at senior management and director level. There are 12 colleagues completing the programme, which includes leadership skills workshops and senior leader and external mentoring.

We've also successfully piloted a reverse mentoring scheme to upskill leaders and colleagues in mentoring and coaching, with 92% of participants saying they would recommend it to colleagues. The most common outcomes identified from the programme are 'increased confidence/personal profile', 'expanded relationship network', 'learning new insight and approaches', 'support for proactive career development, planning, and progression'.

In 2018, the Society signed the Women in Finance Charter and set a target to achieve 50% of women in

senior management roles by June 2023. In December 2022, we reported 50% of our senior manager and senior leadership roles were held by women, demonstrating an increase of 1% over the previous 12 months period, and as of December 2022, women occupied 44.4% of Board level roles.



It's provided me with confidence in my ability to prepare, communicate, think strategically and to engage in challenging conversations from members of our most senior team. By realising my strengths, I get to understand my uniqueness, what motivates me and what I love to do.



Azir, Digital Product Owner.



Health and wellbeing

We offer a full suite of support across our four pillars of wellbeing – mental, financial, physical and social. This includes a number of Wellbeing resources and tools for colleagues and the promotion of various awareness days to encourage conversation, understanding and signpost support.

We conducted a Wellbeing survey in June which has helped us to better understand the needs of our colleagues and, in conjunction with a review of key data points, including absence rates and the underlying reasons for absence, we're in the process of developing our Wellbeing Strategy.

Our colleagues scored us 8.5 in the Wellbeing survey which placed us in the top 25% in the Peakon Financial Services survey, with colleagues positively referencing wellbeing check-ins with their managers, access to Bupa healthcare, our Employee Assistance Programme and flexible working practices as key highlights.

We work hard to support colleagues in balancing their work and home life. All colleagues, irrespective of length of service or time in role, can request a change to their working pattern. We offer 5 dependant's leave days to give parents and carers flexibility to be able to manage emergencies, and we also offer enhanced maternity, adoption and shared parental leave.

We were proud to launch a new Domestic Abuse policy which outlines our zero tolerance of domestic abuse. We've always supported colleagues who are victims or survivors of Domestic Abuse, but we've never before had a formal policy. We also engaged the domestic abuse charity, SafeLives, to train a group of Domestic Abuse First Aiders to support colleagues

in need and provided access to a domestic abuse webinar.

Mental wellbeing

Colleagues can access our confidential Employee Assistance Programme helpline and Unmind, an online platform with bite-sized learning and tools to promote overall wellbeing. We have Rest, Restore, Relax rooms at two of our main offices, and 18 mental health first aiders across the Society, who champion mental health and encourage people to think more proactively about positive mental wellbeing, whilst providing initial support and signposting in a crisis.

Financial wellbeing

We're committed to supporting our customers' and colleagues' financial wellbeing and providing real help with real life when people need it most. Whatever colleagues' personal financial situation, we provide easy access to a range of tools and resources to help them make the most of their money, develop a savings habit, or get help if they're struggling financially.

In addition, we've arranged a series of pension webinars to help colleagues plan for retirement at different stages in their life and created a financial wellbeing hub on our intranet with resources and practical support, such as calculators and budgeting tools.



We have Rest, Restore, Relax rooms at two of our main offices, and 18 mental health first aiders across the Society.



Social wellbeing

We continue to invest in a wellbeing programme focused on helping colleagues to create and keep connections in a hybrid working world. To support this, we championed a dedicated 'Wellbeing Week' in July and provided colleagues with access to interactive webinars, covering topics including neurodiversity at work and mindfulness. We also continued with our annual 'Cuppa and Catch-Up' event, encouraging colleagues to reconnect in person or virtually.

Nowhere is our 'We care about people' behaviour more evident than in the positive contributions colleagues make to the communities we serve. Each colleague is encouraged to get involved in fundraising and volunteering using their annual 31 hours (pro-rata) paid volunteering allowance.

Volunteering isn't just about giving back to our local communities, it's also about learning new skills, giving colleagues a chance to challenge themselves to do something new and gain new experiences, helping them reach their learning and development goals. Each of our volunteering opportunities enables colleagues to share their skills, knowledge and expertise with charities and schools, such as becoming a trustee, school governor, or by supporting a charity or good cause through pro bono activities.

You can read more about this in the Local Community Support section of the report on page 28.

Physical wellbeing

We continue to support colleagues with their physical health through education to help individuals and leaders confidently discuss topics such as infertility and menopause. Alongside this, colleagues have access to Bupa webinars on key topics such as self-care, resilience, exercise and nutrition. All colleagues were again given access to Bupa's flu vaccine programme for the 2022 winter months.

In addition, our diversity, equity and inclusion network groups lead conversations in relation to physical activity and its positive effects on mental health, and menopause, providing a safe space for individuals to discuss with like-minded colleagues.

Health and safety

We're committed to taking due care of our colleagues, customers, contractors, visitors and others who may be impacted by our activities, and we seek commitment from all associated with YBS to display the same high standards. We intend to achieve compliance with statutory standards as a minimum, with the aim of achieving best practice where possible and provide a commitment to preventing injury and ill health.

We aim to develop a culture and environment where continuous improvement in fire, health, safety and wellbeing performance is integral to our activities. We empower all colleagues to constructively challenge unsafe behaviours when they occur, and to use equipment and processes intended to prevent them and others coming to harm.

H&S incident reporting

Accidents and near misses are reported centrally to the Property Helpdesk where details of an incident are logged on the YBS CAFM (Computer Aided Facilities Management System) and sent to the H&S team to investigate.

We've created a culture whereby colleagues know how and why it's important to report accidents and near misses. This is reinforced through annual mandatory learning and intranet posts. Accidents and near misses are reported quarterly as part of the Health, Safety and Environment Forum, where colleagues from across

Volunteering isn't just about giving back to our local communities, it's also about learning new skills...

the business, including senior managers, attend for an update on H&S activity and performance and to raise any concerns. All colleagues are welcome to attend

the Forum and the meeting pack is published on the Intranet.

Accidents and Near Misses are provided to the Union on a monthly basis for visibility and review. H&S performance, including accidents and near misses, are reported annually as part of the annual H&S Review, which is attended by the Chief Executive and other senior managers in the business.

2022 accident and near miss summary

Health and Safety performance can't be measured entirely on accident figures. At all times we promote a positive Health and Safety culture, which encourages colleagues to report all accidents and near misses. This allows us to monitor trends and act promptly to identify control measures. We'll always get reports of accidents through human error or where no fault can be pinpointed, but the vast majority of workplace accidents at the Society result in no first aid, further treatment or time off work. We also include "Natural" accidents where the person may have a pre-existing condition leading to them becoming unwell in the workplace.

- Total incidents (accident and near miss) reported in 2022 (82) are down 23% on 2021 (107).
- Accidents reported in 2022 (69) were down 27% on 2021 (94).

Near misses reported in 2022 (13) were equal to 2021. The H&S team continue to promote the importance of reporting Near Misses. This is reinforced through mandatory learning. Near miss reporting gives us valuable information on potential issues and allows us to deal with incidents quickly.

BUILDING A GREENER SOCIETY

- Pathways to net zero
- Sustainable homes
- Impact of climate change



BUILDING A GREENER SOCIETY

We have a vision to build a greener society, which is a key component of our ESG strategy. We acknowledge the financial services industry must act now to help mitigate, and support the risks posed by climate change, so, we're enhancing our capabilities and processes to integrate high environmental standards into all relevant business operations.

Our climate strategy is underpinned by our commitment to help our customers find *a place to call home*, whilst reducing the environmental impact of our operations. Fundamentally, the Society believes the transition to a net zero economy should be fair and accessible to all. We have split the requirements of stakeholders into three themes: pathways to net zero, sustainable homes and the impact of climate change.

ESG THEME	PROGRESS IN 2022	NEXT STEPS
Pathways to net zero	-79% operational carbon footprint reduction	We are committed to continually reduce our carbon footprint We are working on a net zero transition plan to achieve net-zero on scope 1 and 2 emissions by 2035 and net zero on scope 3 operational emissions by 2050
Sustainable homes	56% total EPC data coverage	We will measure EPC ratings to understand our current mortgage portfolio and will continue to support customers to make better environmental choices and develop products to support them
	39% EPC Grade C or above	
	We launched our first energy-related product, supporting customers to retro-fit their homes	
	12,851 people helped into an energy efficient home	
Impact of climate change	97.4% of waste diverted from landfill	We aim to maintain a minimum annual landfill diversion rate of 97%
	100% renewable energy	We will continue to buy renewable energy to maintain a 100% renewable operational energy supply in line with RE100 requirements



Our mission and ambitions

As part of our commitment to robust ESG governance, our ESG committee is responsible for monitoring progress against our existing climate strategy. This includes identifying and evaluating potential opportunities and risks arising from climate change, and implications for delivery against our purpose, wider ESG and commercial agendas.

In 2023 we'll be forming a new Environmental Sustainability team, which will sit in the Balance Sheet Management function. This will strengthen our ability to drive forward our environment strategy to Build a Greener Society.

We've identified opportunities designed around three pillars:

ONE:

Ensuring the Society manages its operational carbon emissions year on year

TWO:

Promoting and embedding knowledge and awareness of carbon literacy into our working culture

THREE:

Understanding and supporting the risks and opportunities climate change presents to our customers



In 2023 we'll be forming a new Environmental Sustainability team...



Pathways to net zero

Disclosures and progress

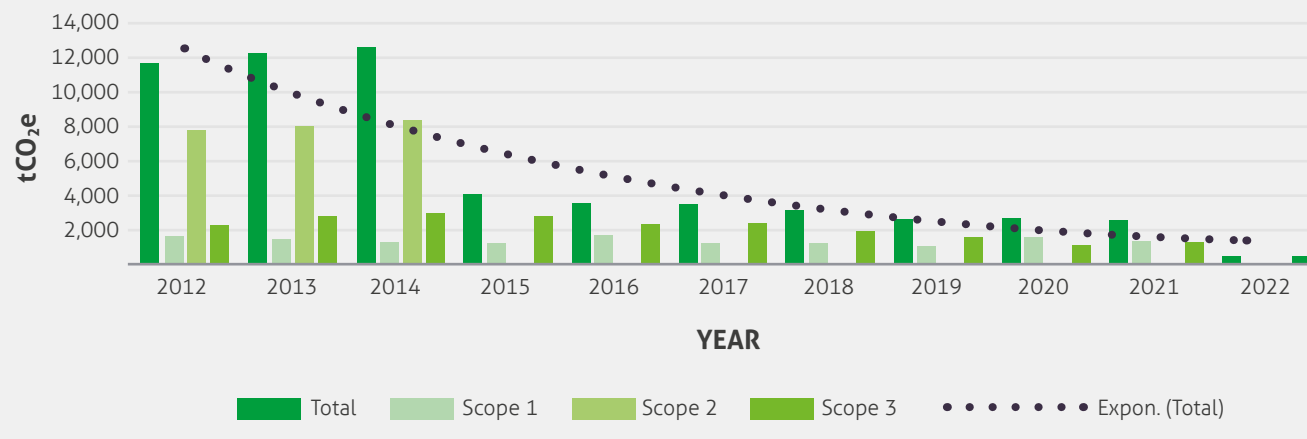
The Society's 2022 carbon footprint is **416 tonnes of carbon dioxide equivalent (tCO₂e)**, which represents a **79% reduction on 2021**.

Overall, since our first disclosure in 2012, we've reduced our operational carbon footprint by 96% through a commitment to proactive action. This is a great achievement; but we can and will do more to transform our carbon reporting and drive further reductions to better manage the effects of climate change.



Scope 1	Scope 2	Scope 3	Outside of GHG Protocol scope
Direct emissions from owned sources such as emissions from the Society's fuel usages.	Indirect emissions from the generation and consumption of purchased electricity.	All other indirect emissions that occur in our value chain such as emissions from using the National Grid to power our estate.	Emissions resulting from the combustion of bioenergy for power and heating.

Operational carbon footprint (inc. scope 3) 2012-2022



Our Operational Footprint ¹	2012 ²	2013	2014	2015	2016	2017	2018	2019	2020	2021 ³	2022
	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
Scope 1	1,662	1,480	1,315	1,290	1,233	1,133	1,235	1,029	1,613 ⁴	1,309	8
Scope 2	7,868	8,076	8,439	-	-	-	-	-	-	-	-
Scope 3 ⁵	2,264	2,877	3,009	2,811	2,318	2,367	1,932	1,598	1,094	645	408
Total	11,794	12,433	12,763	4,101	3,551	3,500	3,167	2,627	2,707	1,954	416

- The Society uses the market-based methodology to report its carbon emissions however you can find our location-based carbon footprint on page 84.
- To set the carbon reduction benchmark, the pre-2019 carbon footprint figures have been updated to include current modelled Scope 3 data. All previously reported carbon emissions have increased as a result of this exercise.
- 2021's carbon footprint has been updated to include actuals figures rather than the estimates for final month/quarter amounts included in the 2021 disclosures. Calculations were also altered to reflect the 2022 carbon footprint's calculation methodologies. See P126 in the Director's Report within the [Annual Reporting Accounts 2022](#), for more information.
- 2020 scope 1 emissions were higher due to the additional ventilation and heating requirements of making our offices and branches COVID-safe.
- You can find a full breakdown of scope 3 emissions within the appendix of this report, on page 84.

Reducing scope 1 & 2 emissions

In 2021 the Society set the ambitious commitment to achieve operational net zero on Scopes 1 and 2 by 2025. Since then, we've reduced scopes 1 and 2 to 8 tonnes of carbon dioxide equivalent (tCO₂e).

We achieved a 99% year-on-year reduction by transitioning to a 'Green Gas Supply'. However, due to changes to guidelines which restrict carbon offsetting, our 2025 target is no longer attainable alongside the Society's purpose to provide Real Help with Real Life. So, in 2023 we'll develop a new strategy to achieve operational net zero for scopes 1 and 2 emissions by 2035, or before. The new strategy will also define how we achieve operational net zero for scope 3.

We've reviewed our property estate and, whilst air or geothermal heat pumps aren't practical for a number of reasons, we'll upgrade to heat pumps where possible. We have maintained our 100% green gas and 100% renewable energy supply, representing a positive step toward reducing our operational emissions.

Tackling our scope 3 emissions

There are significant challenges in data collection and verification for scope 3 disclosures, particularly when there is a heavy reliance on third party suppliers or EPC data. The Society continues to explore opportunities to improve data collection to measure and reduce emissions, and in 2022, we enhanced our capability to measure financed emissions, supply chain and capital project waste (property and IT).

We're committed to achieving net zero on operational Scope 3 emissions by 2050 and are currently undertaking further work to calculate our emissions in relation to commercial and residential lending. We're also committed to producing high quality information that has integrity and is useful to our stakeholders and are pleased to share our current scope 3 emission disclosures to date and are dedicated to achieving full disclosure by 2025. You can find our scope 3 reporting progress table on page 84.

“...we are currently undertaking further work to calculate our emissions in relation to commercial and residential lending.”



Sustainable homes

Helping our customers transition to net zero

The Society believes the transition to a net zero economy should be fair for all customers. However, the pace at which UK climate regulation is progressing, in order to meet the Government's 2050 net zero target has the potential to outpace our customers' ability to improve the energy efficiency of their homes.

To understand the impacts and opportunities of moving towards a net zero economy for our customers, we perform temperature alignment exercises, utilising the Intergovernmental Panel on Climate Change (IPCC) climate scenarios, alongside guidance from the Science Based Target Initiative (SBTI). The SBTI feasibility study demonstrated our mortgage portfolio is expected to perform well from an environmental perspective over the coming decades if proactively managed through the launch of socially minded green lending propositions and supporting customers to improve the energy efficiency of their homes.

Energy Performance Certificates (EPCs)

The Government (Department for Levelling Up, Housing & Communities) estimate 60% of dwellings in England and Wales have a recorded EPC. In 2021, we began to capture EPC data for properties on the mortgage book. In 2022, we captured EPC data for 56% of our residential mortgage book. That data showed 39% of residential properties have an EPC rating of C or above, compared to the 42% active EPCs recorded by the Government.

We'll continue to improve EPC data collection, which will ultimately help us understand the financial impact of climate change, our scope 3 financed emissions and how we can further help customers.



56%

Residential
EPC Data
Captured

39%

EPC Grade C
or above

Green Solutions

As part of our commitment to helping all our customers transition to net zero and improve the energy efficiency of their homes, we're creating a customer net zero transition plan aligned to our purpose, and to support those with the highest transitional risk exposure.

Over 2022, our Savings and Mortgages teams have been exploring the green propositions market, using existing capability and focusing on providing customers and members with knowledge and information to save energy, whilst potentially saving money too.

We launched an easy-to-use online Energy Saving Tool, created by the [Energy Saving Trust \(EST\)](#) to help inform members and customers how to use less energy. Customers answer questions about their home to generate an energy reduction action plan, with nearly 2,000 customers and colleagues creating a plan since the tool launched in November.

We also launched two green related products – an Energy Saving Awareness Bond and an Energy Related Additional Loan to help customers improve energy efficiency within their homes.

- Our Energy Saving Awareness Bond provides customers with free energy saving tips via the online EST portal. Over 1,000 customers opened up an Energy Saving Awareness Bond allowing us to increase their awareness and knowledge around energy efficiency in the home over the course of the bond.
- At the end of the year, we launched our Energy Related Additional Loan, which rewards existing customers with a discounted rate for making energy related home improvements; 50% of the loan must be used on energy improvement measures, for example, loft insulation, cavity wall insulation, double/triple glazing, solar panels, or a heat pump.

Our Energy Saving Awareness Bond provides customers with free energy saving tips via the online EST portal.



Impact of climate change

Identifying the risks

The financial risks arising from climate change can be broadly categorised as either physical or transitional. Physical risks are changes to the natural environment that may damage the integrity of a property, in the UK for example, the key physical risks are flooding, coastal erosion, and subsidence. Transitional risks result from changes in policy as the UK moves toward a lower carbon economy, for example, the proposed UK Government regulation 'Improving home energy performance through lenders'.

To make sure that these risks have minimal impact on our members and the Society, we have incorporated potential risks into our future modelling and business plans. You can read more about how we manage our climate change risks on page 29-35 in the [2022 Annual Report and Accounts](#) and also in our [Environmental and Climate Change Risk Policy](#).

Yorkshire & Humber Climate Commission

In 2021, the Society joined the Yorkshire and Humber Climate Commission (YHCC), which brings together a team of climate leaders from across the public, private and third sector, to help the region reduce its carbon emissions as quickly as possible, so people in Yorkshire can cope with the growing climate change risks and encouraging fair and inclusive actions that leave no one and nowhere behind.

In addition, the Society continues to support the Leeds Climate Commission.



Colleague engagement

Our colleagues understand that they have an important role to play in reducing the effects of climate change and we've actively worked to improve colleague engagement in this area. In 2021, we launched an internal climate awareness strategy and tool pack, providing information on how colleagues can reduce their environmental impact whether working at home or in the office. In 2023, we're aiming to estimate the carbon emitted by colleagues when working from home and commuting to the office.

Other examples of our commitment to colleagues include a cycle-to-work scheme, 0% interest season ticket transport loans, and electric vehicle (EV) leasing opportunities for colleagues who don't drive a company car.

Our vehicle fleet

In 2021, we introduced an emission cap on our fossil-fuelled company vehicles of 160g CO2/km, and we're on target to move to a low emissions vehicle fleet. We'll move to a fully electric fleet as soon as it's operationally practical, and from 2025, all new fleet vehicles will be hybrid or fully electric.

Managing our waste

The Society is committed to a 97% landfill diversion rate. We met this target in 2022, with only 2.6% of waste sent to landfill. The rest was recycled, recovered, re-used or composted.

In our canteen at our Yorkshire Drive office, we don't use any single use plastic. In 2022 we introduced Vegware, a plant-based product which is compostable. This means that 105,000 items are now going with our food waste to be composted rather than going into general waste. We also introduced Tork Blue Roll, saving 250kg of waste and reducing paper from blue

hand towel roll, which is used to clean our canteen, by 35%.

The Society now includes capital project waste within the scope 3 disclosure, which has resulted in an increase in waste of 77.1 tonnes. In 2022, we generated 402.6 tonnes of waste from operations and capital projects. You can view a full breakdown of our waste on page 83.

Embedding climate into our policies

We've developed a rigorous [Environmental and Climate Change Risk Policy](#) and [Environmental Management Manual](#), which explains our approach to environmental and climate change risk, compliance, and protection issues, and the management framework that sits behind our broader climate strategy.

It's reviewed annually at our Executive Risk Committee, and our [Environmental and Climate](#)

[Change Risk Policy](#) can be viewed on our website. We've also enhanced our Enterprise Risk Management Framework to include climate change risk, with more detail available in the Risk Management Report within the [Annual Reporting Accounts](#).

We've updated our Commercial Lending Policy to reflect our position on lending to sectors with a heightened climate risk. Our commercial arm doesn't engage in project finance, but instead lends on commercial property, and we're committed to not directly lending to Oil & Gas, Electric Utilities, Metals & Mining, Chemicals, Quarrying, Landfill, Airlines, Aerospace and Shipping.

This principle applies to all direct lending, but not commercial buy-to-let lending, where landlords may potentially let their commercial properties to tenants operating in these sectors. We'll continue to strengthen our Commercial Lending Policy to reduce our impact.



The Society is committed to a

97%

landfill diversion rate

OPERATING RESPONSIBLY

- Ethics, compliance and accountability
- Data privacy and information security
- Responsible supply chain



OPERATING RESPONSIBLY

A commitment to responsible business operations is key to everything we do. We ensure that we have the right governance process and procedures in place to protect customers, colleagues and the Society from potential risks and to meet regulatory requirements.

In 2022, we continued to invest in reducing our operational risk, with cyber security, financial crime controls, GDPR compliance, and the upgrade of legacy systems among our key strategic priorities. We'll invest further in transforming our capabilities, and in the resilience of our networks, data, controls, and payments systems in 2023 and beyond, as we enter the next phase of our transformation programme.

Ethics, compliance and accountability

Our stakeholders expect us to have high ethical standards, adhere to regulation and openly disclose our performance. This section of the report outlines our approach to meeting these expectations and we have provided links to a number of policies and procedures that we have in place to provide further information.

Our Trust Code

Over the last few years', we have built up a substantial list of documents on the [Our Policies](#) page of our website, covering a wide range of policies, HR statements and supporting documents. The purpose of the page is to improve transparency and demonstrate to our stakeholders that we have the appropriate policies and processes in place to manage the business effectively.

Following a recent review, the decision was made to discontinue our Ethics Policy. Although an official organisational Policy, its purpose was unique in that it was simply a summary of other policy documents. Through the publication of our first ESG Report in 2022 and following the publication of documents on Our Policies page, we' are satisfied that the contents of the Ethics Policy has been effectively covered and communicated externally. In its absence, and in addition, we have recently published [Our Trust Code](#) externally, which sets out the regulators rules and code we use to shape our culture and behaviours. Our Trust Code is supported by mandatory training for colleagues.

We'll continue to expand our document library on Our Policies page, as well as continue to improve our transparency and disclosures through our ESG Report.

No existing policies have or will be amended due to the discontinuation of the Ethics Policy.



Human rights

The way we do business, including how we interact with our customers, colleagues and communities, and manage our supply chain, shouldn't negatively impact the human rights of others. Tackling Modern Slavery and Human Trafficking (MSHT) is a fundamental part of supporting human rights. The Society's Financial Crime policies as well as other relevant policies such as Vulnerable Customer, cross reference the risks of Modern Slavery. All policies are reviewed annually to ensure that we have the right processes and procedures in place to question, identify and report anything that may be leading to harm.

The Society publishes a [Modern Slavery Act Transparency Statement](#) on our website annually, detailing steps taken to prevent and enhance oversight of MSHT throughout the business.

In 2022, following a full review of MSHT governance, the Society created a new cross-function Forum, enabling input and feedback from a wide range of representatives.

We have mandatory learning for all colleagues, with additional, individualised training targeted on areas of high risk, such as branches and Commercial Lending. Until 2022, our focus on identifying modern slavery was entirely outward facing – i.e. customers and supply chain management via procurement. Last year, we included in scope our own workforce; prioritising colleagues at the most vulnerable end of the spectrum and trained people leaders to recognise red flags in their teams. Our objective is to continue with personalised training to improve awareness of Modern Slavery in 2023.

One of our key objectives was to educate colleagues in the different forms of MSHT in the UK. To do this we published regular blogs on the intranet on

different aspects of MSHT. We invited the Children's Society to present a session on the dangers of financial exploitation of children, a really useful topic for branches. We also used Anti-Slavery Day to heighten awareness of MSHT in the UK and the impact of the war in Ukraine on it.

KPIs have been developed alongside improved Management Information (MI) to track progress, impact and areas for improvement.

As part of the Modern Slavery Act Transparency Statement, the Society has published 5 pledges, setting out our ambitions for 2023, these are:

- **Pledge 1** - Provide ongoing Modern Slavery training and support to the businesses, with a higher likelihood of identifying Modern Day Slavery.
- **Pledge 2** - Fully embed Modern Slavery within the financial crime risk assessment of suppliers.
- **Pledge 3** - Determine and implement the appropriate approach to Modern Slavery risk within the first line of defence oversight of higher risk areas.
- **Pledge 4** - Support people leaders in the highest risk areas to manage any identified colleague related Modern Slavery risks.
- **Pledge 5** - Ensure the Society's approach to modern day slavery MDS remains appropriate, given the Society's strategic direction and the external environment. Enhance this by using insight from external sources.

More information can be found in the latest version of our [Modern Slavery Act Transparency Statement](#).

Cybersecurity

As we increasingly rely on digital services, we'll inevitably see increased cybersecurity events and attacks, particularly across financial services organisations.

Protecting the Society and our members from the consequences of cyberattacks or cybercrime is very important to us, so maintaining robust cybersecurity defences and incident response processes is a top priority. Our aim is to minimise risk by keeping our controls in line with emerging threats. As set out in our [Information & Cyber Security Policy](#), we take a proportional and risk-based approach, and implement up-to-date, robust and effective security controls.

To mitigate these threats, we started our Security Improvement Programme in 2021, with an investment of £14 million up to the end of 2024. The programme has so far delivered control and capability improvements across the Security Monitoring, Identity and Access Management, and Vulnerability Management spaces.

Every colleague is regularly trained on cybersecurity, as we're all responsible for protecting the Society and our members. We encourage our customers to remain vigilant and protect themselves by keeping their details safe, regularly checking their accounts, and reporting any suspicious transactions as quickly as possible.

...we started our Security Improvement Programme in 2021, with an investment of £14 million up to the end of 2024.

Financial crime

We operate in a constantly evolving financial crime threat environment. Our policies and procedures are set to ensure compliance with legal and regulatory obligations, including Fraud, Anti-Money Laundering, Counter Terrorist Financing, Sanctions, Market

Abuse, Anti-Tax Evasion facilitation and Anti-Bribery and Corruption. We aim to operate a hostile environment for cyber criminals by having the necessary systems and controls in place to protect our colleagues, members, the Society and the wider sector from the impacts of financial crime.

As an industry, we continue to see unprecedented changes in regulatory reform, with evolving crime threats showing no signs of slowing down. The UK's Economic Crime Plan, Payment Service Regulations, and the Suspicious Activity Reports (SARs) reform, aim to strengthen the UK's defences and ensure UK financial services continue to keep pace.

Businesses and individuals remain a key target for fraudsters, and this is expected to continue in the current economic climate. The Society has continued its partnerships with industry bodies such as UK Finance and BSA, educating colleagues through mandatory and targeted training, and sharing cross-

industry intelligence to help protect our members and the wider industry.

We communicate our [Financial Crime Policy](#) to colleagues via the intranet and mandatory training, and provide summaries of key changes to wider stakeholders, where necessary. The Financial Crime

Standards are designed to set out the requirements for different business areas, supported by risk assessments which identify systems and controls requiring further enhancements, to comply with the Board approved risk appetite.

We continuously review our approach to

financial crime and invest in improvements to our capabilities, service provision and protection. Our Financial Crime Vision and Strategy further supports the protection of customers and the Society, with further investment in solutions planned for 2023.

Whistleblowing

We advocate a culture of openness, accountability, and integrity so colleagues can feel confident to report and raise genuine concerns through our Whistleblowing process. Whatever the outcome, nobody will be victimised, subsequently discriminated, or disadvantaged for reporting a concern. We have a clear process set out in our

Whistleblowing Policy, which is approved by our Board annually.

In 2023, we'll continue to provide whistleblowing training to all colleagues and publicise the availability of whistleblowing channels, to encourage awareness and support a culture of speaking up.

Lobbying

Our lobbying activity is covered by a [Political and Public Policy Engagement Policy](#), owned and overseen by our Executive Committee. The policy sets clear governance for the Society, including colleagues and YBS representatives, when engaging with political stakeholders.

The policy supports necessary political engagement in a transparent, responsible, and impartial way; however, we don't engage in lobbying unless it's in the legitimate interests of the Society and its members. We also publish a Political Engagement Log detailing our engagements with senior external political stakeholders.

We continually review the policy, considering ways to further enhance and promote transparency and impartiality in political engagement on areas central to the Society's objectives and purpose, like housing, financial resilience, and financial education.

Consistent with our political impartiality, we don't make political contributions, but are members of a number of trade associations and industry groups, some of which may engage with political stakeholders on topics relevant to us. A list of these memberships can be found in Section 4 of the [Political and Public Policy Engagement Policy](#) document.

We advocate a culture of openness, accountability, and integrity so colleagues can feel confident to report and raise genuine concerns through our Whistleblowing process.

Risk, audit and internal controls

We recognise effective risk management is essential for the Society to grow and achieve our commercial aspirations. We operate under our Enterprise Risk Management Framework (ERMF), which is reviewed and approved annually by the Group Risk Committee and provides a consistent and effective way of managing risk across the Society.

The key elements of risk management include the assessment, control, monitoring and reporting of risk. We operate a three lines of defence approach towards risk management, to differentiate between those:

- With direct responsibility for the management and control of risk.
- With responsibility for defining the ERMF, communicating requirements and independently monitoring adherence through oversight activity, on behalf of the Board.
- Providing an independent and objective opinion to the Board on the adequacy and functioning of the system of internal control.

You can find further information on our risk and audit functions in our [2022 Annual Report and Accounts](#).

Executive remuneration

The Society's remuneration policy ensures that colleague remuneration reflects the market rate, skill and experience required for any given role. This applies when the Remuneration Committee considers executive remuneration, where it is necessary to attract and retain Executive Directors of the required calibre to lead the business and effectively execute the Society's strategy for the benefit of our members.

Variable pay for Executive Directors is divided into

two sections, reflecting two different variable pay schemes they can participate in. Each year specific metrics are proposed by the CEO and Executive Committee, with ESG indicators accounting for 30% of our 'Leading for Value' bonus scheme. The Remuneration Committee and Board are responsible for approving these targets and for assessing performance against each metric to determine the bonus outturn. You can find further information regarding our remuneration schemes in the 2022 Directors Remuneration Report.

Building Together Scheme

The Society's variable pay scheme – Building Together - rewards annual performance against

challenging financial and customer measures as well as key individual objectives. All colleagues participate in this scheme, which is driven by 3 key factors, with this year's measures summarised below:

- **Financial performance:**
 - Core Profit Before Tax.
- **Customer Experience:**
 - Society's Net Promoter Score.
- **Individual performance:**
 - Personalised key individual objectives.



Leading for Value Scheme

The Society’s variable pay scheme - Leading for Value - rewards annual performance against progress towards long-term, strategic objectives, creating sustainable and long-term member value and protecting colleague interests in line with our company values.

All members of the Senior Leadership Team are eligible to participate in the scheme, which is driven by 3 key factors, with this year’s measures summarised below:

- **Delivery of key milestones linked to our strategic blueprint: 40%**
 - Aligning account opening times with customer needs.
 - Improving access to mortgage lending.
 - Improved mortgage decisions.
 - Simplification of services for Savings accounts.
- **Delivery of measurable and targeted financial value for members: 30%**
 - Improving savings returns for customers.
- **Performance against our ESG priorities of colleague engagement, diversity, equity and inclusion, climate and social impact: 30%**
 - Developing digital employment skills.
 - Financial education and increase awareness in local communities.
 - Creating a more diverse representation at manager level and above.

The 2023 Leading for Value scheme ESG measures include:

- **Community:** Expanding our Citizens Advice programme to help more people.
- **Inclusion:** Broader and better integrated inclusion, as measured by Peakon survey.
- **Engagement:** We actively listen to and understand how colleagues feel, as measured by Peakon survey.
- **Climate Risk:** Continue our journey towards TCFD compliance in the 2022 ARA, incorporate additional EPC rating disclosures on the residential book in the 2022 ARA and deliver the agreed milestone in our 2023 plan against overall climate.



Tax

Tax contribution

As a mutual and a UK commercial organisation, we understand our responsibility to contribute to the local and national economy through the collection and payment of taxes.

Corporation tax and banking surcharge taxes of over £120.9m have been paid on the profits of our business for the year to 31 December 2022 (2021: £67.1m, restated net of £1.5m Research and Development Expenditure Credit claimed in Dec 2022). In addition, £3.6m of business rates was paid in respect of the national branch network (2021: £4.4m) and irrecoverable VAT of £23.0m (2021: £20.8m) was incurred.

As a significant employer of over 3,100 people nationally, we also collected and paid to Treasury over £41m of payroll related taxes and levies (£13.0m of which were employer related and £28.7m were employee related) (2021: £37m) on behalf of our colleagues.

Tax transparency

It's a key principle that YBS maintains complete transparency with our stakeholders on our Tax Strategy. Tax planning is only undertaken, where appropriate, to support commercial activity and in pursuit of business opportunities for the Society. We've adopted the Code of Practice on Taxation for Banks ('the Code'), which means we seek to minimise tax risk, in line with the Code, and tax planning is only proposed when tax, accounting,

regulatory and legal implications have been evaluated and found to be in accordance with the Code.

We maintain a pro-active, open and professional working relationship with HMRC and are willing to co-operate with HMRC on any reasonable enquiry into any activity relevant to our tax liabilities. In addition, we'll approach our HMRC Customer Compliance Manager in real time in relation to any significant areas of tax risk and will constructively discuss anything with them in an open manner.

As a mutual and a UK commercial organisation, we understand our responsibility to contribute to the local and national economy through the collection and payment of taxes.



Data privacy and information security

We're committed to complying with data protection laws and recognise our regulatory, ethical and contractual responsibility to protect and safeguard the personal information of colleagues, customers and suppliers.

Accountability lies at the most senior management level, our Board. They're supported by our Data Protection Officer, who advises and provides assurance on our compliance with data protection laws. Our dedicated Data Protection Team works in partnership with other business areas to maintain compliance with all our Data Protection obligations.

Our Data Protection Framework is based on the Information Commissioner's Accountability Framework, which outlines measures needed to demonstrate that we're meeting regulatory expectations. The framework offers a strategic overview of how we protect personal data. It references the principles, rights and obligations that apply to all stakeholders, and is made up of a Data Privacy Policy, supporting policy guides, processes, standards, procedures and records to evidence our compliance. We review the framework regularly to ensure it continues to reflect changes to data protection laws and best practice, and we also measure against it to identify improvement opportunities.

The privacy and data protection impacts on our customers, colleagues and suppliers are considered from the design stage of any system, service, product or process. This year we've reviewed and updated our fair processing notices, which cover how and

why personal data is used, to make them even simpler, a key requirement under our Data Protection transparency obligations.

All colleagues receive comprehensive data privacy and protection training when they join the Society, followed by annual refreshers. Our training covers the Data Protection Framework's key principles and obligations, as well as highlighting colleagues' own responsibilities for the protection of personal data as part of day-to-day activities. Colleagues are trained to spot and report a data protection breach, or how to recognise a customer's request to exercise their rights. Bespoke training is tailored to colleagues in specialised roles, and we provide useful resources on our intranet so there is always help at hand.

Our Data Steward network plays a pivotal role in empowering colleagues to manage data and information, data privacy and protection in their own business areas, championing good data management practices.

Our Data Breach Management Standard details acceptable practices and behaviours for colleagues when dealing with actual or suspected personal data breaches. This ensures the Society's compliance with applicable laws and protects individuals,

customers and the business from any harm. This year we conducted a Data Breach simulation supported by external consultants and have enhanced our processes further based on learnings from the exercise.

Last year we reported that the latter part of 2021 saw major developments in data protection, likely to have a significant impact on data privacy and protection. The Department for Digital, Culture, Media & Sport (DCMS) issued a consultation document, 'Data: A new direction' signalling an overhaul of the UK's data protection regime and the removal of some alignment with the EU GDPR.

The reforms, which aim to boost trade, reduce

barriers to data flows and administrative burdens, and reform the supervisory body, were paused in September following a change in Government. In October the Secretary of State for the DCMS announced plans for a new 'British data protection system'; no further details were given, and legislative change remains uncertain. We'll continue to monitor changes, and update our framework, policies and procedures accordingly.

Further details on our approach to managing and protecting data can be found in our [Information Management Policy](#).

Our Data Steward network plays a pivotal role in empowering colleagues to manage data and information, data privacy and protection in their own business areas, championing good data management practices.

Responsible supply chain

We're committed to the highest standards of integrity and social responsibility and treat our suppliers in a fair, ethical and responsible manner. We expect our suppliers to comply with all legal and regulatory requirements and demonstrate the highest levels of honesty and integrity. Our Standards for Suppliers document sets out our minimum expectations in terms of compliance, which include topics such as Modern Day Slavery (MDS), Health and Safety, Data protection and management, and protecting customers. YBS requires suppliers to comply with these standards (where applicable) and ensure that suppliers involved in their supply chain also comply with these standards. You can read our Standards for Suppliers [here](#).

The Supply Chain function competitively purchases goods and services on behalf of the Society, avoiding unnecessary costs, delivering value for money and give support for wider strategic objectives. Specifically, our Supply Chain function is responsible for:

- Sourcing and purchasing goods and services through sustainable procurement best practise.
- The Society's [Procurement, Outsourcing and Third-Party Risk Management policy](#).
- Third party risk management.
- Oversight of the management of the Society's most critical suppliers.

We recognise that as an organisation with a significant supplier spend, we have a responsibility to promote change. In response to this, our Supply Chain function are beginning to include ESG requirements into our supply chain evaluation



process. In 2021, we did an in-depth review of the environmental credentials of our top 100 critical suppliers, to create an input and output model to measure emissions accrued from the outsourcing of systems, people, and purchases. As a result, we've targeted areas of the business which rely heavily on physical goods, such as Property, providing extra methods for calculating emissions on a capital project.

We're also developing our capability and governance practices for monitoring and managing supply chain emissions. The new net zero strategy being developed in 2023 will also define how we implement solutions to improve supply chain emissions.

Last year, our supply chain and procurement standards were elevated, to ensure that all of our material suppliers – those that are considered high-risk through our third-party risk management processes – have the correct procedures in place to prevent Modern-Day Slavery. Following a review of our material suppliers, those with a turnover of over £36m, all of them confirmed they have an MDS statement in place, in line with UK law.

We have also introduced a process to request 4th party MDS Statements from material suppliers at tender and contract renewal stage, requiring them to have a statement in place and also be aware of their material supplier's 4th party MDS Statements.

Global Reporting Initiative Context Index

Statement of use

Yorkshire Building Society has reported in the information cited in this GRI context index for the reporting period 1 January 2022 to 31 December 2022 with reference to the GRI standards. This report is in alignment with the reporting in our Annual Report and Accounts.

The Global Reporting Initiative provides a comprehensive set of standards that enable us to report on all key activities against a universally recognised framework. We will continue to expand our disclosures to further improve our transparency and meet stakeholder expectations.

GRI Standards Used

GRI 1: Foundation 2021
 GRI 2: General Disclosures 2021
 GRI 3: Material Topics 2021:
 GRI 201: Economic Performance 2016
 GRI 205: Anti-Corruption 2016
 GRI 207: Tax 2019
 GRI 302: Energy 2016
 GRI 305: Emissions 2016
 GRI 306: Waste 2020
 GRI 401: Employment 2016
 GRI 402: Labour/Management Relations 2016
 GRI 403: Occupational Health and Safety 2018
 GRI 404: Training and Education 2016
 GRI 405: Diversity and Equal Opportunity 2016
 GRI 406: Non-discrimination 2016
 GRI 407: Freedom of Association and Collective Bargaining 2016
 GRI 415: Public Policy 2016

We are working to be able to report on the following material topics in future:

GRI 204: Procurement Practices 2016
 GRI 308: Supplier Environmental Assessment 2016
 GRI 414: Supplier Social Assessment 2016
 GRI 417: Marketing and Labelling 2016
 GRI 418: Customer Privacy 2016

Although we acknowledge all of the following topics are important, they fall outside of our materiality assessment:

GRI 202: Market Presence 2016
 GRI 203: Indirect Economic Impacts 2016
 GRI 206: Anti-competitive Behaviour 2016
 GRI 301: Materials 2016
 GRI 303: Water and Effluents 2018
 GRI 304: Biodiversity 2016
 GRI 306: Effluents and Waste 2016
 GRI 408: Child Labour 2016
 GRI 409: Forced or Compulsory Labour 2016
 GRI 410: Security Practices 2016
 GRI 411: Rights of Indigenous Peoples 2016
 GRI 413: Local Communities 2016
 GRI 416: Customer Health and Safety 2016

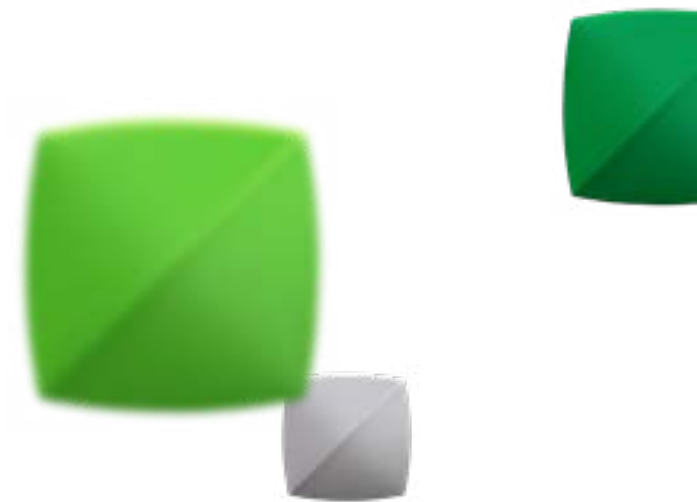
The following table demonstrates our full or partial alignment to the GRI standards 2021 and the material topics we have identified. We will continually seek to improve our disclosures and align further in future reports, to provide stakeholders with comprehensive relevant information. Alongside the ESG report, information can be found in the [2022 Annual Report and Accounts \(ARA\)](#) and [Our Policies](#) page of our website.

GRI standard	Disclosure	Location
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Legal name: Yorkshire Building Society Location: Bradford, United Kingdom 2022 ARA, p230
	2-2 Entities included in the organisation's sustainability reporting	2022 ARA, p159
	2-3 Reporting period, frequency and contact point	ESG Report, Welcome to our ESG report
	2-4 Restatements of information	Figures reported incorrectly in the previous ESG Report have been amended in this version. Explanations have been provided where necessary.
	2-5 External assurance	ESG Report, Welcome to our ESG report
2. Activities and workers	2-6 Activities, value chain and other business relationships	ESG Report, Our Strategy and purpose: Creating value ESG Report, Operating Responsibly, Supply Chain
	2-7 Employees	ESG Data Table, People Data
3. Governance	2-8 Workers who are not employees	ESG Data Table, People Data
	2-9 Governance structure and composition	ESG Report, Our Strategy and purpose: ESG governance 2022 ARA, p67
	2-10 Nomination and selection of the highest governance body	2022 ARA, p77
	2-11 Chair of the highest governance body	2022 ARA, p77
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Report, Our Strategy and purpose: ESG governance 2022 ARA, p70
	2-13 Delegation of responsibility for managing impacts	ESG Report, Our Strategy and purpose: ESG governance 2022 ARA, p75
	2-14 Role of the highest governance body in sustainability reporting	ESG Report, Our Strategy and purpose: ESG governance
	2-15 Conflicts of interest	2022 ARA, p75
	2-16 Communication of critical concerns	2022 ARA, p74 Whistleblowing Policy Overview ESG Data Table, Whistleblowing Reports
	2-17 Collective knowledge of the highest governance body	ESG Report, Our Strategy and purpose: ESG governance
	2-18 Evaluation of the performance of the highest governance body	2022 ARA, p78
2-19 Remuneration policies	2022 ARA, p105 ESG Report, Operating Responsibly: Executive remuneration	
2-20 Process to determine remuneration	2022 ARA, p108 AGM voting results	
2-21 Annual total compensation ratio	2022 ARA, p117 ESG Data Table, People Data	

GRI standard	Disclosure	Location
General disclosures		
4. Strategy, policies and practices	2-22 Statement on sustainable development strategy	ESG Report, Welcome from Susan Allen
	2-23 Policy commitments	ESG Report: Operating Responsibly: Our Trust Code
	2-24 Embedding policy commitments	ESG Report: Operating Responsibly: Our Trust Code Our Policies page
	2-25 Processes to remediate negative impacts	ESG Report: Operating Responsibly: Whistleblowing ESG Report, Member Value: Complaints Complaints Policy Overview Make a Complaint Complaints Reports
	2-26 Mechanisms for seeking advice and raising concerns	ESG Report: Operating Responsibly: Whistleblowing
	2-27 Compliance with laws and regulations	2022 ARA, p130
	2-28 Membership associations	ESG Report, Awards and Memberships Political and Public Policy Engagement Policy Overview
	5. Stakeholder engagement	2-29 Approach to stakeholder engagement
2-30 Collective bargaining agreements		ESG Data Table, People Data ESG Report, Investing in Our People: Collective bargaining
Material topic disclosures		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Report, Our Strategy and Purpose: Our ESG Strategy
	3-2 List of material topics	ESG Report, Our Strategy and Purpose: Our ESG Strategy
201 Economic Performance	201-1 Direct economic value generated and distributed	2022 ARA, p141
	201-2 Financial implications and other risks and opportunities due to climate change	2022 ARA, p27, 94 & 104
	201-3 Defined benefit plan obligations and other retirement plans	2022 ARA, p170
205 Anti-corruption	205-1 Operations assessed for risks related to corruption	Financial Crime Policy Overview
	205-2 Communication and training about anti-corruption policies and procedures	ESG Report, Operating Responsibly: Financial Crime Financial Crime Policy Overview
207 Tax	207-1 Approach to tax	Tax Strategy ESG Report, Operating Responsibly: Tax
	207-2 Tax governance, control, and risk management	Tax Strategy ESG Report, Operating Responsibly: Whistleblowing ESG Report, Operating Responsibly: Tax
	207-3 Stakeholder engagement and management of concerns related to tax	ESG Report, Operating Responsibly: Tax Political and Public Policy Engagement Policy Overview
	207-4 Country-by-country reporting	ESG Report, Operating Responsibly: Tax 2022 ARA, p230

GRI standard	Disclosure	Location
Material topic disclosures		
302 Energy	302-1 Energy consumption within the organization	ESG Appendix, Climate Change, Carbon Footprint Table & Energy Use and Emissions Report REGO Certificate
	302-3 Energy intensity	ESG Appendix, Climate Change, Intensity Ratios
	302-4 Reduction of energy consumption	ESG Appendix, Climate Change, Carbon Footprint Table & Energy Use and Emissions Report
305 Emissions	305-1 Direct (Scope 1) GHG emissions	ESG Appendix, Climate Change, Carbon Footprint Table
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Appendix, Climate Change, Carbon Footprint Table
	305-3 Other indirect (Scope 3) GHG emissions	ESG Report, Building a Greener Society: Tackling our scope 3 emissions ESG Appendix, Climate Change, Progress on scope 3 disclosures ESG Appendix, Climate Change, Carbon Footprint Table
	305-4 GHG emissions intensity	ESG Appendix, Climate Change, Intensity Ratios
	305-5 Reduction of GHG emissions	ESG Appendix, Climate Change, Carbon Footprint Table
	305-6 Emissions of ozone-depleting substances (ODS)	Not applicable
	305-7 Nitrogen oxides (NOx), sulfur oxides (Sox) and other significant air emissions	Not applicable
306 Waste	306-1 Waste generation and significant waste-related impacts	ESG Appendix, Climate Change, Waste
	306-2 Management of significant waste-related impacts	ESG Report, Building a Greener Society: Waste
	306-3 Waste generated	ESG Appendix, Climate Change, Waste
	306-4 Waste diverted from disposal	ESG Appendix, Climate Change, Waste
	306-5 Waste directed to disposal	ESG Appendix, Climate Change, Waste
401 Employment	401-1 New employee hires and employee turnover	ESG Data Table, People Data
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report, Investing in Our People: Reward and recognition
	401-3 Parental leave	ESG Report, Investing in Our People: Reward and recognition
402 Labour	402-1 Minimum notice periods regarding operational changes	ESG Report, Investing in Our People: Collective bargaining
403 Occupational Health and Safety	403-1 Occupational health and safety management system	Fire, Health and Safety Policy Overview
	403-2 Hazard identification, risk assessment, and incident investigation	Fire, Health and Safety Policy Overview H&S Reporting document
	403-3 Occupational health services	Fire, Health and Safety Policy Overview H&S Reporting document
	403-4 Worker participation, consultation, and communication on occupational health and safety	Fire, Health and Safety Policy Overview H&S Reporting document
	403-5 Worker training on occupational health and safety	Fire, Health and Safety Policy Overview H&S Reporting document
	403-6 Promotion of worker health	Fire, Health and Safety Policy Overview
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Fire, Health and Safety Policy Overview
	403-8 Workers covered by an occupational health and safety management system	Fire, Health and Safety Policy Overview
	403-9 Work-related injuries	H&S Reporting
	403-10 Work-related ill health	H&S Reporting

GRI standard	Disclosure	Location
Material topic disclosures		
405 Diversity and Equal Opportunity	405-1 Diversity of governance bodies and employees	ESG Data Table, Diversity Data
	405-2 Ratio of basic salary and remuneration of women to men	Gender Pay Report
406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	ESG Data Table, Diversity Data
407 Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	ESG Report, Investing in Our People: Collective bargaining Standards for Suppliers
415 Public Policy	415-1 Political contributions	ESG Report, Operating Responsibly: Lobbying Political and Public Policy Engagement Policy Overview



ESG Data Table

GRI	2022	2021	2020	2019	2018
Place To Call Home					
No. first time buyers ⁴⁰	21,660	41,594	26,362	18,710	16,677
No. house buyers (excl. re-mortgages) ⁴⁰	24,384	36,950	22,788	25,584	26,938
No. people into buy to let / social housing ⁴⁰	9,543	5,880	4,897	5,569	2,695
No. homeless young people into a home	0	144	171	206	125
No. accounts in arrears onto active repayment plans	2,044	2,019	589	-	-
No. homes repossessed	70	45	29	29	86
Financial Wellbeing					
No. new access account savers	149,995	47,994	89,030	56,627	36,516
No. new Shareplan, Salary Finance and Workplace Savers	2,128	15,622	15,501	18,805	29,966
Average savings rate differential	0.56%	0.32%	0.18%	0.34%	0.37%
No. people receiving financial capability & employability support	96,024	63,391	2,897	8,576	8,410
Member Value					
Average savings rate paid	1.2%	0.60%	0.58%	1.08%	1.09%
Net promoter score (NPS) ⁴¹	54	54	53	51	41
Online NPS	26	8	13	11	30
Complaints per thousand - banking and credit cards (H1 / H2)	0.62 / 0.65	0.55 / 0.39	0.66 / 0.65	0.99 / 0.85	1.48 / 1.37
Complaints per thousand - home finance (H1 / H2)	6.57 / 7.00	6.70 / 6.80	5.95 / 9.05	8.79 / 7.01	13.49 / 10.88
Complaints per thousand - insurance and pure protection (H1 / H2)	0.20 / 0.29	0.46 / 0.17	0.69 / 2.96	96.74 / 209.54	80 / 56.77
Branch and agency footprint	230	231	243	243	245
AGM voting	8.14%	8.79%	8.81%	10.2%	10.22%
No. of vulnerable customer flags	4,137	12,527	10,847	22,487	25,395
No. of app users	216,969	131,605	64,031	-	-
Community Data					
Total community investment	£2.35m	£1,87m	-	-	-
No. volunteering hours	5,467	2,737	2,200	14,535	16,923
Value of volunteering hours donated	£110,272	£50,443	£40,176	£265,462	£283,968

GRI	2022	2021	2020	2019	2018	
People Data						
2-7	Employees (on a full-time equivalent basis) at 31 December	3,179	3,108	3,388	3,533	3,863
2-7	No. employees that are women	1,943	1,993	2,147	2,207	2,427
2-7	Percentage of full-time colleagues	75.51	73.51	70.42	70.31	73.48
2-7	Percentage of part-time colleagues	24.49	26.49	29.58	29.69	26.52
2-7	No. of employees by employment contract (permanent)	3,010	3,057	3,224	3,305	3,602
2-7	No. of employees by employment contract (permanent) by gender - women	1,883	1,918	2,078	2,156	2,348
2-7	No. of employees by employment contract (permanent) by gender - men	1,127	1,139	1,146	1,149	1,254
2-7	No. of employees by employment contract (temporary)	98	122	99	77	115
2-7	No. of employees by employment contract (temporary) by gender - women	60	75	69	51	70
2-7	No. of employees by employment contract (temporary) by gender - men	38	47	30	26	45
2-7	No. of employees by employment type (full-time)	2,347	2,337	2,340	2,378	2,735
2-7	No. of employees by employment type (full-time), by gender - women	1,247	1,222	1,242	1,271	1,494
2-7	No. of employees by employment type (full-time), by gender - men	1,100	1,115	1,098	1,107	1,241
2-7	No. of employees by employment type (part-time)	761	842	983	1,004	982
2-7	No. of employees by employment type (part-time), by gender - women	696	771	905	936	924
2-7	No. of employees by employment type (part-time), by gender - men	65	71	78	68	58
	Percentage of colleagues split by level - A-C	75.9	76.5%	78.4%	79.1%	77.7%
	Percentage of colleagues split by level - D-E	23.3	22.7%	20.8%	20.1%	21.6%
	Percentage of colleagues split by level - F+	0.58	0.76%	0.84%	0.8%	0.75%
2-21	Ratio of annual total compensation for CEO (highest paid) to the median annual total compensation for all employees (excl the highest-paid individual) - 25th percentile	28:1	29:1	39:1	40:1	-
2-21	Ratio of annual total compensation for CEO (highest paid) to the median annual total compensation for all employees (excl the highest-paid individual) - 50th percentile	21:1	21:1	28:1	35:1	-

⁴⁰ We calculate the number of people helped by the average occupancy rates according to the Office for National Statistics (2.4)

⁴¹ Net Promoter Score and NPS are trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. Data period January – December 2022, based on 41,703 responses. Following a change in the calculation methodology for Group NPS in 2022, the comparative period 2021 has been restated on a consistent basis.

ESG Data Table

GRI		2022	2021	2020	2019	2018
People Data						
2-21	Ratio of annual total compensation for CEO (highest paid) to the median annual total compensation for all employees (excl the highest-paid individual) - 75th percentile	14:1	14:1	20:1	22:1	-
2-30	Percentage of total employees covered by collective bargaining agreements	42.29%	39.97%	46.40%	-	-
	Percentage of internal hires	39.1%	34.3%	27.1%	18.8%	-
401-1	No. of new hires	525	515	539	733	-
	Average hiring cost / FTE	£475.39	£573.55	-	-	-
	No. of apprentices	38	21	29	7	19
401-1	Employee turnover rate (per headcount)	19.2	19.9	10.2	21.1	19.3
	Voluntary employee turnover rate	14.47%	11.98%	-	-	-
404-1	Amount of money spent per colleague on training	£380	£305	£400	£418	£361
	Overall amount spent on colleague training	£134m	£108m	£135m	£148m	£139m
	Employee growth score (I feel that I'm growing professionally at YBS - out of 10)	8.6	8.3	7.8	6.8	-
	Employee engagement score (out of 10)	8.6	8.5	8.3	7.4	-
	eNPS Employee Engagement Index	66	64	54	20	-
	Employee behaviour score (I experience this behaviour in my day to day interactions with colleagues at work – average of the 4 behaviours – out of 10)	8.4	8.9	-	-	-
	Feel fairly rewarded score (I am fairly rewarded (e.g. pay, bonus, benefits) for my contributions to YBS – out of 10)	7.6	8.0	7.9	6.9	-
	Absentee rate	4.58%	5.01%	7.51%	3.94%	3.57%
	Absentee target - green	<=3.6%	<=3.6%	<=3.6%	<=3.2%	<=3.2%
	Absentee target - amber	>3.6%	>3.6%	>3.6%	>3.2%	>3.2%
	Absentee target - red	>4.0%	>4.0%	>4.0%	>3.6%	>3.6%
	Absentee for mental health	30.4%	33.5%	-	-	-
	Accident frequency rate (includes near misses)	6.8	8.9	7.3	12	16

GRI		2022	2021	2020	2019	2018
Diversity Data						
	Percentage of women at level E and above	50%	50%	45%	-	-
405-1	Percentage of colleagues who are from Black, Asian and ethnically diverse backgrounds	15.41%	14.34%	13.03%	11.86%	9.37%
	Percentage of colleagues who are from Black, Asian and ethnically diverse backgrounds	7.41%	6.02%	-	-	-
	Percentage of colleagues are from Black, Asian and ethnically diverse backgrounds seen as potential successors for Director roles	11%	6%	-	-	-
	Percentage of colleagues who identify as LGBTQI+	3.33%	3%	-	-	-
	No. of women in Customer Services Customer facing roles (grade A, B & C)	31.3%	32.5%	32%	-	-
	Percentage of women in Branch (grade A, B & C)	82.58%	82.91%	82.3%	81.45%	80.28%
	Percentage of women in Branch (grade D and above)	47.06%	30.77%	40%	37.50%	38.89%
	Percentage of women in IT roles	31.35%	30.1%	31%	-	-
405-1	Percentage of colleagues split by age - <25	8.3%	8.05	8.64	9.82	10.68
405-1	Percentage of colleagues split by age - >26-30	13.38%	14.16	15.02	15.73	14.76
405-1	Percentage of colleagues split by age - >31-35	16.28%	16.92	17.06	17.15	17.34
405-1	Percentage of colleagues split by age - >35-40	16.22%	15.89	15.50	15.17	15.03
405-1	Percentage of colleagues split by age - >41-45	13.16%	12.80	13.09	12.12	12.02
405-1	Percentage of colleagues split by age - >46-50	11.23%	12.24	12.01	12.12	11.92
405-1	Percentage of colleagues split by age - >51-55	11%	9.69	9.54	8.99	9.55
405-1	Percentage of colleagues split by age - >55+	10.42%	10.25	9.15	8.90	8.70
405-1	Percentage of employees who are women	62.52%	62.69	64.61	65.26	62.14
405-1	No. of managers (C-D) who are women	185	838	840	813	807
405-1	No. of senior managers (E-F) who are women	50.32%	50.96%	46.05%	39.6%	43.55%
405-1	Percentage of Board members who are women	44.4%	40%	20%	20%	22%
405-1	Percentage of colleagues who disclose they have a disability	2.51%	1.93%	1.50%	1.40%	0.30%

ESG Data Table

GRI		2022	2021	2020	2019	2018
People Data						
406-1	No. of incidents of discrimination reported and reviewed	7	14	14	-	-
406-1	No. of incidents of discrimination – withdrawn or not upheld	2	6	4	-	-
406-1	No. of incidents of discrimination – upheld, partially upheld, resolved	4	7	10	-	-
406-1	No. of incidents of discrimination – investigation underway	0	1	0	-	-
	Mean gender pay gap	25.7	28.1	32.9	30.5	29.7
	Median gender pay gap	24	24.6	29	27.9	26.6
	Mean gender bonus gap	38.7	47	48.3	47.9	44.9
	Median gender bonus gap	28.5	31.8	33.3	34.1	36.1
Governance Data						
	No. of whistleblowing reports	4	9	14	17	25
	Total amount paid to suppliers ⁴³	£151.4m	£139.9m	£143.8m	£149.7m	£183.2m

Appendix - Community Contribution

We use the following methodology to calculate our total community contribution, using three distinct categories:

- YBS donations – includes cash contributions (the monetary amount donated to charities and good causes and the money spent to fund community projects with partners), employee time (the cost of the time that an employee spends on volunteering) and in-kind giving (contributions of products, equipment and services and other non-cash items to charities and good causes) directly paid by YBS.
- Customer and colleague donations (leverage) – includes cash contributions (the monetary amount donated to charities and good causes) and in-kind giving (contributions of products, equipment and services and other non-cash items to charities and good causes) from colleagues and customers, facilitated by YBS.
- YBS costs – includes the costs incurred by the Society to facilitate our community programmes, including staff costs and other management overheads.

Community Contributions	2022					2021				
	YBS Donations		Customer Colleague	YBS Costs	Total	YBS Donations		Customer Colleague	YBS Costs	Total
	Charitable	Community				Charitable	Community			
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Age UK	272	-	139	18	429	344	-	134	14	492
The Foundation	100	-	308	12	420	100	-	297	4	401
Other charity	100	-	66	-	166	10	-	19	-	29
Citizens Advice	299	-	-	-	299	94	-	-	-	94
Employability/digital skills*	109	64	-	18	191	67	181	-	23	273
In kind donations	-	92	19	-	111	-	92	10	-	102
Volunteering time	-	110	-	1	111	-	50	-	4	54
Other	-	-	-	624	624	-	-	-	429	429
Total	880	266	532	673	2,351	615	325	460	474	1,874

*Charitable donations paid to MyBnk (2021) and Good Things Foundation (2021 and 2022)

⁴² This does not include non-procurable spend, including: Non-procurable Banking Charges (2% of total Banking Charges), Charity/Donations, Inter/Intra Company Payments, Letting/Estate Agency Services, Membership, Regulatory Payments, Rent and Rates, Sponsorship, and Taxes.

Climate Change

Scope 3 Remaining Disclosures Status

Scope 3 category	Sub-category	Status
Business Travel	All	Externally published
Upstream transportation and distribution	Transmission and distribution	Externally published
	Supplier delivery emissions	Initial understanding
Fuel and energy related activities	All	Externally published
Waste generated in operations	Waste disposal	Externally published
	Capital project waste	Externally published
	End of life customer communications	Initial understanding
Supply chain	All	Initial understanding
Investments and lending (financed emissions)	Listed equity and bonds	Initial understanding
	Residential and commercial mortgages	Initial understanding
	Project finance/automotive industry loans	Not applicable
Colleague/employee	Working from home (WFH) emissions	Initial understanding
	Employee commuting	Not yet started

Waste

Waste Totals – Head Office and Branch	Weight		Landfill Diversion
	Tonnes	%	
Landfill	10.4	-	
Recycling	206.9	51.4%	
Recovery	150.1	37.3%	
Food ⁴³	9.9	2.5%	
Re-use ⁴⁴	25.3	6.2%	
Total	402.6	97.6%	



⁴³ The Society anaerobically digests its food waste

⁴⁴ The Society was able to re-use materials from capital projects

Intensity Ratios

	2022			2021*		
	£m	tCO ₂ e	tCO ₂ e/£m	£m	tCO ₂ e	tCO ₂ e/£m
Income intensity ratio	811	3,479	4.3	578	5,442	9.4
					Market	1,954
Colleague intensity ratio	Colleagues	tCO ₂ e	tCO ₂ e/person	Colleagues	tCO ₂ e	tCO ₂ e/person
					Location	5,442
Market	4,530	416	0.1	4,534	1,954	0.4

*2021's Intensity Ratio's have been updated to include actuals figures rather than the estimates for final month/quarter amounts included in the 2021 disclosures. Calculations were also altered to reflect the 2022 carbon footprint's calculation methodologies.

Carbon Footprint Table

Carbon Footprint	2022		2021		
	Location	Market	Location	Market	
	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	
Scope 1	Generation of heat (gas consumption)	941	-	1,766	1,286
	Diesel (back-up generators)	0.04	0.04	3	3
	Refrigerant gases	1	1	18	18
	Vehicles used on Society business	7	7	2	2
	Total	949	8	1,789	1,309
Scope 2	Electricity consumption	1,582	-	2,378	-
	Total	1,582	-	2,378	-
Scope 3	Well-to-tank – Electricity	413	35	674	55
	Well-to-tank – Fuels	197	36	317	306
	Transmission and distribution – Electricity consumption	145	145	210	210
	Business travel – Transport	161	161	51	51
	Business travel – Hotel	15	15	3	3
	Water supply and treatment	8	8	11	11
	Waste disposal	8	8	9	9
	Total	947	408	1,275	645
Total Carbon Footprint	3,479	416	5,442	1,954	

Climate Change

Internal Energy Usage

Per the GHG Protocol, energy usage and emissions from our business activities are classified as follows:

Internal Energy Usage	2022	2021
	kWh	kWh
Heating and emergency fuel usage	5,165,030	9,654,526
Company owned vehicle transport	3,509	6,825
Scope 1	5,168,539	9,661,351
Electricity consumed	8,183,123	11,199,210
Electric cars	144,500	156,060
Scope 2	8,327,623	11,355,270
Leased/hired business transport	382,648	202,588
Scope 3	382,648	202,588
Total	13,878,810	21,219,209
	tCO ₂ e	tCO ₂ e
Total emissions from internal energy usage (new for 2021)	2,619	4,198

Non-Financial Ratings

Non-financial ratings agencies consistently rate our ESG performance amongst top performers in our industry, and we have continued to make progress in 2022. Our ratings are available below.

ESG Rating Provider	Rating/Score	Scale (best to worst)
MSCI*	AAA	AAA-CCC
Sustainalytics**	13.3 (Low Risk)	0 - 100 (Negligible to severe)
S&P Corporate Sustainability Assessment (CSA)	50	100 - 0
CDP	C	A to D-
ISS	C	A+ to D-

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