



gatehousebank

Environment Social Governance (ESG) Policy

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1 Introduction

Gatehouse Bank is a founding signatory of the UN Principles for Responsible Banking (UNPRB). By becoming a founding signatory, we committed to strategically aligning our business to the United Nations' Goals for Sustainable Development, Paris Climate Agreement, and other relevant frameworks.

As a Responsible and Ethical Bank, Environment, Social and Governance (ESG) is at the heart of everything that we do. Whilst ESG is integrated in the overall approach of the Bank, this policy provides an overarching framework of ESG activity and the Bank's approach.

2 Purpose of Policy / Policy Statement

The purpose of the ESG policy is to provide an overarching framework that embeds the consideration of environmental, economic, social and governance factors into the Bank's operations, processes, growth, and plans. Through this policy, we demonstrate the principle areas under ESG, our approach in addressing them and how they are supported through our actions.

3 Applicability of Policy

The scope of the Bank's ESG policy includes both internal (operationally, across the Bank's offices. For more information on internal Health Safety and Environment Policy, please refer to the Bank's HSE policy) and external (the Bank's impact on the external environment and society), including the Bank's value chain.

The Bank uses a 'materiality assessment', which is a formal method of engaging with stakeholders (internal and external) and identifying issues that have a significant impact on our Bank as well as on our stakeholders (customers). Based on the materiality assessment, the following topics have been highlighted as being the most material to the Bank. They form the overarching topics, being addressed through the Bank's ESG strategy.

Environment	Economic	Social	Governance
Climate change mitigation, climate risk, sustainable procurement and protecting biodiversity.	Responsible use of funds and investments, economic value generated and distributed, preventing financial crime, innovation and adaptability.	Our people and culture (conduct and culture, human rights, diversity, equity and inclusion, employee wellbeing, learning and development). Community (customer journey and wellbeing, financial health and inclusion, financing and access to housing, community giving).	Safeguarding against green washing, adhering to all regulatory requirements (ESG steering group, reports, and disclosures).

There are a number of initiatives, the Bank undertakes, which are demonstrated through the Bank's Annual Report, Sustainability Report and the UN PRB Report. The materiality assessment is repeated every two to three years, to factor in the constantly evolving sustainability landscape and new issues and concerns that could have a significant impact on our business and stakeholders.

The approach towards ESG will be demonstrated through leadership, integration, stakeholder engagement, due diligence, transparency, and governance. Engaging colleagues in the ESG journey is fundamental to the approach, through creating awareness on ESG topics, colleague volunteering and supporting colleague nominated, local charity of the year.

4 Policy Control Objectives

The scope of the ESG policy encompasses all the risks associated and identified by us as a Bank, with enhanced focus on climate related risk and opportunities. The risks associated with climate change has the potential to impact the Bank's risk, related to operations, physical risk, transition risk and reputational risk. This policy helps to monitor and be proactive in mitigating the potential risks through measures and actions.

The Bank has set up a Board-approved Environmental Social and Governance steering group, which is chaired by the CEO. The steering group meets quarterly and comprises of a Non-Executive Director, a number of Executive Committee members (ExCo), Board members and senior managers. The Corporate Sustainability and Responsibility Lead shares progress with regards to the Bank's ESG commitments and the steering group provides the leadership and direction on the Bank's ESG initiatives.

5 Strategies and requirements to achieve Objectives.

The Board is the primary governing body with ultimate responsibility for setting the Bank's ESG strategy, in light of the corporate objectives and risk appetite.

At the ESG Steering group quarterly meeting, the group review and monitor progress, whilst providing timely advice and guidance.

The Bank's ESG progress, targets and commitments, whilst ensuring the regulatory requirements are met, are reported on the globally approved reporting frameworks and the Bank's Annual Report, Sustainability Report, and the UN PRB Report.

The changing sustainability landscape is constantly reviewed and adapting proactively to mitigating risk whilst creating a positive impact with the Bank's stakeholders, society and the environment.

The Bank is committed to be transparent and authentic with a high level of governance.

The Bank respects and upholds a value of Human Rights, across all of its operations and wider value chain. The Bank commits to ensuring the same values are upheld and respected by all its partners, suppliers and external organisations.

While there are specific targets and commitments in ESG, all colleagues are responsible in driving ESG through their roles.

6 Record Keeping

The Corporate Sustainability and Responsibility Lead is responsible for capturing and reporting on the Bank's ESG commitments. Alongside various teams and departments within the Bank and external partners.

Records keeping is shared within the Annual Report, Sustainability Report, UN PRB report or any other report as deemed necessary or required by the regulators or stakeholders.

7 Policy Governance

The Bank complies with the ESG policy and actions are achieved following Bank's ESG strategy and commitments, which are publicly disclosed and published. Any breach of this Policy is treated as an incident and may be dealt with in accordance with the Bank's Disciplinary Policy and Procedures.

Responsibilities are further described below:

Role	Responsibilities
Chief Customer Officer	Considers the policy objectives while making business decisions.
Chief Risk Officer	Consider the policy objectives when assessing the Risk Management Framework.
Corporate Sustainability and Responsibility Lead	Reviewing the policy annually to ensure ESG is implemented across the Bank in line with the requirements and commitments.
Internal Audit	Assess compliance alongside the policy when conducting reviews/audits.
Colleagues	While there are specific targets and commitments in ESG, all colleagues are responsible in driving ESG through their roles.

8 Definitions

ESG Policy - Environment Social Governance Policy

HSE Policy – Health, Safety and Environment Policy

9 Appendix

Below are listed the related documents to this policy:

- Health Safety and Environment Policy
- Sustainable Procurement Policy
- Colleague Volunteering Policy
- Anti Bribery & Corruption Policy
- Financial Crime Policy
- Modern Day Slavery Policy