

Sustainability Report



At Close Brothers, behaving responsibly is integral to our actions and decision-making and this is reflected across our sustainability objectives we set ourselves.

Our Sustainability Objectives

We are known for our core strengths of a trusted client approach, disciplined lending and adaptability. These position us well to support our customers as they navigate a changing world. We have demonstrated we take our responsibilities to our employees and our community seriously, acting ethically and responsibly.

This is reflected in our sustainability objectives we have set as a business:

- Supporting our customers, clients and partners in the transition towards more sustainable practices
- Promoting an inclusive culture in everything we do
- Reducing our impact on the environment and responding to the threats and opportunities of climate change
- Promoting financial inclusion, helping borrowers that might be overlooked by larger finance providers and enabling savers and investors to access financial markets and advice to plan for their future

In the following pages, we provide updates on our progress this year across all aspects of our ESG strategy. New for this year's annual report, and following the TCFD requirements, we demonstrate the significant progress we have made in developing our climate strategy, covering not just our operational impacts, but understanding the implications across our financed activities and evaluating the important role we will play in supporting businesses and individuals to transition to a low carbon economy.

During the year we have maintained a strong focus on progressing with our wide-ranging sustainability agenda, driving forward with programmes and initiatives that address key priorities such as inclusion, social mobility, supporting customer needs and responding to the impacts of climate change.

“

We are committed to supporting the transition to a low-carbon economy and will continue to work with all of our stakeholders on the journey to a net zero future.

”

Adrian Sainsbury, Chief Executive

Sustainability Report continued

Our Sustainability Pillars

Environment

Reducing our impact on the environment and tackling climate change

Our Targets

- Becoming operationally net zero by 2030 through our scope 1 and 2 emissions
- Achieve a net zero company car fleet by 2025
- To align all operational and attributable emissions from our lending and investment portfolios with pathways to net zero by 2050
- Aim to provide over £1.0 billion of lending for zero emission battery electric vehicles over the next 5 years

Our Progress

- 44.8% reduction in scope 1 and 2 emissions since 2019 (market based)
- A further reduction of 43% in average fleet vehicle CO₂ emissions vs 2021 financial year
- Completed initial assessment across all categories of scope 3 emissions including assessment of financed emissions in our loan book
- Published our inaugural TCFD report
- Became a signatory to the Net Zero Banking Alliance
- 35% of new cars financed in the last financial year were battery electric

Alignment to SDGs¹



For our TCFD report
See pages 42-57

Society

Ensuring we are a diverse and inclusive employer. Serving the needs of our customers

Our Targets

- 36% female senior managers by 2025
- 14% of our managers to be from an ethnic minority background by 2025
- Aim to maintain or improve customer satisfaction scores across our businesses

Our Progress

- 33% female senior managers at 31 July 2022
- 10% of our managers were from an ethnic minority background at 31 July 2022
- Customer satisfaction scores
 - Property finance NPS +87
 - Asset finance CSAT +88
 - Savings online CSAT +86

Alignment to SDGs¹



For our people
See pages 36-38



Social responsibility
See pages 38-39



Helping our customers
See pages 39-41

Governance

Setting high standards of corporate governance to ethically and transparently achieve long-term success for stakeholders

Our Targets

- Maintain high standards of governance, with appropriate board level oversight
- Aim to maintain or improve our external ESG ratings

Our Progress

- 50% of board members were female at 31 July 2022
- CBAM became a signatory of the UK Stewardship Code
- Received strong ratings of B- from CDP, AAA from MSCI and OIS-1 ESG Credit Impact Score from Moody's



Climate risk governance
See pages 50-52



Corporate governance
See pages 99-112

¹ We have identified above specific United Nations Sustainable Development Goals ("SDGs") which align with aspects of our sustainability strategy detailed in our report following.

Our people

Valuing Our Colleagues

Creating an inclusive culture where all colleagues are supported to thrive is fundamental to the continued success of our business. We value the expertise of our people in delivering excellent service and building long-lasting relationships with our customers, clients and partners based on trust and integrity.

We celebrate diversity and are committed to creating an inclusive culture where all of our employees can feel proud to work for us, regardless of their gender, age, ethnicity, disability, sexual orientation or background. We want our colleagues to feel as though Close Brothers is a great place to work and are proud that 94% of colleagues feel included and 93% feel they can be themselves at work.

We are signatories to a wide range of charters and commitments across a broad spectrum of inclusion themes and social enterprises,

including the Race at Work Charter, the Social Mobility Pledge, the Women in Finance Charter and the Valuable 500. We partner with leading diversity organisations, including Stonewall and the Business Disability Forum, to help inform our thinking and subsequent actions. We continue to run inclusive leadership training sessions for our managers, senior managers and group executives, highlighting how actions and behaviours can shape our inclusive culture.

All hiring managers are required to complete a collection of training modules developed to provide a consistent and best practice approach for talent acquisition. They ensure a focus on inclusion and unconscious bias and equip line managers with the skills and knowledge to make effective and fair recruitment decisions.

We are also committed to inclusive recruitment practices; using gender decoders to avoid the use of gender bias wording in adverts and job descriptions, and seeking balanced shortlists

and diverse interview panels to alleviate bias in the process. We strive to achieve a 50:50 gender split for our entry level and formal training programmes including our Aspire school leaver programme, our graduate schemes and our summer internships.

This year, we have established new employee networks for Accessibility, Social Mobility, and Working Parents and Carers. We now have networks focused on each of our diversity and inclusion pillars. Each are chaired by an executive sponsor and take responsibility for driving our inclusion initiatives across the organisation.

Employee Engagement

Listening to the views of our colleagues remains key to retaining a highly engaged workforce; ensuring our culture is one where our colleagues feel motivated, proud to work for us and can thrive.

Our latest Employee Opinion Survey closed in March 2022.

We retained high levels of engagement at 86%, which is close to pre-pandemic levels. Our response rate also remained strong at 86%, enabling us to draw meaningful insight from our results. Our scores remained broadly aligned to last year, retaining many high scores from our 2021 survey, particularly around teamwork, expertise, acting with integrity and treating customers and clients fairly. Our organisational culture was shown to be particularly strong when compared to other financial services firms with high scoring questions against the Financial Services Culture Board benchmarks. Feedback showed a strong sense of belonging with 94% of colleagues feeling included and that they are treated with respect.

Racial Equality

As signatories to the Race at Work Charter, we demonstrate our commitment to their seven key actions to help improve representation of ethnic minorities across all levels of the organisation. As part of this commitment, we continue to monitor ethnicity disclosure levels. Our disclosure has increased from 75% at the end of the 2021 financial year to 83% at 31 July 2022, which allows us to more accurately measure our ethnic balance to inform our thinking and future actions.

Our target to have at least 14% of our managers to identify from an ethnic minority background by 2025, forms part of our Long-Term Incentive Plan objectives and demonstrates our commitment towards improving representation of all colleagues with an ethnic minority background.

This year we extended our partnership with the 10,000 Black Interns programme to provide 6-week paid internships to 30 students across the group. This programme provides greater opportunities for us to support the career progression of our ethnically diverse colleagues. The board continues to support the recommendations of the Parker Review and the composition of the board is in line with the advice to have at least one director of colour. The board will continue to take opportunities to further strengthen the diversity of backgrounds and experience among its directors as part of future board-level recruitment searches.

Our Ethnic Diversity employee network, sponsored by our chief credit risk officer, has established itself with core strategic aims to create a safe space for colleagues from ethnic minority groups to share personal experiences and seek counsel. The network has been a key driver in promoting a multitude of key celebrations whilst also raising awareness through speaker events available to all colleagues. The work they continue to drive complements and supports our overall Diversity and Inclusion agenda.

Gender Diversity

At Close Brothers, we are passionate about creating an environment where all our colleagues feel they belong and can thrive. As part of our commitment to building an inclusive culture, we remain focused on reducing our gender pay gap. The gender pay gap shows the difference in average pay between women and men, which is an important differentiation to pay equality. We remain confident that women and men are paid equally for performing equivalent roles across our business. Reducing our gender pay gap is one way in which we review our progress on improving gender balance across our organisation.

Our 2022 gender pay gap report shows our mean group-wide gender pay gap was 38.7% at 5 April 2021. At Close Brothers, the gap is mainly driven by a higher proportion of male incumbents in both senior and front office roles, and a higher number of females who work part-time. We are committed to improving gender balance across all levels of the organisation and have a number of initiatives in place to support this.

Further details of our gender pay gap can be found on our website.

At Close Brothers, we recognise that gender identity is broader than male and female and we want to affirm that we welcome colleagues of all gender identities. In recognition of this, one of the steps we have taken this year is to update our family-friendly policies to ensure they use gender neutral language and are inclusive for all.

As signatories of the Women in Finance Charter, we remain confident that we are on track to achieve 36% of senior manager roles being held by a female by 2025. At the end of the financial year 50% of our board members were female, exceeding the government’s target of 33%, and we remain broadly in line with FTSE Women Leaders gender targets for executives and their direct reports.

Our gender balance network, sponsored by our Winterflood chief executive officer, continues to thrive. This year, the network has successfully:

- hosted a number of events including speed networking, providing colleagues with the opportunity to speak with senior members of the firm
- run events focusing on topics of interest such as parental leave and imposter syndrome
- launched a quarterly newsletter to spotlight the career paths of women within the firm, and
- continued to look for opportunities to engage with colleagues to progress our gender balance initiatives.

“ Ensuring we are a diverse and inclusive employer. ”

Female senior managers:¹

33%

as at 31 July 2022

Future target:

36%

by 2025

94%

of our employees feel included by their colleagues.

93%

of colleagues feel they can be themselves at work.

¹ Senior managers are defined as those managers with line management responsibility for a line manager, in accordance with the representation identified in our gender pay gap report. They are generally heads of departments, functions or larger teams.

Sustainability Report continued

We also have a number of external partnerships in place to support and promote diversity and gender balance at all levels of the organisation. We continue to partner with the 30% Club through which we provide cross-business mentoring, as part of Gender Equity, for our talented females. Almost half of mentees who have participated in the scheme over the years have had a promotion, secondment or internal move.

We are proud to have co-sponsored the latest UK Automotive 30% Club's "Inspiring Automotive Women Awards" and are delighted that one of our colleagues in our Motor Finance business was declared a winner.

Our workforce remains diverse, with 44% female employees, and we have a broad age range of employees, with 22% of our employees being under 30 years old and 20% over 50.

Developing Our People

We provide a full range of training and development for our people irrespective of where they are in their careers. We work with our colleagues from induction and technical training to management, leadership and talent development programmes. We promote a range of mentoring schemes and opportunities to broaden external networks as well as sponsoring qualifications to further support professional development.

All staff continue to have access to our learning portal offering a wide variety of practical tools and e-learning on a number of topics. The average number of training hours across the group was 13 per employee during the year. We require all employees to complete relevant regulatory training on an annual basis with further training offered when required. This year, we maintained a 100% completion rate of mandatory training by the last working day of the financial year.

We continue to support our talent through mentoring programmes including the cross-company schemes Mission Include (supporting those who identify as being from an ethnic minority background) and Gender Equity (with a focus on supporting females in progressing to senior roles). To support inclusivity, we opened up application processes for these schemes, and this year, we were awarded "most dynamic organisation of the year" for the Mission Include programme.

We run several tailored junior training programmes across the business which are aimed at growing high-potential individuals to progress into senior roles. Similar to our mentoring schemes, these programmes are open to everyone by means of an application process to promote inclusivity at all levels. Our Sales Academy programme within our commercial business has resulted in nine colleagues graduating this year and commencing Area Sales Manager roles across the business.

Gender Diversity

	31 July 2022	
	Male	Female
Number of board directors ¹	6	6
Number of directors of subsidiaries ²	48	7
Number of senior managers, other than board directors ³	192	107
Number of employees, other than board directors and senior employees	1,934	1,590
	2,180	1,710

¹ Includes non-executive directors, excluded from group headcount calculations.

² Includes subsidiary directors who are excluded from group headcount calculations.

³ Senior managers defined as those managers with line management responsibility for a line manager, in accordance with the representation identified in our gender pay gap report. They are generally heads of departments, functions or larger teams. This figure excludes 42 male and eight female employees who are reported under directors or subsidiary directors.

To support our high potential colleagues, we have launched our emerging leaders programme with 20 individuals across the group taking part. We continue to support our entry level programmes through our school leaver programme, Aspire, where we have three new students joining us in September 2022. In addition, we have hired a new graduate scheme cohort for the 2023 financial year with 22 graduates ready to fulfil roles across the firm.

To support our inclusive culture through further embedding our code of conduct, we continue to ensure all our new starters receive our "Close Brothers Way" e-learning module, focusing on our cultural attributes and expected behaviours. We have also worked with members of our employee inclusion networks to update the content for all colleagues to receive in January 2023.

Supporting Our People

This year, we have focused on supporting colleagues as many embarked on new ways of working after the pandemic. As part of this, we have partnered with our UK benefits provider BUPA to run 16 virtual workshops for colleagues on a number of wellbeing topics including managing stress and uncertainty and work-life balance. All colleagues are offered company-funded private healthcare with high take-up rates across the group. As part of the UK offering, BUPA provides a wealth of health and wellbeing support as well as dedicated mental health support.

Maintaining the positive mental wellbeing of our colleagues is of great importance to us and we now have over 50 trained Mental Health First Aiders across the group as well as an employee assistance programme offering a range of confidential support. Our recent Employee Opinion Survey results showed 89% of colleagues feel Close Brothers is genuinely concerned for the wellbeing of employees, which is above the external benchmark.

It is important to us that we reward our staff fairly and openly, and we therefore strive to ensure that clear and transparent objectives link directly to remuneration across the group.

We are confident that our enhanced benefit package remains fit for purpose and satisfies the expectations of our colleagues.

The group continues to pay all staff at or above the national living wage.

We offer both a Save As You Earn scheme as well as a Buy As You Earn share incentive plan, which allows employees to acquire shares on a monthly basis out of pre-tax earnings. Participation rates in our long-term ownership schemes remain strong at 47% of eligible employees.

For members of the group's pension plans, we contribute between 6%-10% towards colleagues' pensions, which is above required levels.

Supporting Social Mobility

We are proud to be an inclusive organisation that supports social mobility and creates equal opportunities for all, regardless of background. Social mobility is one of our inclusion pillars, with our working group recently transitioned to become a new employee network with executive sponsorship from our commercial chief executive officer.

We continue our partnership with upReach, a charity committed to transforming social mobility. This year's summer internship programme offered six-week placements for six university students from lower socioeconomic backgrounds. The proven success of these internships has supported us to broaden our talent pool for entry level roles, with some interns successfully obtaining permanent roles within the firm.

To extend our commitment to social mobility, we offer a number of mentoring opportunities to our current colleagues. We partner with "The Girl's Network" through supporting mentoring to inspire and empower girls from lower socioeconomic backgrounds to identify with female role models. In addition, through our partnership with upReach, we support 10 individuals to volunteer and train to become mentors each year.

Our Employees in the Community

We are committed to creating a positive impact in our communities and recognise that employee volunteers are often the driving force behind many community and charity activities.

As part of the relationships we have with our charity partners, we look to encourage employee engagement through involvement in volunteering initiatives. For every hour of voluntary time, we donate £8 directly to the charity under our Matched Giving Scheme, and we also encourage people to take advantage of one paid volunteering day each year through our Employee Volunteering Policy.

Volunteering has been a key part of our newer charity relationships. Teams from across Close Brothers have donated their time to Smart Works to take part in corporate wardrobe days, helping marginalised women build their confidence and find employment. A group of colleagues also provided close support to Stop Hate UK to improve their marketing and strategic operations activities, enabling them to reach out to help more communities affected by hate crime.

We continue to partner closely with the children's literacy charity Bookmark. This academic year, Close Brothers' volunteers have delivered over 300 one-to-one reading sessions to children. This is the equivalent of five weeks of back-to-back reading support during school hours which has never been achieved by another Bookmark corporate partner. In addition, teams have given their time to build school libraries and help with the charity's work to support Ukrainian child refugees.

We are supportive of our colleagues giving their time and expertise to fulfil trustee roles for various charities. In return, employees gain board-level experience to support their personal development and career progression.

Charitable Activities

Our two main corporate charity partners are chosen by our colleagues as part of our employee opinion survey and these remain Make-A-Wish Foundation, who grant wishes for children with life-threatening illnesses, and Cancer Research UK, which we have now supported for ten consecutive years. To date, we are proud to have raised over £550,000 for Cancer Research UK and we are repeatedly nominated for Corporate Fundraising Team of the Year by the charity. Over the last three years, we have raised £176,000 for Make-A-Wish Foundation, enabling them to grant 71 wishes.

This year, a group of colleagues successfully took part in Make-A-Wish's first ever wish challenge volunteering day which resulted in a wish being granted for a critically ill little boy. Close Brothers' support and feedback has helped develop this challenge into a successful team building exercise which is now delivered globally by Make-A-Wish.

We have a dedicated committee for charitable and community activities chaired by our group head of human resources and supported by employees from across the group. This committee meets regularly to discuss and propose new initiatives with input from our control functions when required. We also have several local committees which plan and run initiatives to raise funds for local charities.

We match 50% of funds that our colleagues raise for charities under the Close Brothers Matched Giving Scheme. We also encourage our employees to collaborate on raising money for causes that are most meaningful to them by matching funds raised through locally organised fundraising events and activities.

This year, we have expanded the reach of our charitable giving to donate a total of £150,000 to support three additional charities that align with our ESG goals.

Our donations:

- helped Stop Hate UK establish a new helpline based in the London borough of Merton
- are helping support The Wildlife Trusts with their vital work in restoring and protecting nature
- are supporting Smart Works to help more women get back into employment

To further our relationship with Bookmark, we made a donation of £40,000 this year, which accompanies the significant contribution our employees make to the charity through volunteering. In response to the crisis in Ukraine, we have donated £50,000 to date. This includes a donation to the Refugees at Home charity and matching 100% colleague donations to the British Red Cross in support of their Ukraine Crisis Appeal.

Our Payroll Giving Scheme matches charitable contributions while allowing employee donations to be made directly from pre-tax salary. Approximately 12% of employees across the group were signed up to Payroll Giving at 31 July 2022, achieving us a twelfth consecutive year of the Payroll Giving Quality Mark Gold Award and ensuring that we have met our target of maintaining this standard.

Helping our customers thrive

There have been multiple factors contributing to the current environment of changing customer, partner and client needs. Considerations include the acceleration of the use of digital channels coming out of the pandemic, as well as rising inflation and cost of living. At Close Brothers, being there for our customers, clients and partners and lending through the cycle remain an important part of our business model.

Furthermore, to continue supporting customers, clients, and partners we believe in maintaining high standards of service, delivering specialist expertise and building long-lasting relationships. These priorities continue to guide the end-to-end experience we aim to consistently deliver to customers whilst also ensuring we continue to adapt as needed to meet emerging needs against a backdrop of a constantly changing environment.

Supporting our Vulnerable Customers

In continuing to refine and deliver the desired experience for different customer groups, we have also made various vulnerable customer experience journey improvements. Motor Finance conducted research into vulnerable customers generating insight which assisted the creation of an appropriate governance model across Retail to ensure improvement in identification, oversight and outcome monitoring. Conduct risk dashboards are being developed for each of the businesses to track and measure vulnerability and the various outcomes customers receive. Finally, many of our businesses use their customer forums and executive committees to monitor, discuss and refine their approaches towards vulnerable customers. We proactively identify vulnerability and provide necessary support, tailoring our service and customer journey to vulnerable customer needs.

In the Retail business, for example, we work with one of our partners to provide additional support to vulnerable customers in the management of collections, recoveries and arrears whilst ensuring Close Brothers retains robust governance, control and management oversight including dealing with more challenging and complex vulnerable customer cases.

We are focused on continuing to support vulnerable customers. Most recently, we established a group-wide vulnerable customer working group to share best practice and improve the consistency of delivery across the group. Furthermore, we are in the process of undertaking a maturity assessment across key vulnerability capabilities to identify further opportunities to evolve our approach to meet customers' emerging needs as the operating environment changes.

Leading Through Purpose

Our purpose of helping the people and businesses of Britain thrive over the long-term is a fundamental commitment to our customers that we will be there for them in both the good times and the bad. Our purpose is underpinned by our group-wide customer principles, which guide how we deliver the end-to-end experience to our customers, clients and partners throughout their journey with Close Brothers and also helps us measure how effectively we are performing across the key principles. (You can read more about our delivery against these principles on page 36).

Sustainability Report continued

Our Customer Principles - Success Stories

Our customer principles serve as a strong reflection of the experience we strive to deliver. Here are some examples of how we have delivered value to our customers, clients and partners in the past year:

We do the right thing for customers, clients and partners

The pandemic accelerated an industry paradigm shift with the focus on short-term commitment, self-service and pay for use. Brewery Rentals responded with a new product (EKegPlus) which is a short-term rental product using technology to track assets and provide a daily hire charging model. The team automated the repetitive backend processes, freeing up internal resource to focus on customer experience. The product is designed to partner with customers to provide low-level commitment from the customer. The results are that there is clarity and transparency as fees are highlighted early on for customers to make informed decisions. Customers are in control of their own cost to serve with the ability to reduce fees by doing more themselves.

We are flexible, responsive and execute with speed

It is critical to remain abreast with customer, client and partner needs. In Premium Finance, we utilised a regulatory requirement change to improve compliance and enhance our customer journey by providing a new channel for customers to make arrears payments. The team implemented the ability for customers to make arrears payments using a QR code in customer communication for ease and speed, taking them through to a secure platform. The result was an optimised journey and a reduction in arrears calls. The solution aids the ecosystem as the support is also available to our broker partners as they can share the link directly with their customer to make a payment. The solution is scalable and may be deployed in other business lines.

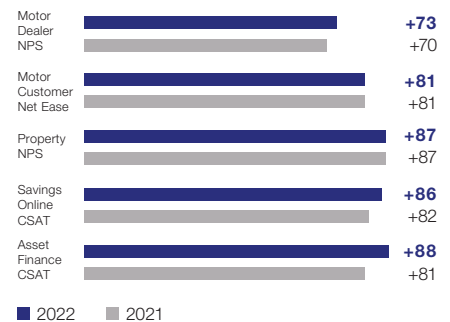
We make decisions informed by our specialist expertise

To remain constantly aware of how we can continue to help our customers and partners thrive in an ever-evolving landscape and to identify areas of improvement, we rely on our Voice of Customer programme to provide actionable insights across the group. The Invoice Finance business has been working hard to ensure we are capturing feedback from customers and acting upon it, with valuable improvement delivered as a result, including platform migration to a better tolling system for customers, communication to customers to remind them about cybercrime and what to look out for and optimised call routing so customers can get through for support easier and quicker.

We build relationships based on quality and trust

Solid and lasting relationships are of utmost importance to us at Close Brothers. In Property Finance the focus has been on retaining great existing relationships whilst looking to build new ones. The team has been driving events in person to bring together skills to host and foster conversations for the next generation developer. Attendees of the events are provided with practical advice from industry experts, start to build a relationship with a market leading property finance specialist and join a network of long-standing clients and professionals who will share their challenges and experience with the next generation of developers.

Customer Satisfaction Scores



Note: All scores as at June each year.

Listening to Our Customers and Improving Experience

We collect a broad range of customer metrics that we use to help inform day-to-day changes as well as longer-term strategic decisions to improve customer experience. We listen, analyse and act on customer insight and strive to improve our ability to meet customer needs. We are refining our customer operating framework to provide better experience visibility as well as improved governance of the end-to-end customer journey with clear accountability and ownership of different journey stages. We consistently apply our journey model of the 5E framework (Entice, Enter, Engage, Extend and End) to understand the key experience stages with Close Brothers across our various business and customer, client and partner groups. It is important that we constantly walk in the shoes of our customers and make the voice of our customers visible to colleagues to prioritise experience improvements and to engage with customers in line with their preferences. We have created journey dashboards in the Banking division which reflect journey and experience performance. We measure holistic brand metrics as well as specific journey stage metrics, including sentiment, operational and insight data.

We continue to achieve strong hero metric performance and our scores perform well against available external benchmarks. This evidences the strength of our relationships and the faith our customers place in us as their provider of choice.

Looking Ahead

We continue to evolve our customer capability and conducted a customer experience maturity assessment across our businesses in the spring to calibrate and benchmark against external best practice. From this, we have identified some key opportunities to further accelerate and embed customer centricity which builds on existing programmes in the business.

We are in the process of adding customer specific objectives to journey stage owners' KPIs with tailored objectives and explicit clarity on what behaviours need to be demonstrated to deliver on our customer, client and partner ambition.

Engaging Our Suppliers

We engage with our most important suppliers on a regular basis to ensure that both parties are attaining optimum value from the relationship. Our annual survey of key suppliers who represent our most critical and strategic services was last conducted in July 2022 and remains anonymous to ensure we gather honest and candid feedback.

Similar to previous years, the 2022 survey focused upon how Close Brothers performs as a client and how our suppliers feel about doing business with us. Overall, feedback remains positive throughout and we are seeing further improvements across key areas following action undertaken as a result of the 2021 survey.

We were pleased that the majority of our suppliers would continue to recommend us as a client, scoring 8 out of 10 for this measure.

Previous results indicated suppliers wanted greater transparency of our strategy and priorities. Having enhanced our engagement with suppliers on this topic, we are pleased to see in this year's survey that responses received indicate improved transparency on growing collaboration to reach shared goals. As such 77% of suppliers feel positive about how we treat them as a valued partner and rate this good or excellent, an improvement from 71% in 2021.

We have also seen a continued improvement in how our suppliers rate our approach to transparency and fairness, with 83% rating it as good or excellent compared to 78% in 2021. Suppliers continue to rate us on average at 7.6 out of 10 for ease of doing business with us.

We also engage our suppliers on their approach to sustainability, covering suppliers' environmental and social governance, to help better inform our views of the progress each party is making towards improvements. We use the output of this to inform our internal strategy and specific initiatives to further contribute to the sustainability agenda. Some examples are:

Gaining greater transparency of our scope 3 emissions and identify targeted areas of focus. Collaborating with our facilities partner to closely analyse data across our national portfolio, report accurately and monitor against specific sustainability KPIs.

Working closely with Lex Autolease and car manufacturers on a Road to Zero transmission initiative by 2025 in relation to our company car fleet.

We recognise that our suppliers form a key part of the service we provide and are committed to treating them fairly. We are therefore pleased to have maintained our Corporate Certification for Ethical Procurement from the Chartered Institute of Procurement and Supply ("CIPS").

Our policies

We are committed to acting responsibly throughout all our activities, and have a number of group-wide policies and regulations in place to ensure we continue to operate in a socially responsible and compliant manner, including:

Dignity at Work Policy

Our Dignity at Work Policy outlines the type of behaviour that the company considers to be unacceptable and explains what solutions there are if any employee has experienced or believes someone else has experienced any discrimination, harassment or bullying at work.

We ensure equal opportunities for all, including having a commitment as part of our Dignity at Work Policy to ensure no employee is subject to discrimination. This applies to all work contexts, as well as all employee lifecycle events, for example in recruitment, training, promotion and flexible working requests.

As part of our Dignity at Work Policy, our colleagues with disabilities are encouraged to share their condition with us, to ensure any reasonable adjustments can be made. We are also members of the Business Disability Forum to support the hiring, retention, training, career development and promotion of employees with disabilities.

Whistleblowing Policy

We provide a simple, transparent and secure environment for our employees, shareholders and other stakeholders to raise concerns about any potential wrongdoing within the company.

We encourage our employees to report any activity that may constitute a violation of laws, regulations or internal policy, and reporting channels are provided to staff for this purpose within the framework of a Whistleblowing Policy.

Employee Health and Safety Policy

Our Health and Safety Policy demonstrates our commitment to ensuring our employees and visitors are safe and sets the framework for our safety culture. We continue to provide a safe and healthy working environment for our employees and visitors in accordance with The Management of Health and Safety at Work Regulations 1999.

The Health and Safety Committee continues to meet on a quarterly basis and we are proud of the ongoing progress in successfully raising the profile of health and safety across the business. This year we recorded 83 incidents

across all of our sites. Of these, nine were reportable and all arising from Covid-19 within the workplace reportable requirements. We continue to use an online risk assessment tool to manage site-specific risks as appropriate and our Display Screen Equipment risk assessment programme.

Privacy Policy

Our Privacy Policy codifies our approach to protecting personal information, in line with the General Data Protection Regulation and UK Data Protection Act 2018. It sets out our core principles for what personal information we collect and process, and the controls to which the data is subject through its lifecycle.

We have a nominated Data Protection Officer who is accountable for the firm's approach to privacy management, a Chief Information Security Officer accountable for our approach to cyber security, and a broader operating model in which the privacy and security requirements are embedded in operations throughout the organisation.

Financial Crime Policy

Our policies and standards are intended to prevent the group, employees, clients and any other associations or representatives from being used for the purposes of financial crime, including, but not limited to, money laundering, terrorist financing, facilitation of tax evasion and circumvention of financial sanctions.

We are committed to carrying out business fairly, honestly and openly, operating a zero-tolerance approach to bribery and corruption. We are dedicated to ensuring full compliance with all applicable anti-bribery and corruption laws and regulations, including the UK Bribery Act 2010.

Human Rights and Modern Slavery Act

The board gives due regard to human rights considerations, as defined under the European Convention on Human Rights and the UK Human Rights Act 1998. We are aware of our responsibilities and obligations under the Modern Slavery Act, with the appropriate policies and training in place to enable compliance across the organisation.

The Banking division has also committed to the CIPS Ethical Code of Conduct, which supports our commitment to preventing modern slavery from existing within our supply chain. Further details of our compliance with the Modern Slavery Act can be found on our group website.

Tax Strategy

We are committed to complying with our tax obligations and doing so in a manner consistent with the spirit as well as the letter of tax laws. This includes a transparent and cooperative relationship with the tax authorities. Our tax obligations arise mainly in the UK where our operations and customers are predominantly based. Our straightforward business model reduces the complexity of our tax affairs and helps us maintain a lower risk tax profile. Further details of our approach to tax can be found on our website.