



Sustainability Report 2023

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Introduction

As a Shariah-compliant UK bank, we are grounded by our strong values and principles, which emphasise positive contributions to society and the environment. We believe in a financial system that is responsible and fair for all people and the planet.

In 2023, we continued to make progress in line with our sustainability strategy and commitments. We extended our green home finance product range, took action to continue reducing our carbon emissions, achieved the milestone of planting 40,000 trees through customers choosing our Woodland Saver accounts, enhanced our volunteering policy for all colleagues and created a new initiative to support local sports teams.

We were certified as operationally carbon neutral for the third consecutive year and continue to carefully consider our impact on the environment. Through our subsidiary Gatehouse Investment Management (GIM), we implemented new initiatives to help attract and preserve biodiversity while also incentivising tenants and homeowners to opt for more energy efficient homes.

As part of our commitment to the UN Principles for Responsible Banking (UN PRB), we align our ESG strategy and activity to the UN Sustainable Development Goals (SDGs), where possible. As part of this, we identified two core areas of focus where we believe we can make most significant impact – climate change and financial health and inclusion. As a result, we have created targets to help us monitor, measure and achieve progress.

In 2023, Gatehouse Bank made strong progress in driving its ESG strategy forward and we will continue to develop sustainable solutions that demonstrate we can be a successful business and meet our customers' growing expectations whilst supporting a greener future for all.



Statement from the Chief Executive Officer

As the nation continues to recover from the effects of the pandemic, we have been faced with new challenges including increased living costs, rising inflation and interest rates and continued economic uncertainty. We believe in a financial system that is fair to all and work hard to address these challenges responding by offering the best support, products and services for our customers, colleagues, community and the environment.

As a bank, we remain strong and resilient to the headwinds we face and are undeterred in our mission to stay true to our principles of addressing the most pressing needs of our time. I'm particularly proud of our innovative approach to product development and services that ensures we not only meet our customers' needs, but also support our wider pledge to positively contribute to society and the environment.

In 2023, we revised our green home finance offering to ensure greater access to customers living outside of the UK, therefore increasing our positive impact on the environment whilst being more financially inclusive. As part of our focus on financial inclusion, we also launched the UK's first Shariah-compliant Regular Saver account, which is designed to typically help younger people and those with smaller deposits form healthy saving habits they can adopt into their futures.

Last year we also hit the milestone of 40,000 trees planted on behalf of our customers through our Woodland Saver accounts. The Woodland Saver accounts are designed to provide value to customers while increasing and preserving UK woodlands and forests. At a corporate level, we joined forces with

stakeholders and peers to contribute to events and discussions that aim to shape a more sustainable, low carbon and inclusive future for the financial services industry. ESG is a core concern for us and we will continue to take action to affect change and create a legacy we can be proud of for generations to come.

I'm incredibly proud of the progress we have made towards being more sustainable, having a positive impact on the environment and wider society, but we recognise it's a long-term commitment and there is more work to be done.

Our progress simply wouldn't have been possible without the hard work of our colleagues, Board, Shariah Board and our dedicated ESG Forum, as well as the input from our many customers, stakeholders and trusted partners. To you all, I'm incredibly grateful, thank you.



Charles Haresnape
Chief Executive Officer



Our Highlights



Business for Good

Under Shariah principles, money should be put to work to produce a return for the benefit of the whole community rather than generating profit in and of itself.

Financial Inclusion & Education

Promoting financial inclusion through products and initiatives.



Committing to Net Zero

Certified as an operationally carbon neutral bank for the third consecutive year.



Doing Good for People and Planet

40,000 trees planted on behalf of our Woodland Saver customers to help with the transition to Net Zero.



Green Homes

Gatehouse Investment Management introduced a 'green clause' into tenancy contracts to support them in reducing their energy consumption.



Innovative Green Home Finance

Extended our range of green home finance products to also apply to UK expats and international residents, encouraging investment in more energy efficient homes.

Volunteering

In 2023, we doubled the time we grant colleagues to spend volunteering with full pay to two days. Over the year, 75 of our colleagues accrued 632.5 hours of volunteering and fundraising.



Supporting Communities

Launched a new initiative to support local sports teams, including a three-year sponsorship partnership with Hyderi Sports Association.



Charity Partnership

Raised £15,700 for our 2023 charity partner, Rainbow Trust. Thank you to our colleagues for their commitment and fundraising initiatives.



An aerial, black and white photograph of a vast, dense forest of evergreen trees, likely spruce or fir, covering a hillside. The trees are tightly packed, creating a textured, dark green canopy. The perspective is from a high angle, looking down on the forest.

Sustainability Strategy

Sustainability Strategy

Responsible and sustainable banking is the guiding principle for everything we do at Gatehouse Bank. Wherever possible, we consider the most pressing social and environmental needs when creating products as well as in our day-to-day operations.

To create our sustainability strategy, we referred to the 'Impact Radar' developed by the UN Environment Programme Finance Initiative (UNEP FI), to determine our impact across three pillars – environment, social and economic. To report on our impact, we followed the Global Reporting Initiative's (GRI) best practice standards to communicate and demonstrate accountability for our impacts on the environment, economy and people. We identified our material topics based on two dimensions:

- Concerns and impact of our stakeholders (colleagues and customers)
- Significance of impacts (Environment, Economic, Social, and Governance) for the Bank

To ensure we are doing right by our key stakeholders, each year we invite colleagues, customers and members of the Board and Executive Committee to vote on the topics they believe to be most important to them and Gatehouse Bank. After reviewing their feedback, we decided on the below topics, which include a few new additions for 2023. This report aims to share our impact, targets and progress against each of the material topics.

Environment

- Climate change
- Climate risk*
- Supply chain sustainability
- Biodiversity*
- Carbon neutral operations
- Net zero home finance
- Sustainable procurement
- Sustainable products

Society

- Financial health & inclusion
- Customer journey*
- Access to finance & housing*
- Community giving
- Fair treatment of customers
- Customer privacy
- Customer financial wellbeing
- Charity partnerships: volunteering & corporate philanthropy

Economy

- Responsible use of funds & investment
- Economic value generated & distributed
- Preventing financial crime*
- Innovation & adaptability*
- Greenwashing prevention*
- Profit, employment & tax contributions
- Anti-corruption & bribery
- Training & anti-money laundering

People and Culture

- Safeguarding human rights*
- Colleague wellbeing
- Diversity & inclusion
- Our values
- Employee training & development
- Wellbeing mentors & webinars

*Additional materiality topics added in 2023

To further cement our commitment to being a responsible business, Gatehouse Bank is a founding signatory of the UN PRB, and the first Shariah-compliant UK Bank to become a member. Being a signatory for the fourth consecutive year in 2023, we committed to strategically aligning our business to the United Nations' Sustainable Development Goals (SDGs) and the Paris Climate Agreement, as well as other relevant frameworks.

The SDGs, adopted by all UN Member States in 2015, display a roadmap to a more equitable and prosperous future for people and planet.

As part of our commitment, two of the material topics; climate change (environment) and financial health and inclusion (community) have been identified as significant impact areas that the Bank has set targets for as part of our commitment to the UN PRB.

The Bank will continue to measure performance for material topics, increasing the scale of disclosures over time as qualitative and quantitative data availability improves.

Climate¹

Gatehouse Bank supports the transition to a net zero economy through its financing decisions and through facilitating clients' transition.

The Bank will publicly disclose interim and longer-term targets that support meeting the goals of the Paris Climate Agreement. We will establish an emissions baseline and annually report the emissions profile, use widely accepted science-based decarbonisation scenarios and regularly review targets to ensure consistency.

Financial Health and Inclusion²

The UN PRB's commitment to promoting universal financial health and inclusion is an accelerator initiative for the banking sector. Financial inclusion ensures no one is left behind due to financial circumstances. Financial health is a state in which a person and organisation can smoothly manage their current financial obligations and have confidence in their financial future.



1 Guidelines for Climate Target Setting for Banks
2 <https://www.unepfi.org/wordpress/wp-content/uploads/2021/05/PRB-Guidance-Financial-Inclusion.pdf>

Our Stakeholders

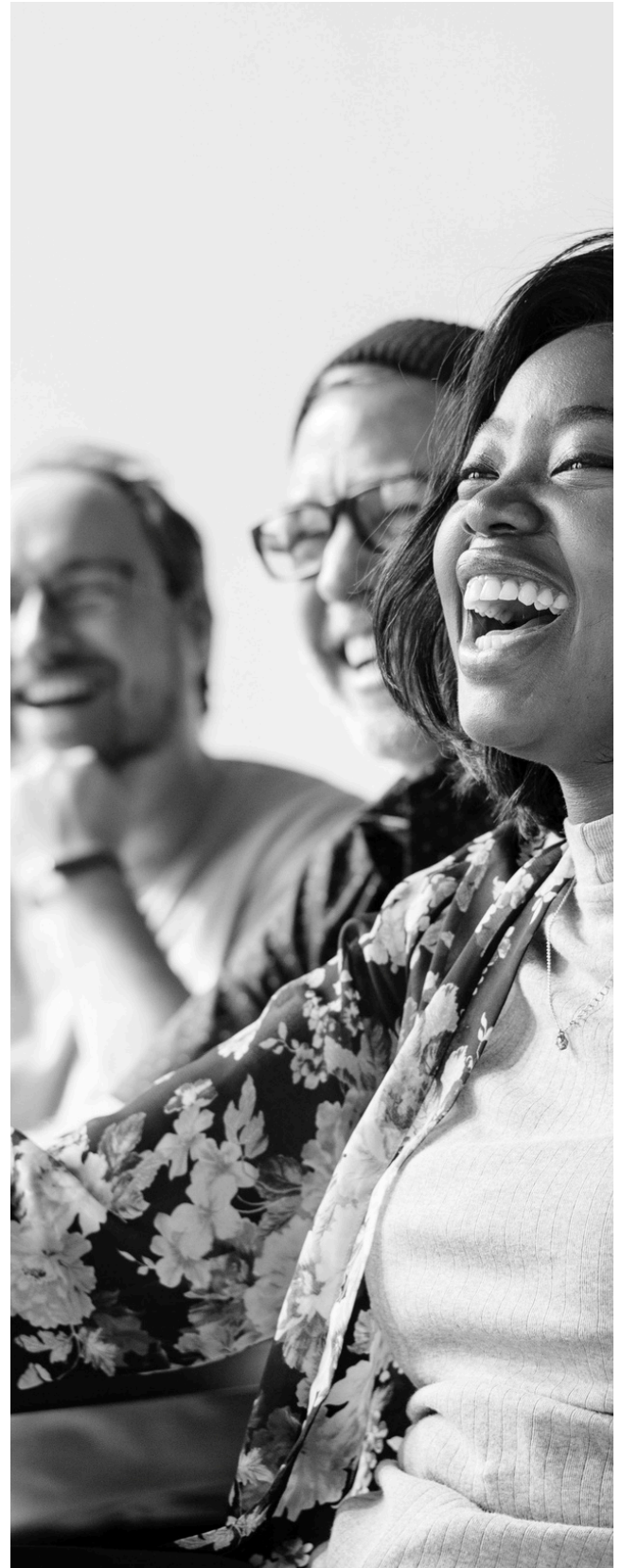
As a responsible Bank, it is important to us to build long-term relationships with our key stakeholders to provide the products and services that meet their needs. Our customers and colleagues are key to our business success and survival. Their views and experiences are vital to shaping our products and ongoing strategy.

Through a series of workshops, we identified our key stakeholders and developed an engagement plan to ensure we are listening, remaining accountable and taking the right approach. We consider the Bank's stakeholders to be individuals or groups with the power to respond to, negotiate with, influence or change the Bank's strategy. Principally, they include our customers, colleagues, investors, supply chain partners, industry bodies, third sector organisations, government, regulators and members of the community.

Transparency is one of our core values, we regularly and appropriately communicate with stakeholders through a number of channels, depending on the purpose and need.

For customers, we have a quarterly newsletter to share information about the Bank, its products and business updates as well as helpful advice on topics including ESG and money management.

We are always open to feedback and new ideas. Where appropriate, we invite customers, colleagues and other stakeholders to share feedback that helps shape our decision making and the future of our business.



Environment



Environment

As a Shariah-compliant UK bank, we believe we are well-positioned to drive sustainability forward due to the natural alignment between the Shariah principles of promoting, protecting and preserving the human race through sustainable development. We are focused on ways to reduce the amount of energy we use in our own operations as well as our financed emissions and continue to align ourselves with the UK's goal of achieving net zero by 2050.

This year, we reached the milestone of planting 40,000 trees since the launch of our Woodland Saver accounts in 2021, extended our green home finance offering and were certified as an operationally carbon neutral bank for the third consecutive year.

“

“Where possible, we try to design products that add value to customers and the environment. Our Woodland Saver accounts are testament to this as it helps develop UK woodlands with every new account opened or renewed, while rewarding customers at the same time. We also have a unique Shariah-compliant green home finance offering that has been designed to enhance our competitiveness while reducing environmental impact and furthering our commitment to achieving net zero.”

“As a business, we have set targets to reduce our operational emissions and mitigate our impact on the environment with the objective of upholding our status as a carbon neutral bank, something we have achieved for three consecutive years. We have also introduced a number of initiatives through GIM to promote and protect biodiversity at our sites while incentivising tenants and homeowners to opt for greener properties.”

Andy Homer
 Chief Customer Officer



Operational Greenhouse Gas Emissions

We continue to work hard to reduce our environmental impact and have been an operationally carbon neutral business for the third consecutive year.

In 2023, we worked closely with Carbon Neutral Britain to offset our operational emissions for the previous year, including Scope 1, Scope 2 and selected Scope 3 emission categories in accordance with ISO 14064:1-2018 and the GHG Emissions Protocol Accounting and Reporting Standard.

The Bank's operational emissions include those produced across its three offices in London, Milton Keynes and Wilmslow as well as employee business travel. The Bank's operational emissions are offset via the Climate Fund portfolio of verified carbon offsetting projects around the world. These projects have been selected based on their direct and indirect impact around the world and have been certified to the highest standards via the Verra – Verified Carbon Standard, the Gold Standard – Voluntary Emissions Reductions (VER), or the United Nations Certified Emission Reductions (CERs) programmes.

However, we recognise that offsetting alone will not tackle climate change, which is why we have set targets to continue mitigating the impact of our operational emissions as well as financed emissions, particularly through our home finance portfolio.

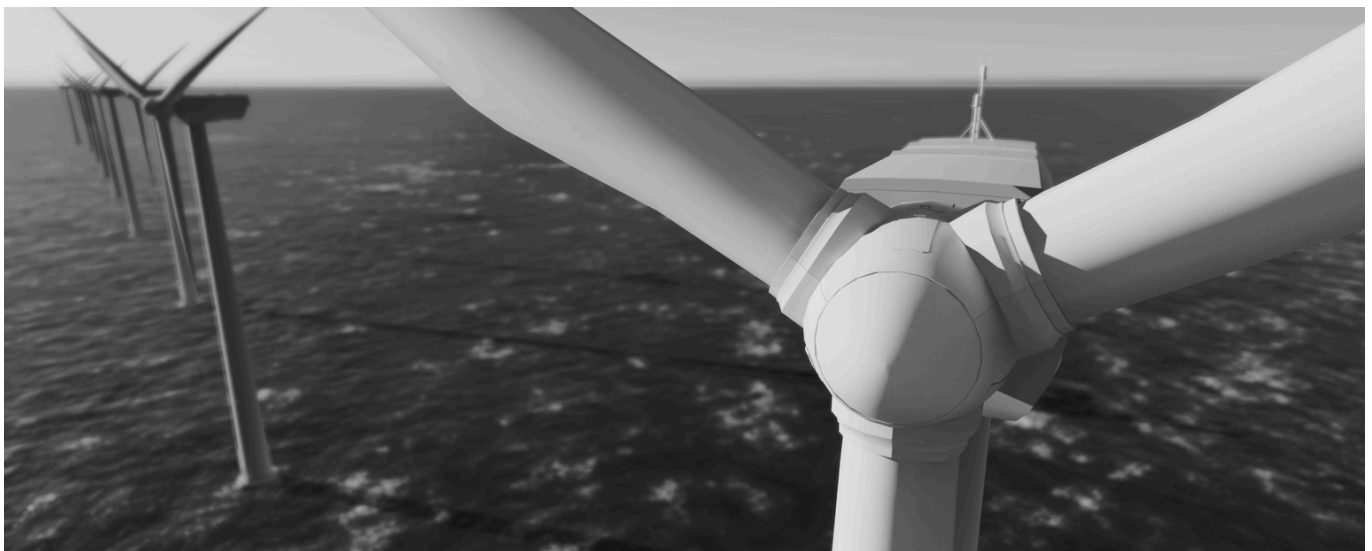


The Bank's report on all emissions sources for 2023 required under the Companies Act 2006 Regulation 2013 is set out below. In compiling this information, the Bank has used Streamlined Energy and Carbon Reporting (SECR).

Greenhouse gas emissions are reported as a single total by converting them to the equivalent amount of carbon dioxide using the emission factor from the SECR conversion factor 2023.

Energy source	tCO ₂ e (2023)	tCO ₂ e (2022)
Scope 1: Direct emissions from combustion of fuel (heating gas)	142.38	91.45
Scope 2: Indirect emissions from electricity purchased	102.27	64.95
Scope 3: Business travel, hotel stays and staff working from home	294.44	87.62
Scope 1 + 2 + 3	539.08	244.02
Environmental intensity indicator (tonnes of carbon dioxide per £1m gross income)	8.0	4.3

The year-on-year increase in carbon emissions is due to incomplete Scope 3 emissions data from 2022, which only took emissions from business travel into account due to lack of data around hotel stays and colleagues working from home. In 2023, there was also an unavoidable increase in international business travel related to client meetings.



Financed Emissions

UN Principles for Responsible Banking - Significant Impact Area

Financed greenhouse gas emissions has been selected as a significant impact area for the Bank, as per its commitments as a founding signatory to the UN Principles for Responsible Banking. Home finance represented 100% of the Bank's new financing activity in 2023 and was therefore considered in the scope of analysis and target setting. Gatehouse Bank has followed the UNEP FI Guidance on Climate Target Setting for banks to set its climate targets.³



Overall target

- Reduce emissions of home finance portfolio from base year by 90% 2050*.
- Track and disclose the average Energy Performance Certificate Rating of properties in the home finance portfolio.

KPI

- Reduce absolute emissions of home finance portfolio.
- Reduce intensity of home finance portfolio emissions (kg CO₂e per m²).
- Capture and improve average EPC rating of home finance portfolio.

Review and reporting

- The Bank follows the UNEP FI Guidelines for climate change target setting, with targets to be reviewed every five years and progress reported annually.

Residential Property Finance products make up the bulk of the Bank's total portfolio, so reducing associated emissions can play a role in facilitating the transition to energy efficient homes and reducing the Bank's overall emissions.

³ <https://www.unepfi.org/wordpress/wp-content/uploads/2022/08/Supporting-Notes-for-Guidelines-for-Climate-Target-Setting.pdf>

We consulted independent sustainability experts, Greengage⁴, to create an emissions reduction strategy for the Bank. We were advised that the best methodology to adopt in order to appropriately align the portfolio with the goals of the Paris Climate Agreement would be the Absolute Contraction Methodology. This is defined as an overall reduction in the amount of greenhouse gas emissions emitted to the atmosphere, relative to the base year.

To further this aim, in 2021 we set a target to reduce the emissions of our home finance portfolio from our 2020 baseline of 4,374tCO₂e (Scope 1 – 3455tCO₂e, and Scope 2 – 919tCO₂e). To determine our emissions, we assess the energy performance certificate (EPC) ratings of properties in the portfolio to understand our emissions per square metre of the total portfolio.

The Bank's carbon reduction pathway is set out below and requires the Bank to reduce the absolute emissions of the growing home finance portfolio by 90% to achieve net zero emissions by 2050.

Absolute Emission tCO₂e reduction trajectory

Year	Baseline tCO ₂ e (2020)	2030 tCO ₂ e	2040 tCO ₂ e	2050 tCO ₂ e
Scope 1	3,455	2,250	1,465	954
Scope 2	919	598	389	254
Total	4,374 tCO₂e	2,848	1,854	1,207
Reduction target		35%	58%	90%*

* The SBTIs Net Zero standard published at the end of 2021, has indicated that a 90% reduction should be targeted by 2050, replacing our previous target of 72%



⁴ <https://www.greengage-env.com/>

EPC Ratings in the home finance portfolio

EPC Rating	Number of Properties	Total Property Value	GHB Stock*
A	5	£5,784,995	0.3%
B	1,418	£650,025,175	33.4%
C	1,347	£451,881,476	23.2%
D	1,744	£583,946,519	30.0%
E	479	£160,580,887	8.2%
F	38	£14,445,500	0.7%
G	8	£2,397,000	0.1%
No EPC	65	£79,943,767	4.1%
Grand Total	5,104	£1,949,005,319	100.0%





Progress made against climate targets in 2023

KPI	Progress 2023	SMART targets from 2023 to 2025
<p>Capture and improve average EPC rating of home finance portfolio.</p>	<p>Reported ratings of financed properties (5,104).</p> <p>We contacted 15,850 customers through our customer newsletter in November 2023 to educate them on the principles of EPC and tips for saving household energy.</p>	<ul style="list-style-type: none"> • Move 100 properties in our portfolio from E to D ratings and above. • By end of 2025, all financed properties will have an EPC rating.



To help progress our targets, we enhanced our green home finance product offering, which had previously only been available to UK residents, to also apply to UK expats and international residents. These are the first Shariah-compliant products of their kind in the UK, offering a reduced rate for customers acquiring a more energy efficient property. Customers with a property with an A or B energy efficiency rating will receive a 10bps reduction on the rental rate. We also offset carbon emissions for the product's initial fixed term, provided the owner remains a customer of the bank with a qualifying property. These offsets are based on the emissions generated by the average UK property.

Since the launch of our green home finance products in April 2022, we have received a total of 292 applications, 155 of which were successfully completed. Of these, 158 applications were received in 2023, 117 of which were successfully completed (65 Buy-to-Let and 52 Home Purchase Plans).

Currently, 96% of our total financing portfolio is associated with residential home finance of which 4.5% of products are green home finance. Our plan is to gradually shift our home financing portfolio to become greener and extend green home finance to more customers.

Gatehouse Bank's Journey towards portfolio alignment with Net Zero

2019

- Gatehouse Bank became a founding signatory to the UN PRB.

2021

- Continued to capture and offset our operational greenhouse gas emissions through Carbon Neutral Britain.
- The Bank identified climate as a significant impact area and set net zero home finance targets that are aligned to the Paris Climate Agreement.
- Launched our Woodland Saver accounts to help our customers achieve competitive returns on their savings while contributing to UK woodland growth. In 2021, we planted 10,000 trees on behalf of our customers through these accounts.

2023

- The total number of trees planted since the launch of our Woodland Saver accounts reached 40,000.
- Extended our green home finance products to UK expats and international residents.
- Obtained EPC ratings for all financed properties ahead of the 2025 deadline.
- Gatehouse Bank remained operationally carbon neutral for the third consecutive year.

2020

- Started capturing operational carbon emissions using the 2019 baseline.
- Engaged external sustainability consultant, Landmark, to study our home finance portfolio from a climate risk perspective.
- Engaged external consultants, Greengage, to assess our baseline carbon emissions for home finance portfolio.

2022

- Continued to capture and offset our operational carbon emissions.
- Revised our travel policy to reduce emissions related to staff travel, capture travel related data more accurately and encourage employees to use public transport while discouraging short haul flights.
- Improved EPC ratings data capture of properties financed by the Bank, based on the report from external consultants, Landmark.
- Set SMART targets to improve the EPC ratings of existing properties that we finance.
- Launched our green home finance product range to incentivise customers to choose properties which have A or B energy efficiency ratings.
- Planted an additional 13,645 trees through our Woodland Saver accounts.
- Started engaging with customers and suppliers about our transition to Net Zero.
- Introduced a sustainable procurement policy.

Managing Climate Risk

Since the Prudential Regulation Authority (PRA) published its Supervisory Statement SS3/19, Gatehouse Bank has been developing its approach to managing the financial risks arising from climate change transition risks.

As a digital bank, Gatehouse Bank's operations utilise minimal physical infrastructure, making it less exposed to risks of flooding and business disruption. However, it is reliant on a range of suppliers who may be exposed to risks arising from climate change. This is monitored and actively incorporated into Gatehouse Bank's sustainability strategy. We are working with When Fresh, a supplier of residential property data to obtain climate risk data for the portfolio in 2024.



Woodland Saver

We believe banks have a role in promoting responsible saving. In 2021, we launched our Woodland Saver accounts, which supports the creation of new woodlands in the UK while helping customers achieve competitive returns on their savings.

For every Fixed Term Deposit or Fixed Term Cash ISA account opened or renewed, Gatehouse Bank plants a tree in a certified UK woodland project on behalf of its customers.

Our tree planting is certified by the UK Government's Woodland Carbon Code and facilitated by Forest Carbon, who provide assurance that the right types of trees have been planted in suitable areas, and that the woodlands are sustainably managed and protected long-term. In 2023, we reached the milestone of 40,000 trees planted since the product launched in 2021.

87% of our customers have given us a NPS score of 5/10 or higher as to the **importance of planting a tree** in their decision to choose Gatehouse Bank as their savings account provider.

Managing Biodiversity with Gatehouse Investment Management

Throughout 2023, our investment arm, Gatehouse Investment Management (GIM) started looking at the impact our developments have on the environment. We continue to work with property developers to integrate biodiversity into our investment decisions, creating long-term, sustainable communities in which our customers want to live.

To promote an ecosystem rich in diversity, we have installed bird feeders at some of our sites and encouraged wild seeding to support pollinators and provide shelter and breeding spots. In addition, our property management company has committed to planting one tree for every property we let.

As GIM continues to grow, we aim to build on our initiatives, engaging more with property developers and customers to promote the importance of biodiversity and ensure we play our part in mitigating impact on the environment. Next year, GIM plans to work with ESG consulting firm, Skewb Green, to develop an overarching Sustainability Commitment, delivering a robust strategy and roadmap for the next three years.



Economy



Economy

We take an ethical and sustainable approach to banking, which is evident in our range of products and services. As a challenger bank, we are constantly exploring opportunities to innovate our products in a way that creates value for our customers, society, and the environment.

As well as our green home finance products, we also launched the UK's first Shariah-compliant Regular Saver account, which supports our commitment to increasing financial inclusion. The accounts aim to help young people and those with smaller deposits to form healthy saving habits by setting money aside for a fixed period of 12 months.



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“What sets us apart from other banks is being founded on a set of Shariah principles that give us an ethics-first approach and places great emphasis on doing good by society while being inclusive. Our products and services are designed to create value for customers, wider society, the environment, and the business.”

“At the same time, we endeavour to be innovative and forward thinking to enable us to quickly and appropriately respond to changes in the macro environment, to offer support and products that empower customers, promote financial inclusion and meet the most pressing needs of the day.”

Danesh Mahadeva
Chief Financial Officer

Responsible use of funds and investments

As a Shariah-compliant UK challenger bank, we adhere to an exclusion list when it comes to our products and investments. This means that deposits or funds that we manage do not finance sectors perceived to cause harm to society, including alcohol, tobacco, adult entertainment, gambling or the arms industry. In addition, we do not finance environmentally harmful extractive activities such as coal or oil.


Our business model employs a diverse, low risk profile and we do not finance investments involving excessive uncertainty or speculation. For example, Gatehouse Bank's transactions involve tangible assets, which helps mitigate some of the negative effects associated with more high-risk financial products. The Shariah principles that we abide by, promote trade and enterprise that generates wealth benefits for the wider community. We conduct our investments in a transparent way that provides stability and facilitates the sharing of both risk and reward in an equitable way.

To ensure compliance, we have a Shariah Supervisory Board (SSB) made up of independent Shariah experts who oversee our operations and activities. There are some key differences between Shariah finance and conventional finance:

- Money must be put to good use to generate profit supported by a genuine trade or business-related activity. The giving or receiving of interest (making 'money from money') is prohibited.
- Finance and investments must not be used to support industries or activities that are against Shariah principles. This exclusion list has a natural alignment to several of the UN's Sustainable Development Goals, to which we have committed to strategically aligning our business to as a founding signatory to the UN Principles for Responsible Banking.



With these guiding principles, our strategy for 2023 remained focused on three core markets:




Build to Rent Group

Gatehouse Investment Management
Ascend Estates Limited

Retail Savings

- Fixed Term Deposits
- Cash ISAs
- Easy Access Accounts
- Notice Accounts
- Regular Saver





Home Finance

Home Purchase Plans (owner occupiers)
Buy-to-Let Plans (property investors)

Gatehouse Bank provides savings accounts for UK consumers and commercial entities, as well as offering a range of Residential Property Financing products. The Bank's Build to Rent (BTR) business manages developments in the private rental sector, building safe, high-quality and well-managed homes for the UK rental market.

The Bank reinforced its position in the single-family Build to Rent field by establishing Gatehouse Build to Rent Group Limited, a stand-alone holding structure to consolidate its BTR activities and provide an end-to-end platform. This includes subsidiaries Gatehouse Investment Management Limited (GIM) and Ascend Estates Limited, a leading property management company managing over 10,000 rental properties.

More information on Gatehouse Bank's business activity can be found in Gatehouse Bank's Annual Report and Financial Statements for 2023: <https://gatehousebank.com/about-us/corporate-governance>.

Preventing Financial Crime

Financial crime is defined as the ‘facilitation of money laundering, terrorist financing, the breach of economic and financial sanctions, fraud, tax evasion, electronic crime, market abuse, bribery and corruption’.

Financial crime is a major threat to the international financial services community and has a devastating impact on society. As a bank with ethics at its core, detecting and preventing financial crime is a significant priority. We have a zero-tolerance policy towards fraud, bribery and corruption.

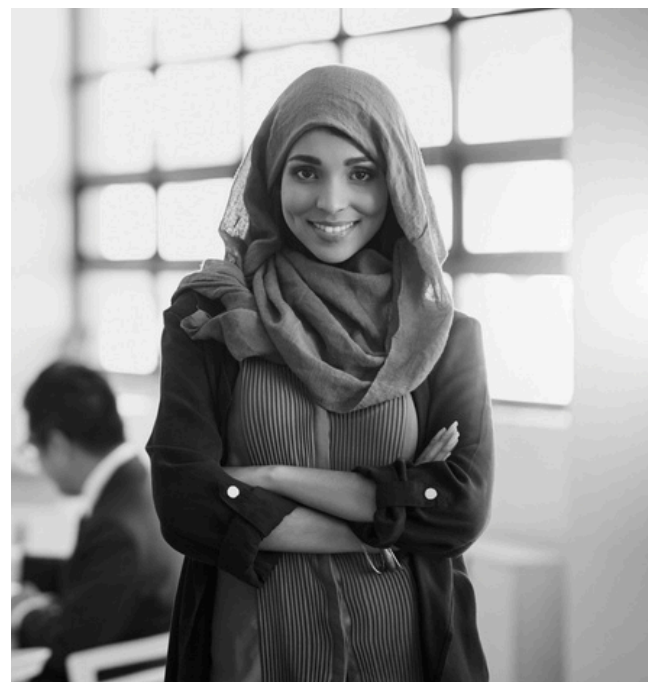
We work hard to manage the economic crime risks associated with our business and are always assessing and building our capabilities to protect customers, the economy and the Bank. We have established robust crime prevention policies and practices which include risk assessments, proportionate controls and independent oversight to ensure we are detecting and preventing financial crime.

Policies apply to any irregularity or suspected irregularity involving an employee, person or entity with any contractual or business relationship with the Bank. Our anti-corruption policies and procedures are approved by the governing body at least every two years (or sooner if there is a change in policy) and every new joiner must read and attest to the policy as part of their induction process.

We share our site terms of business with all our brokers regarding our Home Purchase Plans and BTL products, in line with the rules set out by the FCA to comply with the latest laws and regulations, including those on money laundering.

We take a risk-based approach towards assessing and managing money laundering and terrorist financing risks and risk-based customer due diligence procedures.

The Bank operates a strict Anti-Money Laundering and Counter Terrorist Financing Policy (AML Policy) that complies with the requirements and obligations set out by UK legislation, regulations, rules and industry guidance for the financial services sector, which is overseen by our Money Laundering Reporting Officer. All our Board Members, Executive Committee and colleagues completed mandatory Anti-Bribery and Anti-Money Laundering training in 2023.



We make every effort to ensure we protect personal data and promote consumer awareness of scams with a dedicated page on our website that shares tips to help customers better protect themselves as well as signposting to more specialist advice. We support national campaigns such as International Fraud Awareness Week and Take Five, a fraud awareness campaign spearheaded by UK Finance, the voice of the banking and finance industry.

As an ethics first business, we also elect to openly disclose our tax payments. We believe the tax we pay is an integral part of creating shared value and consider it good practice to openly disclose payments information as part of our commitment to being a responsible and transparent organisation. More information can be found in our latest Annual Report on our website.

Greenwashing prevention

As a bank, we are committed to not misleading our customers and other stakeholders about any ESG related benefits of our products and services and only present verifiable data and information. We work closely with our internal and external stakeholders and seek appropriate approvals before stating any facts or figures. For all sustainability related reporting, we follow the internationally accepted GRI and the UN PRB reporting frameworks. We also refer to the guidance issued by FCA on Anti-Greenwashing rule.⁵



⁵ <https://www.fca.org.uk/publication/guidance-consultation/gc23-3.pdf>

Society

Society

There is a natural alignment with the principles of Islamic finance and operating in a way that contributes to wider society. As per Shariah principles, we do not fund activities deemed harmful to society and we believe in a financial system that is fair to everyone. Our business operations and our products are transparent, fair and socially responsible.

We recognise the areas where we can best benefit society, such as promoting financial health and inclusion as part of our commitments to the United Nations Principles of Responsible Banking (UN PRB). During a year of high inflation, cost of living challenges and interest rate rises, improving financial health and inclusion is the right and responsible thing to do.

“

“As part of our commitment to the UN Principles of Responsible Banking (UN PRB), we are focused on mitigating our contribution to climate change and promoting financial inclusion. Our initiatives to support communities are heavily influenced by these commitments to making a positive impact.

“To demonstrate this, in 2023, we doubled the number of paid days we offer colleagues for volunteering and increased our support for local communities by partnering with local sports club, Hyderi Sports Association. We also piloted a financial inclusion programme and hosted a number of wellbeing initiatives to support our colleagues.”

Rachael Snelling
 Head of Communications



Our operations aim to support our customers' financial health, for instance through sharing risk and reward in an equitable way and by ensuring we accurately represent the long-term value of our products to our customers.

Over the last year, we strengthened our savings proposition by launching the UK's first Shariah-compliant Regular Saver account. The account aims to drive financial inclusion and accessibility for young savers and those with smaller deposits, helping them form healthy saving habits by setting money aside for a fixed period of 12 months.

This aligns with our UN PRB target of increasing the percentage of new young savings customers (aged 18-30) from 3% in 2021 to 10% by the end of 2025. While also allowing us to set targets, tracking regular deposits to showcase healthy savings habits of its young saving customers.

Looking forward, the Bank will continue to deliver its strong savings offerings and enhance its digitalisation strategy by introducing new features to our savings app.

Working alongside the other signatory banks, we discuss, share and agree best practice approaches for promoting financial health and inclusion. The definitions of Financial Health and Inclusion are agreed by the UN PRB's working group.

Financial Inclusion

Financial inclusion is about ensuring access to financial products and services and leaving no one behind. It includes:

- Providing responsible saving, financing, investment, insurance, and advisory services (as relevant) that are available and accessible.
- Creating opportunities for everyone to engage with the financial sector through suitable products and services.
- Appropriate support and advice that enables people to continue to benefit further into the future.

Financial Health

A state in which an individual, household, micro, small or medium-sized enterprise can smoothly manage their current financial obligations and have confidence in their financial future. This includes four elements:

- Managing day-to-day finances to meet short-term needs.
- Capacity to absorb financial shocks (resilience).
- Capacity to reach future goals.
- Feeling secure and in control of finances (confidence).

Access to Housing and Financing

As a Bank we understand the importance of stability, so we play our part in supporting individuals and families gaining access to housing as well as getting onto the property ladder.

In early 2023, Gatehouse Bank established the Gatehouse Build to Rent Group, a vertically integrated residential investment and management platform, comprising of Gatehouse Investment Management (GIM) and Ascend Properties. The Gatehouse Build to Rent Group is a wholly owned subsidiary of Gatehouse Bank plc.

The Gatehouse Build to Rent Group has a unique position and track record in the market, with Gatehouse Investment Management having created four institutional single-family rental platforms and Ascend now managing over 10,000 homes. Gatehouse Investment Management recently launched a strategic joint venture with The Carlyle Group to acquire high quality, new build, single-family homes for rent from leading housebuilders, including Persimmons, Bovis and Gleeson Homes. Through this and its another other mandated funds, Gatehouse Investment Management acquired 583 homes in 2023.

Housing not only plays a crucial role in driving economic growth but also in overall social and emotional wellbeing. In 2023, we financed 947 customers enabling access to housing and investment through ownership and Buy to Let.



392 Customers
Home Ownership



555 Customers
Buy to Let



Supporting Customers

Supporting Customers with Cost of Living

The past few years have seen unprecedented times, including a rise in the cost of living, which is a real challenge for households and communities across the UK.

To support customers who may be worried about their finances, we have a dedicated team on hand to provide support and guidance, whether they are homeowners or Buy-to-Let landlords. We have a dedicated money management page on our website which includes tips on budgeting, managing subscriptions, exploring benefits individuals may be entitled to and reducing energy bills.

We understand that customers' circumstances may change at any moment and unexpected life events, physical and mental health conditions, caring responsibilities and financial crime can have a huge impact. We are here to support our customers and we encourage them to contact us as soon as they start to feel worried so we can find the most appropriate solution. We also list several external support services on our website that can help customers through difficult times and periods of change.

As well as supporting our customers, we piloted a financial education programme, which aimed to help community groups boost their financial resilience and build healthy habits around money, particularly relating to financing, budgeting and saving.

Vulnerable Customers

Vulnerability is a dynamic state which is affected by personal factors, life events and wider circumstances or relationships, so no rigid assessment can ascertain whether a customer is vulnerable. All our employees are mandated to complete our internal vulnerable customer e-learning module. In addition, all customer-facing colleagues are provided with advanced vulnerable customer training, which enabled our team to identify and assist 36 vulnerable customers in 2023.

We provide support and assistance to customers on a case-by-case basis and any savings customers facing financial hardship may be supported to access funds deposited in the Bank's notice or fixed term accounts at short notice and with no penalty.

Our Vulnerable Customers Policy sets out the Bank's guidelines, processes and governance relating to the fair treatment of vulnerable customers. This policy helps to ensure the Bank meets its obligations under Principle 6 and 7 of the FCA's Principles for Businesses and Guidance for Firms on the fair treatment of vulnerable customers.⁶ The Bank follows the FCA's definition of a vulnerable customer, which states:

“A vulnerable customer is someone who, due to their personal circumstances, is especially susceptible to harm, particularly when a firm is not acting with appropriate levels of care.”

⁶ <https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>

Treating Customers Fairly

As a Bank, we try to be as fair, ethical and transparent as possible with regards to our products and services and communicate with our customers in a clear and simple manner. In line with Consumer Duty regulations, which came into force on 31st July 2023, we made many enhancements to improve the customer experience:

- Introduced Price and Value assessments, to evidence how our customers are receiving value from their chosen product for the price they pay.
- Invested in document viewing licenses to ensure there are no barriers to our customers opening their documents.
- Made changes to our application process to ensure all customers fully understand the terms of the product and are aware of any risks involved.
- Tested customer communications via a third party to ensure they are clear, straightforward and easy to understand.
- Refined our processes to remove inconvenient customer practices to improve efficiency and customer understanding.
- Reviewed our processes and procedures to ensure customers with characteristics of vulnerability are equally as able to achieve their financial objectives.
- Created outcome-based metrics to monitor our products and the quality of customer outcomes, to ensure we can be proactive in making further enhancements.
- Invested heavily in training, to ensure our staff are aware of their obligations and are empowered to speak up where they identify issues or see process improvements.

We have oversight provided by Grant Thornton, to validate the enhancements we are making and have carried out reviews on the work the Bank has undertaken.

Customers Privacy

Customer privacy and data security are of utmost importance to the Bank. Gatehouse Bank has a zero-tolerance approach to data privacy breaches, with a board level appetite (reported within the Bank's risk management dashboard) of zero reportable data privacy issues. We have a dedicated Data Protection Officer and follow best practice regarding data governance and security.

In 2023, we recorded one substantiated complaint concerning a breach of customer privacy, which was resolved and closed.



Our Charity Partnership

Every year, our colleagues have the opportunity to nominate and vote for our charity of the year. For 2023, our colleagues selected Rainbow Trust Children's Charity.

The charity supports families who have a child with a life-threatening or terminal illness pairing each one with an expert Family Support Worker who provides practical and emotional support for the whole family. The charity offers tailored support to suit the individual needs of each family – and every £30 raised provides an hour's support for a family caring for a seriously ill child.

Throughout the year, 240 colleagues organised and participated in fundraising activities which raised £15,700, exceeding our target for 2023.

Fundraising events included 'March in March' – where 97 colleagues across 12 teams marched 6 million steps while others took part in the Hampton Court Palace Half Marathon, the Yorkshire Three Peaks Challenge and the Thames Moonlight 10km Walk.

Others trekked 39 miles around the island of Guernsey in one day to complete the Saffery Rotary Walk 2023. The Bank also facilitated charity raffles and supported Rainbow Trust's 72-hour match funding "No Family Alone Appeal" in November 2023.

“

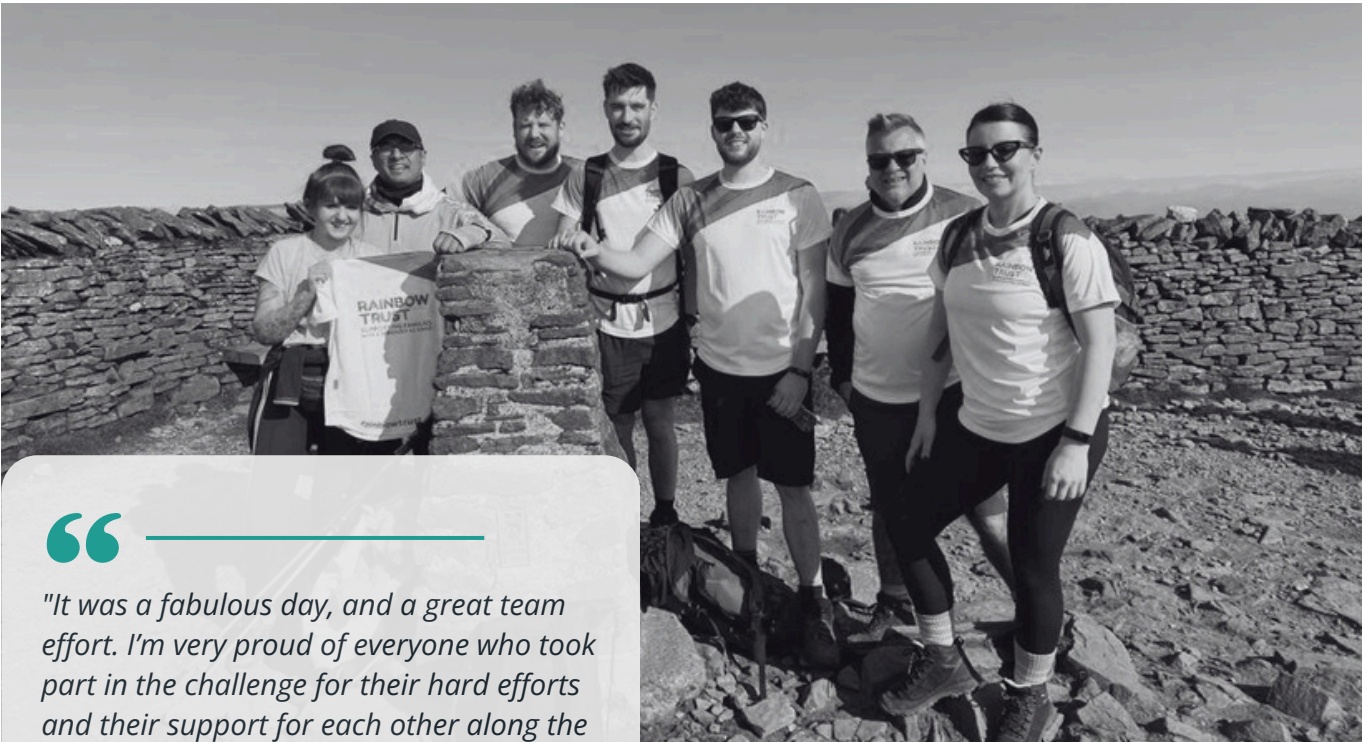
"A huge thank you to everyone at Gatehouse Bank for raising over £15,700 in support of Rainbow Trust over the last year. Their efforts raising money and awareness is greatly appreciated, raising enough to support eight families caring for a seriously ill child for a whole year."

Elodie Pinn

Corporate Partnerships Fundraiser at
Rainbow Trust



**RAINBOW
TRUST**
SUPPORTING FAMILIES
WITH A SERIOUSLY ILL CHILD



“

"It was a fabulous day, and a great team effort. I'm very proud of everyone who took part in the challenge for their hard efforts and their support for each other along the way."

Usman Chaudry
Chief Risk Officer

Yorkshire Three Peaks Challenge

“

"We are proud to have supported a fantastic charity like Rainbow Trust over the last year and I am especially pleased to see the dedication colleagues have shown in actively organising numerous challenges."

"Thanks to their efforts, we raised more than £15,000 and hope that our contribution has made a difference to Rainbow Trust and the families they support."

Charles Haresnape
Chief Executive Officer



“

"Thank you to everyone who has sponsored and supported me to raise funds for this great charity, it's been a super experience, and I am so pleased I did it."

Zoe Sopper
Marketing Manager

Saffery Rotary Walk 2023

Volunteering

Making a positive contribution to society is one of our core principles. To mark Volunteers' Week in June 2023, the Bank amended its Volunteering Policy to offer colleagues two paid days per year to volunteer for causes close to their hearts.

In 2023, 40% of Gatehouse Bank colleagues volunteered for several environmental and social causes, accruing over 630 hours in total. Activities included supporting local schools and community groups, litter picking and assisting local foodbanks.



75
Volunteers



632
Hours volunteered



22
Organisations supported



Sponsorship

In December 2023, we launched a three-year sponsorship agreement with community sports club, Hyderi Sports Association (HSA). Hyderi's values of inclusivity, empathy and understanding align to our ethos as a Shariah-compliant bank, being transparent, fair and socially responsible.

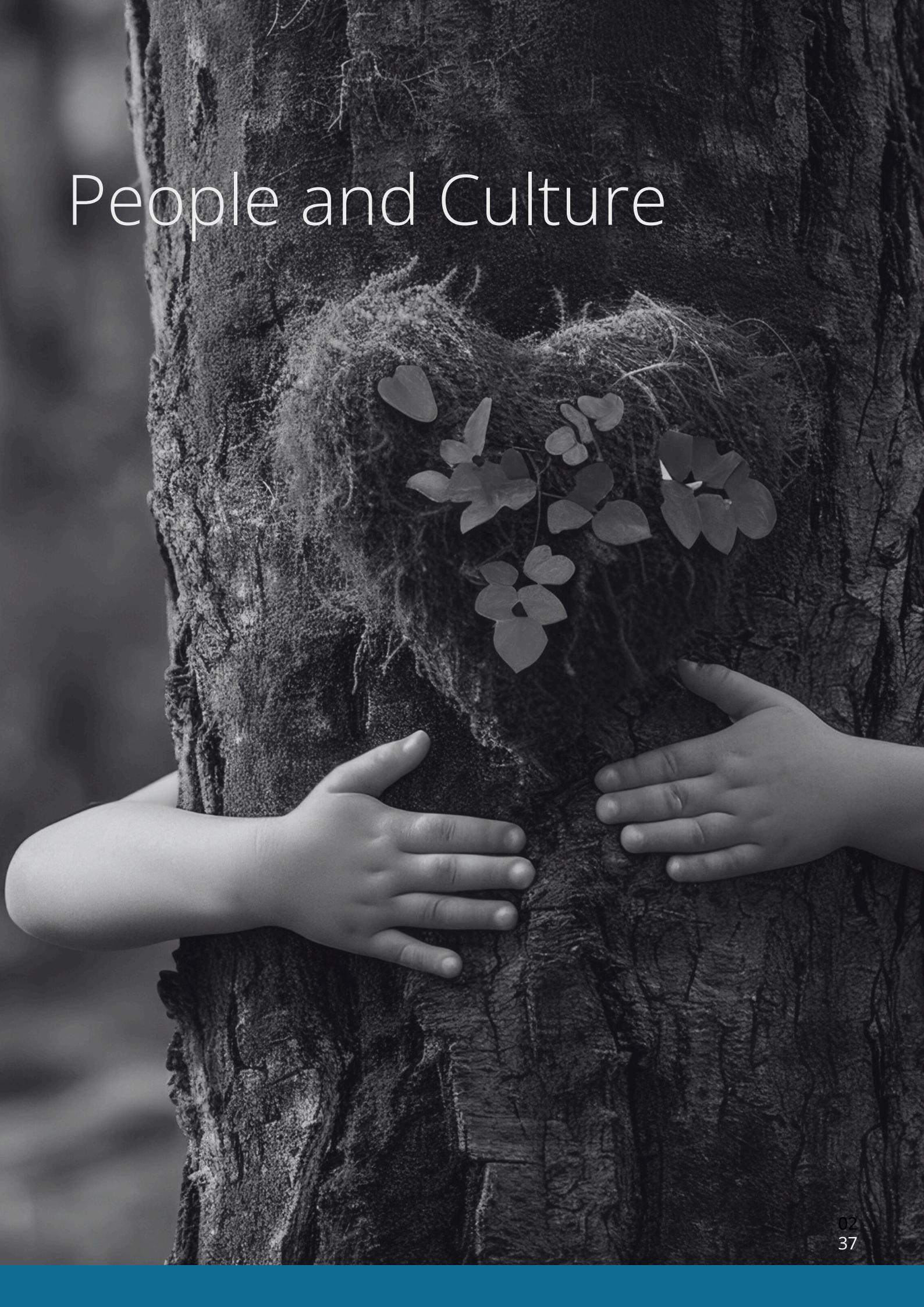
Based in Croydon, South London, HSA facilitates regular sports activities for its 300 members, including football, volleyball, netball, cricket and badminton.

The club has a diverse membership, with its associated community centre regularly hosting interfaith initiatives and getting involved with local charity work.

Our support will help HSA to provide sports kits for their members, facilitate their attendance in domestic and international sports tournaments and support the club in hosting community sports days.



People and Culture



People and Culture

As a responsible bank, we have always placed great importance on creating a positive work environment for our 201 colleagues across our three offices.

With culture and conduct as a priority, we set up a committee, chaired by our CEO to oversee our approach to creating an environment that feels safe and supportive for our colleagues. The committee is responsible for listening to colleagues, implementing their feedback and creating well-informed policies that help make the Bank inclusive, welcoming and open to everyone.

“

“Creating a positive environment for our people to work, progress and thrive remains one of our top priorities. Not only is it better for individual wellbeing and employee retention but it helps us better serve our customers and communities.”

“To best empower our colleagues to gain the skills they need to prosper now and, in the future, we continually update and amend our comprehensive programme of learning and development training. We also recognise the huge benefit of softer skills and courses with a specific focus on mental health and wellbeing.”

Joanna Collings
Chief People Officer



As we grow, we work hard to maintain this culture, which is underpinned by our unique set of core values - being Responsible, Open and Can-do (ROC).

Our collaborative working approach includes a recognition programme, which is designed to encourage colleagues to give praise and show gratitude towards one another. We recognise that our colleagues need and value flexibility, so we offer hybrid working to promote a positive work life balance.

Our colleagues have expressed they want opportunities to develop and progress their careers with Gatehouse Bank, so we offer training courses that will help them on their continued learning and professional development.

Our Values

Our values, Responsible, Open and Can-do (ROC), were developed in consultation with colleagues across the business and approved by the Bank's Board of Directors. They are embedded in Gatehouse Bank's strategy and day-to-day operations through ongoing training and evaluation. They also help determine remuneration and performance.

Every quarter, we host the "ROC Awards" to reward colleagues who have been nominated by their peers for having excelled in demonstrating our company values.



Responsible

We believe in a transparent, fair and socially responsible system of finance, based on Shariah principles. Through the sharing of both risk and reward in an equitable way, we offer an alternative, balanced approach to banking for our customers.



Open

We encourage an open and transparent dialogue with our customers and colleagues, welcoming different ideas and perspectives. We recognise the value of listening and the progress that comes from freedom of thought and permission to fail.



Can-do

We embrace opportunity and are resourceful in the face of challenge. By looking beyond accepted conventions, being willing to adapt, and always working as a team, we move forward where others stand still. Our attitude is refreshingly can-do.

Supporting Colleagues

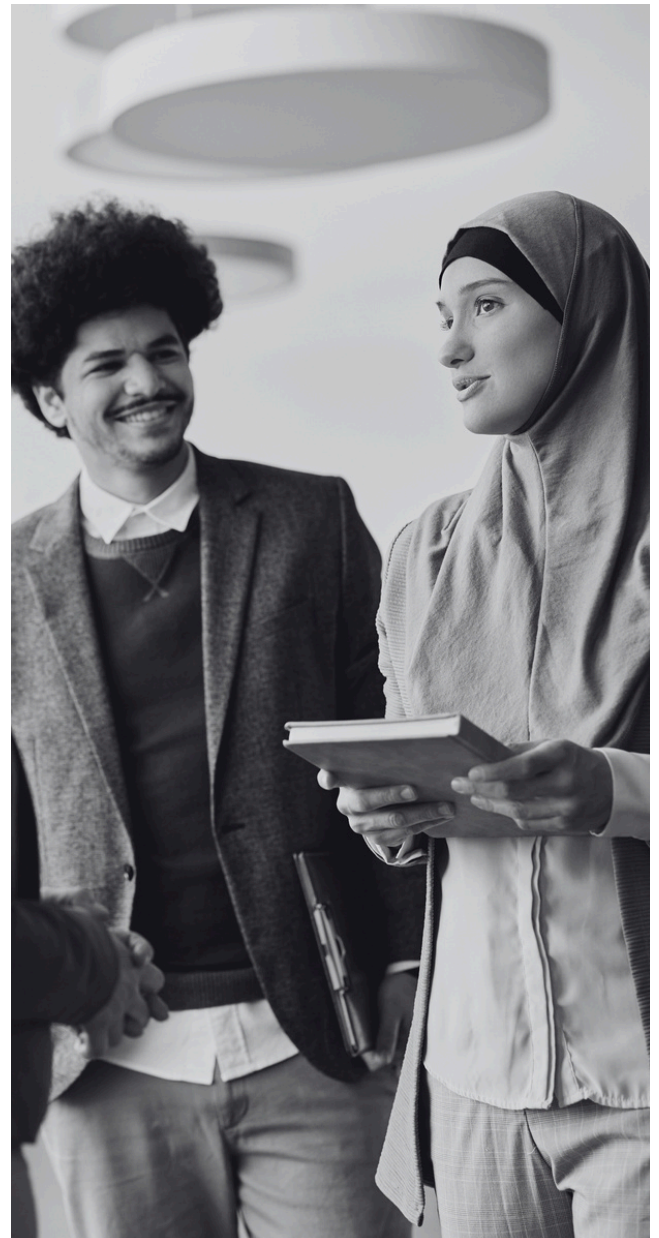
Creating opportunities for training and development

Providing opportunities to learn and grow are key to empowering our colleagues to develop and progress, which can increase satisfaction, engagement and retention.

Throughout the year, we offered a series of training programmes on topics such as functional leadership development, conduct and culture and collaboration – as well as our multi-award winning Management Development Programme.

Alongside mandatory training, we offer a number of softer skills trainings, such as healthy working, coaching and communication. The employee development programmes are reviewed annually following feedback from colleagues to ensure they meet our colleagues' needs.

In 2023, **201** colleagues logged a combined total of **6,108 hours** of training.



Hybrid Working

We continue to realise the benefits of promoting work-life balance and have engaged with colleagues at all levels to help create and implement a new hybrid working policy. In addition, we have a remote working policy, which helps us remain competitive by attracting and retaining talent from a wider and more diverse pool of people. More than half of our colleagues have some form of caring responsibilities, so the policy helps protect their work-life balance and wellbeing.

Protecting Health and Wellbeing

Good health and wellbeing of our colleagues is a priority. To embed this commitment into our everyday operations, we established a dedicated wellbeing team and introduced policies and initiatives to ensure we have an inclusive, relevant and sustainable approach.

Mental health training is built into our Management Development Programme and have created a number of e-learning modules on related topics. We provide Mental Health First Aid training to various colleagues so that everyone at the Bank has emergency access to help and support for their mental health and wellbeing.

We also have several Wellbeing Support Mentors who are a point of contact and reassurance for colleagues. They are trained to provide confidential help including non-judgemental listening, engaging in supportive conversations following the Mental Health First Aid action plan, encouraging colleagues to seek appropriate professional help and promoting self-help strategies.

Employee Assistance Programme

Our Employee Assistance Programme (EAP) is a confidential service designed to help colleagues manage personal and professional problems that could be affecting their home and/or work life, health and general wellbeing. The service provides a complete support network that offers expert advice and compassionate guidance 24/7, covering a wide range of issues.

Following the success of our virtual wellbeing sessions in 2022, we hosted 12 wellbeing webinars in 2023. Topics ranged from promoting better sleep and wellbeing support for parents to cancer prevention and how to become a mental health ally. Some of the sessions were delivered by external experts and attendance continues to grow.



Diversity, Equity and Inclusion

Diversity, Equity and Inclusion (DE&I) are incredibly important to everyone at Gatehouse Bank. We want all colleagues to feel comfortable being able to bring their whole self to work if they wish. We recognise the value of a diverse workforce and consider our broad demographic to be a competitive advantage. Our colleagues bring a variety of perspectives and experiences, which helps fuel our creativity and innovation.

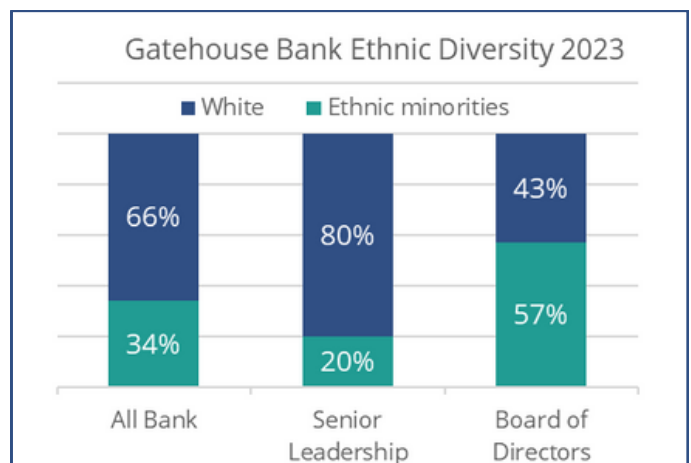
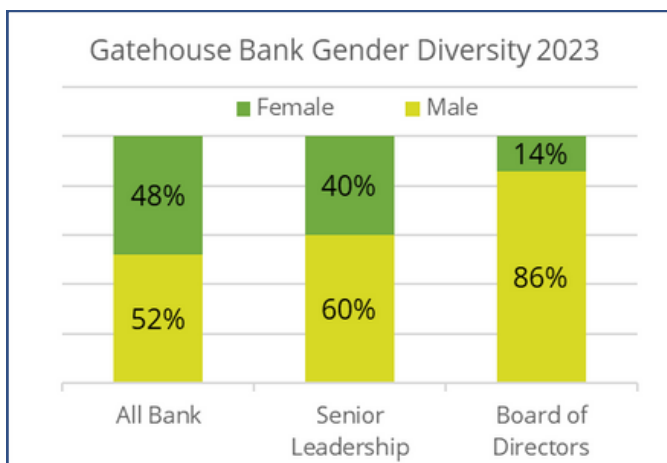
We have created an environment where everyone can be heard, contribute to and develop. We work together to create an inclusive workplace where, as a Shariah-compliant UK Bank, we are here for everyone irrespective of the religion they follow, as well as if they don't. As part of this, we are committed to recruiting and retaining a workforce that reflects our diverse customer base and offering.

Annually, the Bank distributes an anonymous Diversity and Inclusion survey, which aims to identify and monitor the Bank's progress on the topics that resonate with our colleagues the most. The survey is completed on a voluntary basis, with participation rate for 2023 standing at 88%.

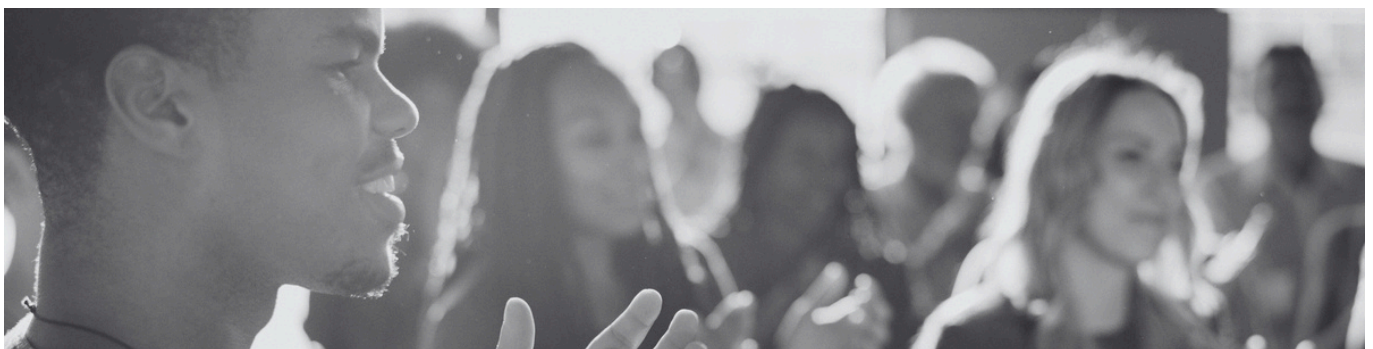


DE&I - Our progress against key targets set for 2023

- Re-established our Diversity, Equity and Inclusion Forum by seeking volunteers from across the Bank.
- Introduced two mandatory e-learning modules on Equality & Diversity and Menopause Awareness, which were completed by all colleagues across the Bank. Looking towards 2024, training on neurodiversity is being rolled out for all line managers.
- Created the Culture and Conduct Committee, which is chaired by the CEO and reports to the Executive Committee.
- Created an inclusive language guide.
- Raised awareness about microaggression in the workplace
- In Q1 of 2023, we appointed our first female Non-Executive Director, Lesley Beecher.



'White' and 'Ethnic minorities' are the terms recommended by the Office of National Statistics. The Gatehouse definition of White consists of White: English, Welsh, Scottish, Northern Irish, British, Irish, and Any Other White Background.



Closing the Gender Pay Gap

While we are not required to report under the Gender Pay Gap regulations at this time, it is important that we ensure any new policy or process has a positive impact on encouraging diversity of thought and talent at all levels.

At Gatehouse Bank, we focus primarily on the elements within our control and are confident that our recruitment and pay processes are fair and equitable but always reviewing our processes and procedures for ways we could do more. As of 31st December 2023, we have calculated a 32% mean and 23% median gender pay gap between men and women who work at Gatehouse Bank. The primary reason for our gender pay gap is due to more men holding Executive-level positions, whilst women tend to work in lower quartiles, which is consistent with trends observed in the wider industry. The results are broken down by quartile in the charts below:

Quartile	Number	Male (No.)	Female (No.)	Male (%)	Female (%)
Lower	46	15	31	32.6%	67.4%
Lower Middle	47	26	21	55.3%	44.7%
Upper Middle	47	28	19	59.6%	40.4%
Upper	47	32	15	68.1%	31.9%



Governance and Reporting



Governance and Reporting

Our Board of Directors is composed of individuals who provide appropriate leadership and oversight. The Board is the primary governing body and has ultimate responsibility for setting the Bank's strategy, corporate objectives and risk appetite.

The Bank's risk control and governance framework is approved and governed by the Board and managed on a day-to-day basis by the Board's delegated Committees and its Executive Committee. Our Shariah Supervisory Board is responsible for ensuring that the Bank's activities comply with Shariah principles.

The Companies Act 2006 requires all Board members to act with independence and to act only in the interests of the Bank as a whole. All board members are required to disclose and report any other business interests or future business interests that may result in a conflict of interest.

While the Board maintains oversight of all areas relating to ESG, we also have a dedicated ESG Forum, who provide direction and measure progress around ESG initiatives.

For more information about our governance structure, please visit gatehousebank.com/about-us/corporate-governance.





Communication of critical concerns

The Board maintains sound risk management and internal control systems through the conduct of internal audit reviews, which cover all material controls, including financial, operational and compliance controls. HR risks, including grievances raised by employees, are reported by the Chief People Office to the Remuneration Committee which, in turn, reports any critical concerns to the Board. Operational Risk incidents are tracked and reported to the Board Risk and Compliance Committee as part of the Chief Risk Officer's report.

Performance evaluation of the highest governance body

Annually, self-evaluation is conducted to assess the performance of the Board and its sub-committees. The Board Skills Matrix captures the abilities of individual role holders, providing a composite view of the breadth and depth of Board experience in order to evaluate the Board's overall competency. Each calendar year, directors of the Board are also assessed as to their continued ability, fitness and propriety to act as a director including continuing professional development. This aligns with the annual DBS fitness and propriety checks, as part of the Senior Managers Regime (SMR) maintenance.

Process to remediate negative impacts

The Bank has a Grievance and Disciplinary Policy, under which an employee may raise a formal grievance where informal attempts at resolution have failed. All grievances are investigated, and the employee is informed in writing of the outcome. The employee has a right to appeal if they are unsatisfied with the outcome. In addition, the Bank operates a separate Whistleblowing Policy to enable employees to report illegal activities, wrongdoing, or malpractice. Where an employee is directly affected by the matter in question, or feel they have been victimised for whistleblowing, they may raise concerns under Grievance and Disciplinary Policy.





Partnerships and Affiliations

Partnerships and Affiliations

At Gatehouse Bank, we recognise the importance of community in driving best practice in sustainability. We are committed to continuously strengthening our network as well as partnering with other key players and organisations to help us achieve our social and environmental goals.

Carbon Neutral Britain

Gatehouse Bank works in partnership with Carbon Neutral Britain to offset the Bank's operational carbon emissions. Gatehouse Bank first measured its operational carbon footprint for the year 2019 and has since taken significant steps to reduce its carbon footprint by implementing measures such as a new business travel policy.

Forest Carbon

Forest Carbon is a leading organisation in woodland creation and peatland restoration projects for carbon capture and ecosystem services. The quality of Forest Carbon's schemes is assured by the UK Government's Woodland Carbon Code and Peatland Code.

Through its Woodland Saver accounts, Gatehouse Bank works closely with Forest Carbon in supporting the mission of growing the UK's woodland cover. For every Fixed Term Deposit or Fixed Term Cash ISA account opened or renewed, we work with Forest Carbon to plant a tree in a certified UK woodland project on behalf of the customer. In 2023, the number of trees planted through the Bank's Woodland Saver accounts surpassed the 40,000 milestone.

We have also partnered with Forest Carbon for our green home finance range. These products are designed to support UK homebuyers and landlords who are purchasing a home with an energy efficiency rating of A or B. Under this scheme, qualifying customers receive a rate reduction and Gatehouse Bank works with Forest Carbon to offset the carbon emissions generated by the average UK property (2.9 tonnes per household) for as long as the customer remains with the Bank with a qualifying property. The offsetting projects selected by Forest Carbon are outside the UK and certified as per Verra (VCS) – Verified Carbon Standard.

Global Ethical Finance Initiative (GEFI)

Gatehouse Bank has a longstanding partnership with the Global Ethical Finance Initiative (GEFI), a non-profit organisation seeking to drive finance for positive change. As well as delivering practical projects, the organisation curates independent conversations among a coalition of financial services stakeholders. Through its partnership with GEFI, Gatehouse has reinforced its position as an ethical bank by taking part in campaigns and presenting at events involving some of the world's leading financial institutions.

Over the last year, Gatehouse Bank was actively involved in GEFI's "Path to COP28" campaign. As part of this initiative, we took part in a panel discussion on sustainable home finance products at the Sustainable Finance Summit and shared our UN PRB journey with UAE-based banks at a private round table in March 2023. We also joined a panel on the 'S' in ESG at the Ethical Finance Global in Edinburgh. In December, we attended COP28, where we joined the 'COP28 Unlocking Islamic Finance Summit', sharing insights on green and sustainable Islamic finance products.

Hyderi Sports Association

Hyderi Sports Association (HSA) is a community sports club based in Croydon, South London. HSA facilitates regular sports activities for its 300 members, including football, cricket, volleyball, netball and badminton. The club has a diverse membership, with its associated community centre regularly hosting interfaith initiatives and getting involved in local charity work.

HSA adheres to the Islamic values of inclusivity, empathy and understanding and strives to create an active collaborative and diverse environment for its members. These values align to Gatehouse Bank's ethos as a Shariah-compliant UK challenger bank that follows the Islamic principles of being transparent, fair and socially responsible.

Gatehouse Bank has a three-year sponsorship agreement in place with HSA, which will help the club to provide sports kits for their members, facilitate their attendance in UK and overseas sports tournaments and support the club in hosting community sports days for all athletes.

Islamic Finance Council UK (UKIFC)

The Bank has a long-term partnership with the UKIFC, a Specialist advisory and developmental body focused on promoting and enhancing the global Islamic finance industry.

As a founding Stakeholder Endorser of the UN Principles for Responsible Banking, over the past 5 years, the UKIFC's Islamic sustainable finance initiatives have included the Global Islamic Finance & UN SDGs Taskforce, the High-Level Working Group on Green & Sustainable Sukuk and the COP28 Unlocking Islamic Finance programme.

As part of the Taskforce, Gatehouse Bank collaborated with the UKIFC to roll out the world's largest global Islamic Finance retail survey, with the results published in 2023. The survey was designed to gain insight into customers' understanding of the UN's Sustainable Development Goals and the Bank's activities in relation to people and the planet.

Money & Pensions Service

The Money and Pensions Service (MaPS) is an arm's-length body, sponsored by the Department for Work and Pensions, offering free impartial help and guidance on money and pensions to everyone. In 2023, the Bank worked closely with the Money and Pensions Service to develop its financial education programme for customers and the wider community, as well as to help execute the UK's strategy for financial wellbeing. Gatehouse Bank has identified financial health and inclusion as one of its core impact areas as per the Bank's commitment to the UN Principles for Responsible Banking.

Rainbow Trust

Rainbow Trust Children's Charity supports families who have a child with a life-threatening or terminal illness. The charity provides practical and emotional support for these families, pairing each one with an expert Family Support Worker, depending on their individual needs. Subsequently, Rainbow Trust can provide help for the entire family through measures such as listening to the family's fears, keeping a child company during hospital stays and organising activities to help sick children and their siblings.

Colleagues at Gatehouse Bank selected Rainbow Trust as the Bank's Charity of the Year for 2023 through a staff vote. Throughout the year, colleagues across the Bank engaged in fundraising activities and helped to raise over £15,700 in aid of Rainbow Trust.

UK Finance – Financial Education Committee

UK Finance, the collective voice of the UK's banking and finance industry, represents over 300 firms and acts to enhance competitiveness, support customers and facilitate innovation. The organisation promotes a safe, transparent and innovative banking and finance industry through research, policy expertise, thought leadership and advocacy. In November 2022, Gatehouse Bank joined UK Finance's Financial Education Committee, which aims to raise awareness of members' proprietary programmes, lead industry advocacy efforts and collaborate with charities, the third sector and government to elevate the profile of financial education.

United Nations Environmental Programme - Finance Initiative (UNEP FI) - UN Principles of Responsible Banking (UN PRB)

Gatehouse Bank became a founding signatory to the UN Principles for Responsible Banking (UN PRB) in September 2019 alongside 129 other global banking institutions. The UN Principles for Responsible Banking provide a framework for a sustainable banking system and help the financial sector demonstrate how it makes a positive contribution to society. By signing these principles, Gatehouse Bank has committed to strategically aligning its business to society's goals, as laid out by the UN's Sustainable Development Goals, the Paris Climate Agreement and other relevant frameworks that identify the most pressing societal, environmental, and economic needs of our time.

Gatehouse Bank is an active member of the global community of signatory banks, participating in multiple working groups developing and sharing best practice for responsible banking. Throughout 2023, Gatehouse Bank continued to actively participate in and support these working groups, setting impact targets and developing indicators to measure and report on progress.

Women in Islamic and Ethical Finance Forum (WIEFF)

Gatehouse Bank is a corporate member of the Women in Islamic and Ethical Finance Forum (WIEFF). WIEFF is an independent, international forum for industry professionals to collaborate and promote the interests of the ethical and Islamic finance industry.

The forum's long-term vision is to support and promote women in Islamic finance globally and to create a platform which fosters links between the Islamic and ethical finance industries (ESG, SRI, green finance and impact investing) for the expansion and advancement of the sector.

We are proud to partner with these organisations to expand our commitment to ESG:



Assurance Statement

Independent Assurance Statement to Gatehouse Bank

FBRH Consultants Ltd (FBRH Consultants) was engaged by Gatehouse Bank to provide assurance in relation to the information set out below and presented in Gatehouse Bank’s Sustainability Report 2023 (the Report) covering the period from 1st January 2023 until 31st December 2023. FBRH is totally independent from Gatehouse Bank and did not perform any other sustainability-related work during the above-mentioned period.

Engagement summary

Scope of our assurance engagement: Whether the 2023 information and data presented in Appendix I are fairly presented, in accordance with the reporting criteria.

Reporting criteria: The GRI Sustainability Reporting Standards (GRI Standards)

Assurance standard: ISAE3000

Assurance level: Limited assurance

Respective responsibilities: Gatehouse Bank is responsible for preparing the Report and for the collection and presentation of the information within it. FBRH Consultants’ responsibility is to provide conclusions on the agreed scope based on the assurance activities performed and exercising our professional judgement.

Our conclusions

Based on our activities, nothing has come to our attention to indicate that the 2023 information and data are not fairly presented in accordance with the reporting criteria. This GRI in Accordance Report does meet all the requirements of the GRI Standards.

Our assurance activities

We planned and performed our work to obtain all the information and explanations that we believe were necessary to provide a basis for our assurance conclusions. A multi-disciplinary team of sustainability and assurance specialists performed assurance procedures as follows:
A review of the presentation of information in the Report relevant to the scope of our work to ensure consistency with our findings.

The limitations of our engagement

The reliability of the assured information is subject to inherent uncertainties, given the available methods for determining, calculating or estimating the underlying information. It is important to understand our assurance conclusions in this context.

Appendix I: Scope of our assurance engagement

Requirements	Title	Topic-Specific Disclosures
GRI 1	Foundation 2021	
General Disclosures		
Disclosure #	Disclosure Title	Disclosure # Disclosure Title
2-1	Organizational details	GRI 201-1 201-1 Direct economic value generated and distributed
2-2	Entities included in the organization's sustainability reporting	GRI 201-2 Financial implications and other risks and opportunities due to climate change
2-3	Reporting period, frequency and contact point	GRI 201-3 Defined benefit plan obligations and other retirement plans
2-4	Restatements of information	GRI 201-4 Financial assistance received from government
2-5	External assurance	GRI 204-1 Proportion of spending on local suppliers
2-6	Activities, value chain and other business relationships	GRI 205-1 Operations assessed for risks related to corruption
2-7	Employees	GRI 205-2 Communication and training about anti-corruption policies and procedures
2-8	Workers who are not employees	GRI 205-3 Confirmed incidents of corruption and actions taken
2-9	Governance structure and composition	GRI 207-1 Approach to tax
2-10	Nomination and selection of the highest governance body	GRI 207-2 Tax governance, control, and risk management
2-11	Chair of the highest governance body	GRI 207-3 Stakeholder engagement and management of concerns related to tax
2-12	Role of the highest governance body in overseeing the management of impacts	GRI 207-4 Country-by-country reporting
2-13	Delegation of responsibility for managing impacts	GRI 304-2 Significant impacts of activities, products and services on biodiversity
2-14	Role of the highest governance body in sustainability reporting	GRI 305-1 Direct (Scope 1) GHG emissions
	Conflicts of interest	GRI 305-2 Energy indirect (Scope 2) GHG emissions
2-15	Communication of critical concerns	GRI 305-3 Other indirect (Scope 3) GHG emissions
2-16	Collective knowledge of the highest governance body	GRI 305-4 GHG emissions intensity
2-17	Evaluation of the performance of the highest governance body	GRI 305-5 Reduction of GHG emissions
2-18	Remuneration policies	GRI 305-6 Emissions of ozone-depleting substances (ODS)
2-19	Process to determine remuneration	GRI 305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions
2-20	Annual total compensation ratio	GRI 401-3 Parental leave
2-21	Statement on sustainable development strategy	GRI 404-2 Programs for upgrading employee skills and transition assistance programs
2-22	Policy commitments	GRI 404-3 Percentage of employees receiving regular performance and career development reviews
2-23	Embedding policy commitments	GRI 405-2 Ratio of basic salary and remuneration of women to men
2-24	Processes to remediate negative impacts	GRI 406-1 Incidents of discrimination and corrective actions taken
2-25	Mechanisms for seeking advice and raising concerns	GRI 418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data
2-26	Compliance with laws and regulations	
2-27	Membership associations	
2-28	Approach to stakeholder engagement	
2-29	Collective bargaining agreements	
2-30		
Disclosures		
3-1	Process to determine material topics	
3-2	List of material topics	
3-3	Management of material topics	



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