



Sustainability Report 2024

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Introduction

As a Shariah-compliant UK Bank, Gatehouse Bank is grounded by our strong values and principles, which emphasise positive contributions to society and the environment and support a sustainable financial system.

In 2024, we established our ESG Strategy to provide direction and encourage further operational change. We progressed with our Green Home Finance product offerings, took action to continue reducing our carbon emissions and achieved the milestone of planting 50,000 trees through our Woodland Saver accounts. Our social and community impact also grew, raising funds above target for our 2024 charity of the year, increased colleague volunteering participation by 38% and expanded our community sponsorship, launching a programme to support local youth sports teams.

Gatehouse Bank was certified as operationally carbon neutral for the fourth consecutive year and continues 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.

Gatehouse Bank upheld its commitment to the UN Principles for Responsible Banking (UN PRB) and UN Sustainable Development Goals (SDGs) in 2024. These principles have been reiterated in our updated 2024 ESG strategy made up of four key pillars and integrated targets to monitor progress.

In 2024, Gatehouse Bank made significant progress in further embedding its ESG strategy and we will continue to enhance sustainable solutions that demonstrate successful business practices while maintaining our customers' growing expectations to support a greener future.



Statement from the Chief Executive Officer

At Gatehouse Bank, sustainability forms an integral part of our ethos, as we see a natural alignment between the Shariah principles, that underpin our operations and responsible banking.

I am incredibly proud of our ESG progress in 2024, which marked the five-year anniversary of the UN Principles for Responsible Banking (UN PRB), of which Gatehouse Bank is a founding member. As part of our signatory role, we continue to align our business and future strategy to the UN Sustainable Development Goals and the Paris Climate Agreement. Over the last year, we have refined our ESG strategy into four pillars, that better align with areas we can make the greatest impact: *'Biodiversity and Deforestation'*, *'Financial Education and Inclusion'*, *'Climate Change'* and *'Community Health and Wellbeing'*.

In 2024, our green home finance products remained popular, with a 32% uplift in applications compared to the previous year. These products support customers acquiring or refinancing a home with an energy efficiency rating of A or B, by offering a reduced rental rate. We also offset the carbon emissions generated by the average UK property for the initial fixed term of the product.

For savers, we continued to provide our customers with the opportunity to make a positive environmental impact through our Woodland Saver accounts, where we plant a tree on the customer's behalf for every account opened or renewed. In 2024, we surpassed the milestone of 50,000 trees planted across nine UK woodland projects, all of which are certified by the government's Woodland Carbon Code.

Our community work is incredibly important to us, and we were pleased to have the opportunity to partner with the Bone Cancer Research Trust (BCRT) as our 2024 charity of the year. Colleagues from across the business engaged in various fundraising initiatives to raise over £21,000 for the BCRT.

We also encourage our colleagues to further support their local communities by making the most of their two annual volunteering days. In 2024, we saw the highest uptake on this policy, with colleagues accruing a total of 1,019 hours volunteering with over 40 local organisations.

In 2024, we also expanded our community sports fund following a successful, ongoing partnership with Hyderi Sports Association. The programme now includes five additional, colleague-nominated local youth sports teams who have all received new sports kits for their members.

The ESG progress would have not have been possible without the continued hard work of colleagues across Gatehouse Bank. Thank you also to our Board members, Chairman and Shariah Board for their valued support and continued direction, as well as to the dedicated members of our ESG Forum. Equally, my thanks goes out to our customers, stakeholders and trusted partners, to whom I remain grateful.



Charles Haresnape
Chief Executive Officer





ESG Strategy

We developed Gatehouse Bank's four pillar ESG Strategy: 'Biodiversity and Deforestation', 'Financial Education and Inclusion', 'Climate Change' and 'Community Health and Wellbeing'.

ESG Strategy

Environmental, Social and Governance (ESG) has become a growing focus within the banking and finance industry. At Gatehouse Bank, responsible banking has always been central to our business, we are continuously finding better ways to integrate ESG and sustainable practices into all aspects of our operations, from product development to technology management.

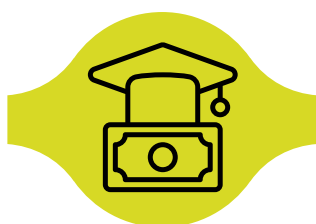
To further cement our ESG and sustainable operations, Gatehouse Bank is a founding signatory of the UN Principles of Responsible Banking (PRB) and the first Shariah-compliant UK Bank to become a member. Being a signatory for the fifth consecutive year in 2024, we have committed to strategically aligning our business to the United Nations' Sustainable Development Goals (SDGs) and the Paris Climate Agreement, as well as other relevant frameworks.

At Gatehouse Bank, we are committed to being recognised for our responsible banking and sustainable operations. In 2024, Gatehouse Bank developed a new ESG strategy, which defines our ESG identity and guides our internal and external sustainable practices moving forward. The strategy was established using survey feedback, on ESG priority areas, from both our colleagues and customers. It also aligns with the UN PRB objectives, as well as the Sustainability Development Goals (SDGs) and Paris Agreement. Our ESG strategy is consolidated into four pillars: **'Biodiversity and Deforestation'**, **'Financial Education and Inclusion'**, **'Climate Change'** and **'Community Health and Wellbeing'**.

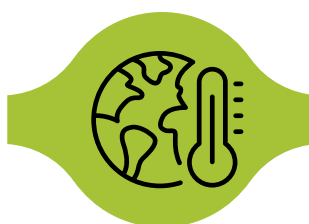
ESG Pillars



**Biodiversity and
Deforestation**



**Financial Education
and Inclusion**



**Climate
Change**



**Community Health
and Wellbeing**

These pillars align with our customers and colleague priorities and global ESG frameworks and agreements and represent our dedication to both environmental and social responsibility, guiding our long-term vision for a sustainable and inclusive future.

Biodiversity and Deforestation



Biodiversity and Deforestation focuses on safeguarding ecosystems and combating deforestation through responsible products and operational decisions. Our Woodland Saver and green home finance products showcase our commitment to environmental preservation.

Financial Education and Inclusion



Financial Education and Inclusion ensures we promote financial literacy and accessibility, empowering communities and individuals to build a more equitable future. Gatehouse Bank has an aim of making saving more accessible to customers under the age of 30.

Climate Change



Climate Change highlights sustainable operational practices through monitoring risks arising from climate change and developing products to reduce the carbon footprint of the Bank and our customers to work towards our goal of net zero by 2050.

Community Health and Wellbeing



Community Health and Wellbeing underscores our compliance with Shariah principles to enhance the wellbeing of communities by supporting health initiatives, mental wellness and sustainable living standards.



As part of our commitment to the UN PRB, in 2023 Gatehouse Bank set targets for two of our four ESG pillars.



Target One

Under our **Climate Change pillar**, we **set a target to reach Net Zero emissions by 2050**. To achieve this, we have worked with external consultants Greengage to better understand operational and product development direction to reach net zero.



Target Two

As part of the **Financial Education and Inclusion pillar**, we aim to ensure no one is left behind due to financial circumstances or is at a disadvantage regarding access to information and financial education. Thus in collaboration with the UN PRB objectives, we created a target to **increase the percentage of young savings customers (aged 18 – 30) from 3% in 2021 to 10% by the end of 2025**.

Our ESG strategy aims to become further integrated across the bank in the coming years, supported by the development of our net zero pathway and the establishment of targets for our **Biodiversity and Deforestation**, and **Community Health and Wellbeing** pillars.





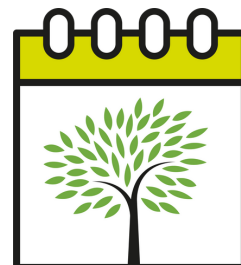
Biodiversity and Deforestation

In 2024, we achieved the milestone of planting 50,000 trees through our Woodland Saver accounts.

Biodiversity and Deforestation

Woodland Saver

We believe Banks have a role in promoting responsible saving. In 2021, we launched our Woodland Saver accounts which support 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 the right types of trees are planted in suitable areas and certify the woodlands are sustainably managed and protected long-term. In 2024, we reached the milestone of 50,000 trees planted since the product launched in 2021.

Our customers are supportive of this biodiversity and deforestation initiative, with 88% of our customers rating the importance of planting a tree as 5/10 or higher in their decision to choose Gatehouse Bank as their savings account provider.



Managing Biodiversity

The Gatehouse Build to Rent Group, trading as Gatehouse Living Group, is a wholly owned subsidiary of Gatehouse Bank. It is a vertically integrated residential investment and management platform, comprising of Gatehouse Investment Management (GIM) and property manager, Ascend Estates Limited ("Ascend").

In 2024, GIM launched a comprehensive three-year sustainability strategy that includes enhancing biodiversity and promoting environmental stewardship. This strategy outlines our commitment to achieving Biodiversity Net Gain on all new developments, ensuring that our projects contribute positively to local ecosystems.

All our homes have water meters and we promote smart energy metering to enable efficient resource management and reduce environmental impact. Our Sustainable Future Programme is dedicated to retrofitting and upgrading existing properties to achieve an Energy Performance Certificate rating B or higher, significantly enhancing energy efficiency and reducing carbon emissions.

Additionally, we are assessing risks and developing flood-resilient properties to safeguard against climate change impacts. All newly built properties we manage will meet EPC B standards and be equipped with energy and water-efficient devices, promoting sustainable. GIM are also increasing the number of homes fitted with solar panels, harnessing renewable energy and reducing reliance on fossil fuels. Furthermore, our commitment to tree planting initiatives ensures that a tree is planted for each new build or new tenancy, contributing to carbon sequestration and habitat creation for wildlife.

Combined with GIM, Ascend is also committed to planting a tree for every new tenancy that commences across the homes it manages. To date, 10,139 trees have been planted by Gatehouse Living Group.

These efforts are integral to our mission of managing biodiversity and fostering a sustainable future. By integrating these practices, we not only enhance biodiversity but also create resilient, energy-efficient communities that thrive in harmony with nature.



Gatehouse Living Group

- Gatehouse Investment Management
- Ascend Estates Limited

Financial Education and Inclusion



Gatehouse Living Group is now the largest property manager of Single-Family Rentals in the UK.

Financial Education and Inclusion

Financial Education and Inclusion plays a crucial role in fostering a more equitable and sustainable future. By fostering financial literacy and accessibility, individuals and communities gain the knowledge and tools to make informed financial decisions, improve their economic wellbeing and build a secure future, ensuring that financial products and services are available to everyone, regardless of their background or circumstances.

This commitment aligns with the United Nations Principles for Responsible Banking (UN PRB) and the Sustainable Development Goals (SDGs), which emphasise the importance of financial inclusion, economic growth and reducing inequalities. By integrating these principles into our ESG strategy, we contribute to global efforts in creating a more inclusive and sustainable financial system.



At Gatehouse Bank, we are committed to making financial services accessible to individuals from all socioeconomic backgrounds, religions and age groups. We offer ethical and inclusive finance options, including responsible savings, home financing and advisory services tailored to diverse financial needs. By providing equitable opportunities and guidance, we aim to empower individuals and communities to achieve long-term financial stability and prosperity.

In addition to our product offerings, our colleagues have significantly contributed to our impact in this area. Colleagues participated in career talks with local students highlighting career opportunities and pathways to inspire students in their career goals and consequently, improved financial stability. In 2024 we also partnered with the Early Careers Foundation (ECF), a charity committed to creating a society where talent, not background, determines a young person's career success. Gatehouse Bank colleagues joined ECF's mentoring programme, supporting talented young people to help them achieve their career goals. Looking forward, we are excited to expand our financial health and inclusion initiatives in 2025.



Responsible Funds and Investments

Being a Shariah-compliant UK Bank, means adhering to an exclusion list when it comes to our products and investments. This means Gatehouse Bank managed deposits and funds 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 has a highly diversified financing portfolio with a low risk profile. The Bank does not finance investments involving excessive uncertainty or speculation. The Shariah principles promote trade and enterprise that generates wealth benefits for the wider community. We conduct investments in a transparent way that provides stability and facilitates the sharing of both risk and reward in an equitable way.

To ensure compliance, the Bank's Shariah Supervisory Board (SSB) is made up of independent Shariah scholars 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 business strategy for 2024 remained focused on three core areas:



Home Finance

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

Retail Savings

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



Gatehouse Living Group

- Gatehouse Investment Management
- Ascend Estates Limited

More information on Gatehouse Bank's business activity can be found in Gatehouse Bank's Annual Report and Financial Statements for 2024: <https://gatehousebank.com/about-us/corporate-governance>.

Gatehouse Bank offers a range of ethical savings products for UK customers, as well as residential property finance in England and Wales for UK Residents, UK Expats and International homebuyers and landlords. The Gatehouse Build to Rent Group, trading as Gatehouse Living Group, is a wholly owned subsidiary of Gatehouse Bank. It is a vertically integrated residential investment and management platform, comprising of Gatehouse Investment Management (GIM) and property manager, Ascend Estates Limited ("Ascend").

The Gatehouse Living Group has a robust record in the market, with Gatehouse Investment Management having established five institutional single family rental platforms and Ascend now managing over 10,500 homes.

Access to Housing and Financing

As a Bank, we understand the importance of stability, with a commitment to help individuals and families gain access to housing and enter the property market.

In early 2023, Gatehouse Bank established Gatehouse Living Group, a vertically integrated residential investment and management platform, comprising of Gatehouse Investment Management and Ascend. The Group is a wholly owned subsidiary of Gatehouse Bank plc.

Gatehouse Living Group has a unique position and track record in the market, with Gatehouse Investment Management having created five institutional single-family rental (SFR) platforms and Ascend now managing over 10,500 homes, of which over 9,000 are SFR, making Ascend the largest property manager of this asset class in the UK.

To provide investors with a turnkey operational identity for their SFR portfolios, Ascend recently launched 'Ascend Living', a new resident-facing Build to Rent brand. This allows unbranded SFR platforms to be white-labelled under a consumer-facing name, without investors having to factor in the costs and resources associated with creating and establishing a standalone platform identity, thereby supporting further scale in the sector. In its initial delivery programme, the brand will be used across 2,500 SFR homes over 52 developments, allowing for simple investment and more opportunities for families to access housing.

Gatehouse Investment Management also recently launched a strategic joint venture with GREYKITE European Real Estate Fund to acquire high quality, new build single-family homes for rent in various locations throughout the UK. Through this and its other mandated funds with TPG and The Carlyle Group, Gatehouse Investment Management acquired approximately 1,050 homes in 2024 from leading housebuilders, including Vistry Group, Avant Homes, Persimmon and Bellway.



Supporting Customers

The last few years have posed significant challenges for our customers, with the rising cost of living placing added pressure on households and communities.

To support customers facing financial difficulties, Gatehouse Bank has a dedicated team ready to provide guidance and assistance to both homeowners and landlords. Resources for customers also include a money management website page, offering useful advice on budgeting, managing subscriptions, exploring available benefits and reducing energy costs.

Life can change unexpectedly and we are committed to supporting our customers when circumstances such as health issues, caregiving responsibilities and financial crime arise. Customers are encouraged to contact us and raise concerns so that we can work together to find the best solution. Additionally, the Gatehouse Bank website provides links to external support services to help customers during difficult times.

Our dedicated team supports and assists customers throughout their journey with the Bank by addressing enquiries and issues to deliver a positive customer experience through helpful, efficient and timely solutions. The team is focused on ensuring a seamless experience and resolving any challenges customers may face, whether it's starting a new finance, re-financing, switching products or providing ongoing support.

In 2024, Gatehouse Bank introduced the Product Switch portal to make the product switch process more efficient for customers. This portal provides a self-service option for home finance customers when their fixed-rate product ends or when they are already on a variable rate, significantly shortening the time required to switch products.

A Home Finance Customer Information Guide, designed to assist customers with their everyday needs from completing their finance and beyond, will be introduced in the next year. This guide will offer essential information and direct customers to additional resources if needed.

The Bank will continue to refine its processes and procedures to further enhance the customer journey.

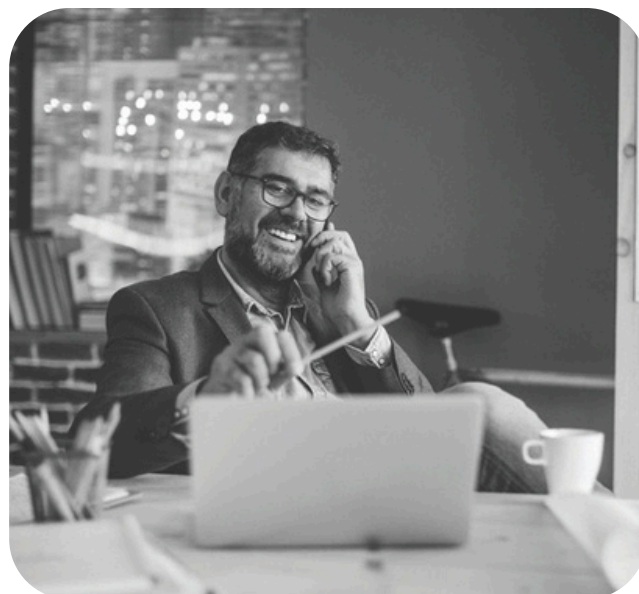
Treating Customers Fairly

Gatehouse Bank strives to be fair, ethical and transparent in our products and services, ensuring clear and simple communication with our customers.

In line with Consumer Duty regulations, effective from 31 July 2023, we have implemented numerous enhancements to improve the customer experience:

- Established a Consumer Duty project team to enhance positive customer outcomes.
- Reviewed products, adjusted pricing and ensured fair product value for customers.
- Streamlined processes to improve efficiency and clarity for customers.

- Invested in technology to support more customers, introducing our online Decision in Principle to customers based overseas.
- Developed guidance for colleagues to assist vulnerable customers in achieving their financial goals.
- Monitored customer outcomes to drive continuous improvements.
- Created the Home Finance Customer Information Guide to improve customer understanding and provide additional support, launching in early 2025.



Vulnerable Customers

The Bank is dedicated to delivering the best possible outcomes for customers, offering support throughout each stage of their journey. Our Vulnerable Customer Policy and Guidance documents align with regulatory obligations under Principles 6 and 7 of the FCA's Principles for Businesses, ensuring fair treatment of vulnerable customers. These documents serve as the foundation for comprehensive colleague training and provide valuable resources for daily customer interactions.

Gatehouse Bank continuously reviews and develops practices to better identify and support customers in vulnerable circumstances. An in-flight programme of work aims to drive further improvements, maintaining our priority to foster a consistent and effective culture where people and processes align seamlessly with the needs of customers.





Climate Change

Gatehouse Bank decreased its greenhouse gas emissions by 16.6% compared to 2023.

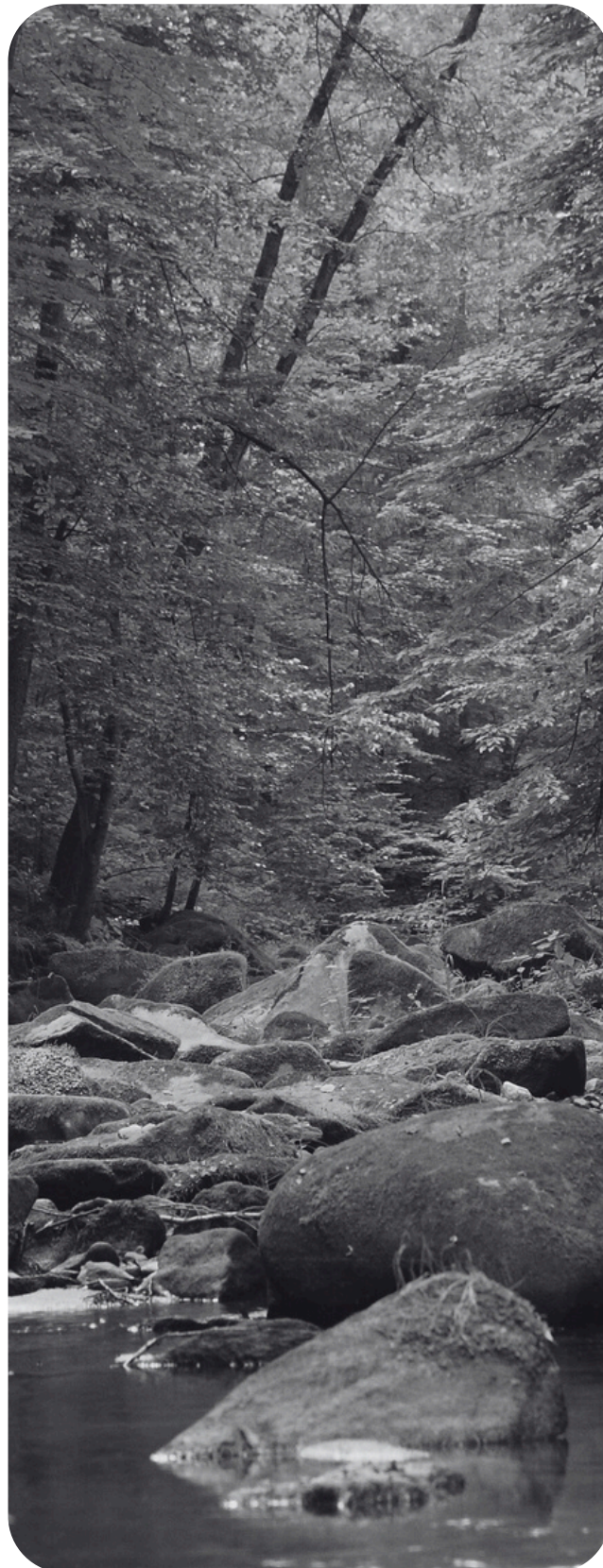
Climate Change

Operational Greenhouse Gas Emissions

At Gatehouse Bank we are committed to reducing our carbon footprint and decreasing emissions. To fulfil this, we not only offset the emissions of the average UK home on behalf of our Green Home Finance customers but also consider the Bank's operational greenhouse gas emissions.

In 2024, we worked with Carbon Neutral Britain to offset our operational emissions for the fourth consecutive year. Our offset emissions from 2023 include scope 1, 2 and 3 emissions prepared 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 our four offices in London, Milton Keynes, Birmingham and Wilmslow as well as employee business travel. The Bank's operational emissions are offset via Carbon Neutral Britain's Climate Fund portfolio of verified carbon offsetting projects around the world. These projects have been selected based on their impact and relevance to our ESG strategy and are 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.



The Bank's report on all emission sources for 2024 as 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 2024.

Energy source	tCO2e (2023)	kWh (2023)	tCO2e (2024)	kWh (2024)
Scope 1: Direct emissions from combustion of fuel (heating gas)	142.38	708,171	130.61	655,576
Scope 2: Indirect emissions from electricity purchased	38.24	184,679	22.77	109,996
Scope 3: Business travel, hotel stays and staff working from home	294.44	1,209,248	242.88	1,243,382
Scope 1 + 2 + 3	475.05	2,102,097	396.26	2,008,953
Environmental intensity indicator (tonnes of carbon dioxide per £1m gross income)	7.04		4.60	

Our carbon emissions in 2024 decreased compared to 2023, primarily due to a reduction in business air travel. Additionally, work-related travel decreased, with only one all-colleague in person event being held during the year, down from two in 2023. Gatehouse Bank also expanded by opening a fourth office in Birmingham and relocating to a larger office in Wilmslow, which resulted in colleagues travelling shorter distances to their base office. Furthermore, updates to our Scope 2 data and recalculations resulted in more accurate emissions reporting for 2024.



Financed Emissions

Climate Change is a key pillar of Gatehouse Bank's ESG strategy, as part of this we have set a target following the guidance of United Nations Environment Programme Finance Initiative (UNEP FI), to achieve net zero by 2050. This not only aligns with our commitment to the UN Principles for Responsible Banking but also UK government legislative targets.

With this target in place, we have moved away from our 2023 carbon reduction pathways (mentioned in the 2023 Sustainability Report) and instead are focused on creating a Net Zero Pathway Report using carbon baseline data and reduction recommendations provided by sustainability consultant, Greengage. In 2024, we partnered with Greengage to determine a verifiable carbon baseline, conduct scenario testing and recommend action for net zero. Further information on Greengage's work is in the Net Zero Progress section of this report. The recommendations and findings provided by Greengage will be further discussed and referenced in a net zero pathway report, which aims to be finalised in the next few years.

The majority of Gatehouse Bank's total financing portfolio is focused on residential property, thus reducing associated emissions can play a role in facilitating the transition to energy efficient homes and reducing the Bank's overall emissions.



Energy Performance Certificate (EPC) Ratings in the Home Finance Portfolio

In 2023 we enhanced our green home finance product offering to include UK Expats and International Residents as well as UK Residents. Customers financing a property of A or B energy efficiency rating receive a discounted rental rate, the first Shariah-compliant products of their kind in the UK. In addition to the discounted rate, Gatehouse Bank also offsets the carbon emissions for the product's initial fixed term, provided the owner remains a customer of the bank with a qualifying property. This offsetting is based on the emissions generated by the average UK property.

The table below shows the 2024 EPC property data for Gatehouse Bank's home finance portfolio.

EPC Rating	Number of Properties	Proportion of Stock*	Average FTV
A	18	0.4%	74.4%
B	1,478	29.6%	72.9%
C	1,517	26.7%	63.4%
D	1,911	33.2%	62.6%
E	476	8.6%	58.9%
F	24	0.5%	49.8%
G	6	0.1%	58.5%
No EPC	48	0.9%	67.2%
Grand Total	5,478	100.00%	65.6%

*Based on property value.

Compared to the 2023 EPC distribution of properties financed, Gatehouse Bank has decreased its number of properties with an EPC rating of E to no rating by 36. We have also increased the number of properties financed from 2023, with an EPC rating between A and D by 410. This data skew is also evident from the total property value and Finance to Value (FTV), showcasing that on average Gatehouse Bank finance a higher proportion of the property value for better EPC rated properties.

Gatehouse Bank has a KPI relating to portfolio EPC ratings, our progress is outlined below.

KPI	Progress 2024	SMART targets from 2023 to 2025
Capture and improve average EPC rating of home finance portfolio.	<ul style="list-style-type: none"> Reported ratings of financed properties increased to 5,478. Increase our green home finance applications by 32% from 2023 to 2024. 	<ul style="list-style-type: none"> Move 100 properties in our portfolio from E to D ratings and above. By end of 2025, 99.9% of properties will have an EPC rating.*

*Aligned with current data availability.

Since the launch of our Green Home Finance products in April 2022, we have received over 780 applications, with the average green finance amount required of £254,000.

In 2024, there was a 12% increase in the number of green homes financed compared to 2023, mostly from our Home Purchase Plan (HPP) product range targeting residential customers.

Currently, 4.89% of the residential home finance portfolio consists of Green Home Finance products, representing a 0.39% year-on-year increase. The Bank plans to transition our home financing portfolio towards greener options and extend Green Home Finance offerings to a broader customer base.

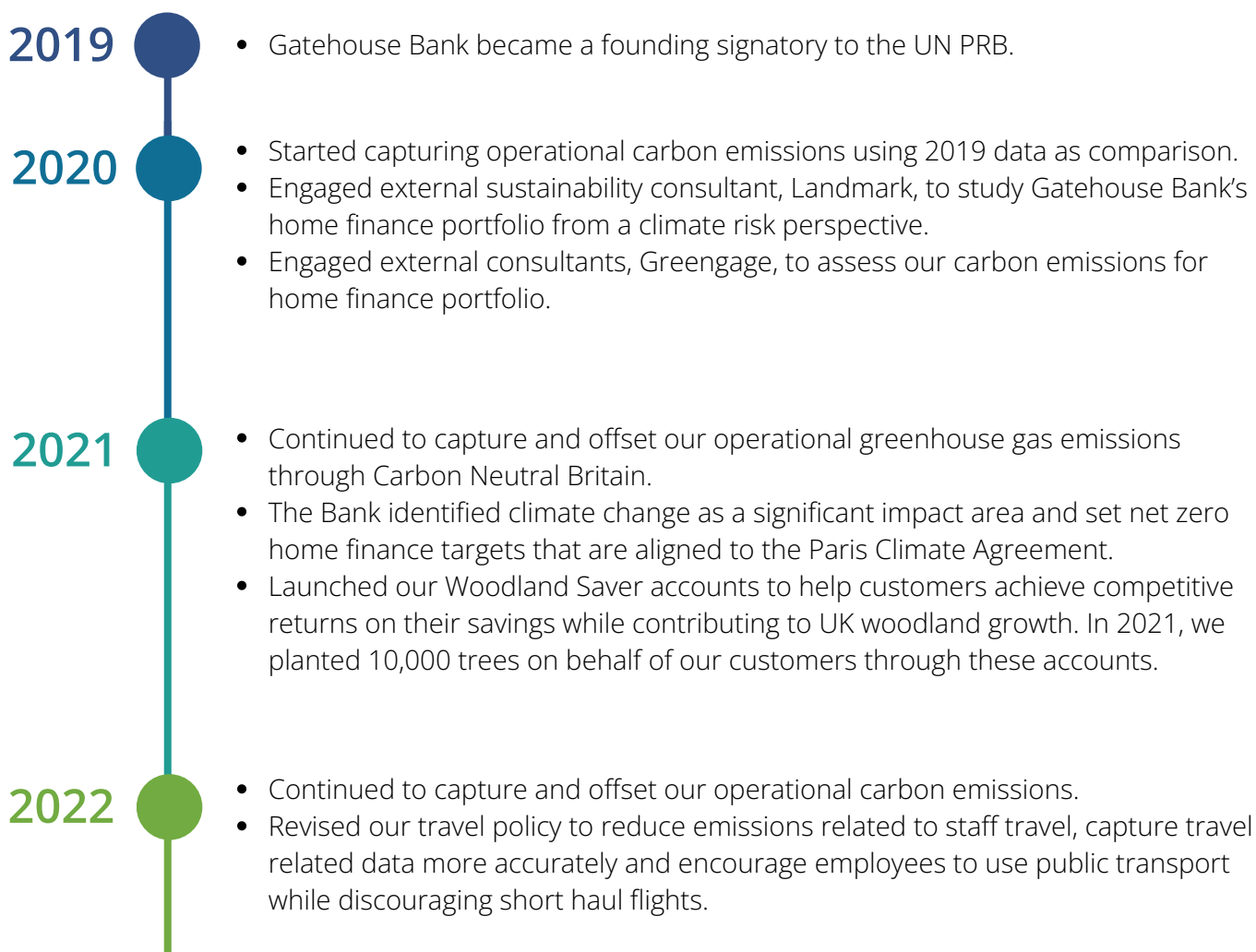


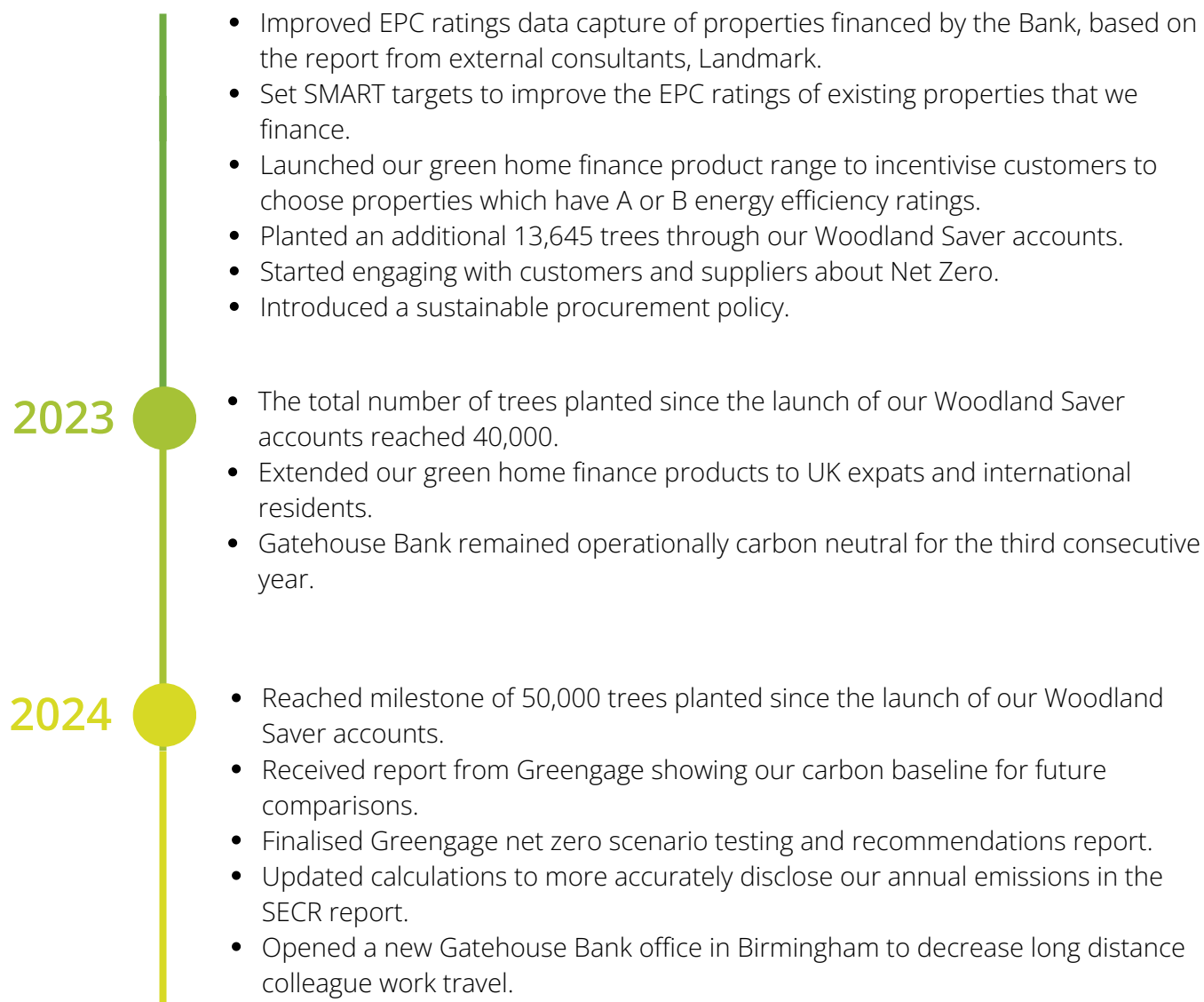
Net Zero Progress

In 2024, Gatehouse Bank continued to consult with independent sustainability experts Greengage to; develop a verifiable baseline, set targets, conduct scenario testing and provide recommendations to achieve net zero emissions. Using calculations from 2023 financed emissions for Gatehouse Bank's portfolio of 7,000 properties a carbon baseline was created. This provides an accurate and verified 'starting point' to measure future emissions data against, specifically when creating a net zero pathway. Using the latest guidance and target setting tools from Science-Based Targets Initiative (SBTi) for Financial Institutions, Greengage set targets and devised net zero trajectories for Gatehouse Bank's portfolio.

The key takeaway was the scenario testing outcomes, to better understand the difference between government regulated emission reductions and Bank required action to transition to net zero by 2050. This drives the decision to incorporate product development and operational sustainable changes into our net zero pathway.

Gatehouse Bank's Net Zero Journey Progression





Managing Climate Risk

In line with obligations under the Prudential Regulation Authority (PRA), the Bank continues to develop its approach to managing the financial risks arising from climate change and associated transition risks. Gatehouse Bank obtain climate risk data via PriceHubble, an external residential property data bureau. Using this information, the Bank can manage its financial risk exposure to climate change on the existing residential portfolio and inform product development to uphold sustainable and responsible banking.

Gatehouse Bank's operations utilise minimal physical infrastructure as a digital bank, 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 ESG strategy.

Community Health and Wellbeing

A black and white photograph of two skydivers in freefall. The skydiver in the foreground is wearing a helmet and goggles, with arms outstretched. The second skydiver is positioned slightly behind and below the first. They are floating over a landscape with a patchwork of fields and a layer of clouds below them. The sky is clear and light-colored.

In 2024, we increased colleagues' participation in our community activities by 38%.

Community Health and Wellbeing

Grounded by Shariah principles, we take our social responsibility seriously and are conscious of the impact we have on the communities we serve. Our business operations and products are transparent, fair and socially responsible. On top of our business operations and products, having a positive impact on community health and wellbeing is embedded in our culture and colleague engagement is at the heart of our impact and initiatives with **78% of our colleagues** having participated in volunteering and/or fundraising in 2024.



Teamwork.
Leadership.
Relationship Building.

Colleagues fed back that through volunteering, they developed skills including teamwork, leadership and relationship building as well as awareness of wider social or environmental issues.



Volunteering

Colleague volunteering lies at the centre of our commitment to community health and wellbeing. Each colleague at Gatehouse Bank is offered two days of volunteering leave per year. In 2024, **132 colleagues** volunteered, supporting over **40 organisations** in our local communities.

Our colleagues dedicated their time to supporting causes including hospices, community centres, care homes and education centres, as well as initiatives aligned with our ESG pillars, including Biodiversity and Deforestation and Financial Health and Inclusion.

Friendly Fridays

Friendly Fridays is a multi-generational community group in Stockport aiming to improve the wellbeing of visitors by getting people of all ages together. Colleagues from Gatehouse Bank volunteered at the group, spending the day chatting with the guests, making them feel welcome and making sure they enjoyed their day out at Friendly Fridays!

132

colleagues volunteered in 2024

1,019

hours were used volunteering

69%

of colleagues volunteered

4.89/5

was the impressive average rating colleagues gave their volunteering day

65%

of colleagues said volunteering gave them pride in working for Gatehouse Bank.

"I enjoyed talking to those who wouldn't normally see or speak to anyone during the day. Seeing the wider variety of people from young toddlers with mums to elderly people from the care home showed just how much Friendly Fridays do for people."

Georgia Moran
Underwriter



Willen Hospice

Willen Hospice in Milton Keynes provides compassionate and personal end-of-life care. Colleagues volunteered at Willen Hospice's Distribution Warehouse, which supports their charity shops. The warehouse provides a crucial role in fundraising for the hospice. The team assisted in sorting through donated goods and preparing items for the shop floors. The charity estimates that the group of volunteers could generate over £7,000 from a day's work!



"I enjoyed spending time with my colleagues while helping out a very good cause. I have friends who have sadly had to call upon Willen Hospice for their support so I know first hand what important work they do in the community."

Sarah MacDonald
Compliance Officer



"It was great to bring the lifespan of the Woodland Saver Product to life and to learn more about how the tree planting will provide ongoing benefits beyond the life of the initial trees planted. It was also great to connect and build relationships with colleagues across the Bank."

Josh Fry
Compliance Officer

Tom's Wood

Colleagues volunteered their time with Forest Carbon, experiencing first hand the woodlands we support through our Woodland Saver accounts. Our colleagues spent the afternoon outside at Tom's Wood in Yorkshire. Tom's Wood, managed by Forest Carbon and certified by the UK government's Woodland Carbon Code, ensures that our efforts are strategically planned for maximum environmental impact and long-term sustainability.

The afternoon was filled with enthusiasm and a shared sense of purpose as the group planted a diverse mix of trees, including dog rose, hazel and field maple. Each tree planted represented a direct contribution to our customers' Woodland Saver accounts, making the experience even more meaningful.

Our Charity Partnership

As voted for by our colleagues, our Charity of the Year for 2024 was the Bone Cancer Research Trust. Colleagues organised and participated in a range of fundraising activities including charity walks, runs and swims. As part of our fundraising efforts we launched a new initiative, Gatehouse Giving Week when colleagues fundraised through bake sales, sponsored runs and even skydives!



"On behalf of everyone here at the Bone Cancer Research Trust, we would like to express our deepest thanks to Gatehouse Bank for their incredible support throughout 2024. The phenomenal amount raised by the team, coupled with the company's dedication to raising awareness will help us ensure that more bone cancer patients are able to survive and thrive beyond their diagnosis."

Xanthe Hopkinson

Regional Relationship Manager at the Bone Cancer Research Trust



Thanks to the efforts of our colleagues, we are thrilled to have raised **£21,000** for the Bone Cancer Research Trust.

The money raised will contribute to the charity's lifesaving research and awareness raising efforts while also helping to fund the charity's Support and Information service. Through this, they will be able to continue to support patients and families when they need it most through the sharing of information, grants and emotional support.

"I had a great day climbing Mount Snowdon with my colleagues. It was quite a challenging trek for us all but knowing that we were supporting the work of the Bone Cancer Research Trust kept us all going."

Gemma Donnelly
Head of Customer Propositions



"Skydiving for the Bone Cancer Research Trust was an unforgettable rush - fear met courage and I'm glad I took the leap. It was a feeling like no other, one that will stay with me forever."

Ashley Brown
Sales Manager, Direct Home Finance

Sponsorship

Hyderi Sports Association

In 2024 Gatehouse Bank continued to be the official sponsor of Hyderi Sports Association (HSA). HSA is a community-based club in Croydon, South London. The club facilitates regular sports activities with approximately 300 participants of all ages. HSA has a diverse membership and is open to people from all faiths and none, with its associated community centre regularly hosting interfaith initiatives and getting involved with local charity work.

2024 saw HSA shine in various tournaments and the club were able to introduce new activities including a running club and youth tennis. Gatehouse Bank are proud to support HSA in these endeavours and is delighted to see the positive impact our sponsorship has had on the club's success and community engagement.



Gatehouse Bank Community Sports Fund

This year, we were thrilled to be able to extend our support to more community sports teams by launching the Gatehouse Bank Community Sports Fund. This initiative allowed our colleagues to nominate local youth sports teams to receive Gatehouse Bank-sponsored kits. The Community Sports Fund is dedicated to promoting health and wellbeing and fostering the growth and development of local sports teams.

We were delighted to provide new sports kits to five youth sports teams nominated by our colleagues and based in communities local to our offices and colleagues. The selected sports teams are the MK United Cobras, MK United U15s Blues, Hurdsfield Phoenix Vipers, Tigers Junior Football Club and Match Point Tennis Coaching. By providing high-quality sports kits, we aim to empower these teams to perform at their best, instilling pride and motivation within our communities.

"We're really pleased to be one of the teams to receive brand new sports kits thanks to Gatehouse Bank and can't wait to see the young people wearing them in our upcoming games and practice sessions. We want all our young players to have a really positive experience at football training and getting these new kits has certainly put a smile on their faces!"

Wayne Freeman

Coach of Tigers Junior Football Club



"We're so pleased to have been one of the sports clubs chosen to receive a brand-new kit as part of Gatehouse Bank's Community Sports Fund. As a community club set up for local children in the area, it's been a massive help for us to ensure all our team members feel happy and part of the team."

Ryan Bradley

Co-Manager of Hurdsfield Pheonix Vipers

"Receiving a good quality away sports kit for all our team members has been a massive help to our club and has given all the players a real boost, even just in our training sessions. We can't wait to show them off at upcoming competitions!"

Jim Whitby

Manager of MK United Cobras



"The players will be so excited to receive their new kits and it's going to make us all feel really proud when we go to away games and play other teams. We're really grateful to have been chosen to receive the kits as part of the community sports fund set up by Gatehouse Bank."

Richard Foster

Assistant Manager of MK United Football Club Under 15s Blues

"Everyone is very excited to receive their new sports kits. This has generated a new wave of motivation amongst the juniors to improve and compete. With the Bank's support, we look forward to continuing nurturing a diverse and inclusive environment for people of all ages and abilities who come to us for coaching lessons."

Stephanie Pugsley

Director of Match Point Tennis Coaching



People and Culture



In 2024, 187 colleagues logged a combined total of 6,313 hours of training.

People and Culture

As a responsible Bank, we have always placed great importance on creating a positive work environment for our 187 colleagues across our four offices.

With conduct and culture 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 tracking the progress of key issues relating to conduct and culture and reviewing colleague feedback and discussing action plans with the objective of helping make the Bank inclusive, welcoming and open to everyone.

As Gatehouse Bank continues to grow, we remain committed to upholding a strong workplace culture, which is built on a unique set of core values. Our collaborative work environment includes a recognition programme designed to encourage colleagues to express appreciation and gratitude towards one another. We understand the importance of flexibility in achieving a positive work-life balance, so we offer hybrid working and flexible working options to support colleague needs. Our colleagues have expressed a desire for opportunities to develop and progress their careers within the Bank, thus we offer training courses for continued learning and professional development.



"At Gatehouse Bank, the social focus of ESG is about our customers, colleagues and communities. Part of our commitment to sustainability means fostering a workplace where colleagues can thrive, championing diversity, equity and inclusion and ensuring we live our values to serve customers and communities. By investing in social responsibility, we create lasting positive impact, driving business success and fulfilling our commitment to a sustainable future."

Joanna Collings
Chief People Officer



Our Values

At Gatehouse Bank, we always take the views of colleagues into consideration when shaping our values. Our current values were developed in consultation with colleagues across the business, the same approach was taken when redesigning our new values – Respectful, Open and Collaborative (ROC), which are due to launch in 2025.

As part of the relaunch, clear definitions for performance will be introduced, values and behaviours, ensuring our values are reflected in how we work and play a key role in shaping performance and remuneration.

Every month, we celebrate outstanding colleagues through the Bank's "ROC Awards" and recognise those who have been nominated by their peers for exemplifying our company values.



Our Stakeholders

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

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 processes and strategy. Principally, they include our customers, colleagues, investors, supply chain partners, industry bodies, third sector organisations, government, regulators and members of the community. Their views and experiences are vital to shaping our products and further implementing our ESG strategy.

Through various workshops and surveys, we identified our key stakeholders and developed an understanding of how best we can serve them. Transparency is one of our core values, constantly ensuring we remain accountable and take action to improve interactions. We regularly and appropriately communicate with stakeholders through a number of channels, depending on purpose and need.

Gatehouse Bank sends its customers a quarterly newsletter to share information about the Bank, 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.

Supporting Colleagues

Training and development

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

At Gatehouse Bank, we are committed to fostering a culture of continuous learning and professional development. As part of this commitment, all colleagues are required to complete mandatory training on an annual basis to ensure they remain informed, compliant and equipped with the knowledge necessary to perform their roles effectively. Training requirements across the Bank are identified collaboratively, by colleagues, Line Managers, our Talent & Development Partner, Head of Compliance and senior leadership. This ensures alignment with both regulatory obligations and business objectives. A structured training schedule is then developed to enhance employee capability, strengthen risk awareness and support the Bank's long-term success.

We offer a blended learning approach, combining e-learning modules with in-person and virtual live training sessions. Training programmes are tailored specifically for Gatehouse Bank, with expert input for design, delivery and evaluation provided by internal and external Subject Matter Experts (SMEs).

In 2024, we delivered a diverse range of training sessions across several categories including Regulatory and Risk Management, Leadership, Customer and Employee Wellbeing, Diversity, Equity and Inclusion and Business and Technical Skills.

The Bank ensure that our colleagues have access to relevant and impactful learning opportunities that enhance their knowledge, skills, and overall effectiveness in their roles.

The new colleague induction programme was enhanced in 2024, leveraging technology via our intranet platform for a seamless and engaging experience. This structured induction spans a new starter's first two weeks, ensuring a comprehensive and valuable introduction to Gatehouse Bank.

Additionally, our People Leader Programme supports current line managers and aspiring leaders with a variety of training opportunities throughout the year aligned with bank-wide business objectives and individual development needs.

Hybrid Working

We recognise the benefits of hybrid working in supporting work-life balance and remain committed to reviewing our approach regularly to ensure it meets both business and colleague needs.

Whilst we offer flexibility through our hybrid working policy, colleagues are expected to attend the office when required, to support collaboration, teamwork and business operations, with office attendance varying according to roles.

We acknowledge that many colleagues have caring responsibilities and continue to assess and review our policies to ensure they support colleague wellbeing and work-life balance.

Protecting Health and Wellbeing

The health and wellbeing of our colleagues is a key priority. To ensure this remains integral to our daily operations, we have an established Wellbeing Forum and designated Wellbeing Support Mentors. These mentors are trained to offer confidential, non-judgemental support and encourage colleagues to seek professional assistance when needed.

As part of our commitment, mental health training is built into our People Leader Programme and broader Wellbeing Workstream. This is supported by a range of e-learning modules on related topics. The Gatehouse Learning Portal offers 24 e-learning modules on health, safety and wellbeing, covering topics such as sexual harassment, physical health and safety, mental health, and menopause.

Additionally, colleagues have access to modules on topics such as Speak up, Unconscious Bias, Ethical Standards, Non-financial Misconduct and Whistleblowing.



We offer a wide range of **mental health benefits**, including:

- **Employee Assistance Programme** - confidential support network open 24/7 free for all colleagues.
- **BUPA Private Medical Insurance** - including a wellbeing section for colleagues who opt in, paid for by Gatehouse Bank.
- **Occupational Health** - supports colleagues facing mental or physical wellbeing challenges.
- **Wisdom App** - a suite of wellbeing tools to enhance colleague wellness, free for all colleagues.

Wellbeing initiatives carried out during 2024 include:

- **Line Managers Support** – provided mental health training for line managers to better support themselves to and their wider teams and colleagues.
- **Blue Monday** – invited colleagues to take time out of their day to do something they enjoy.
- **Move for March** – motivated colleagues to be active during the month of March.
- **Chair Pilates** – demonstrated techniques to incorporate Pilates into the working day.
- **Breast Cancer Awareness Month** – educated colleagues on how to be 'Breast Aware'.
- **Men's Health Awareness Month** - held a wellbeing webinar with speakers from Andy's Man Club, a men's suicide prevention charity.

Diversity, Equity and Inclusion

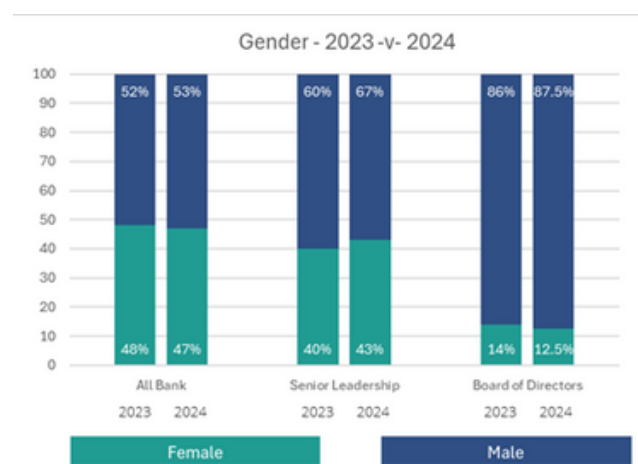
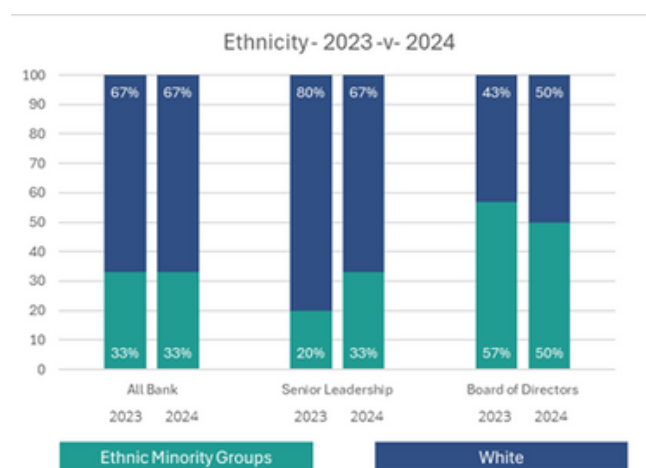
At Gatehouse Bank, we believe Diversity, Equity and Inclusion (DE&I) are incredibly important for driving business success and creating a culture where all colleagues feel valued and empowered to bring their whole self to work if they wish.

A diverse workforce brings together different ways of thinking, problem solving approaches and lived experiences which provides the Bank with a competitive advantage. The diversity of our colleagues strengthens our ability to adapt to change and 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 and develop. We work together to create an inclusive workplace where, as a Shariah-compliant UK Bank, we are here for everyone irrespective of religious beliefs. As part of this, we are committed to recruiting and retaining a workforce that reflects our diverse customer base and offering.

To support this, we have established a DE&I Forum, where a selection of colleagues from across the Bank come together to drive meaningful change. The DE&I Forum plays a key role in shaping the Bank's DE&I priorities and ensuring all voices are represented, helping to build a more inclusive and supportive workplace.

The following table and graphs show the ethnic and gender diversity percentages in 2024 compared with 2023.



Measure	All Bank	Senior Leadership	Board of Directors
Ethnicity	<ul style="list-style-type: none"> 33% (62) Ethnic Minority Group 67% (127) White 0.5% (1) Unknown 	<ul style="list-style-type: none"> 17% (1) Ethnic Minority Group 83% (5) White 	<ul style="list-style-type: none"> 50% (4) Ethnic Minority Group 50% (4) White
Gender	<ul style="list-style-type: none"> 47% (89) Female 53% (101) Male 	<ul style="list-style-type: none"> 43% (2) Female 67% (4) Male 	<ul style="list-style-type: none"> 12.5% (1) Female 87.5% (7) Male

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

The ethnicity and gender splits for 'All Bank' reflect the overall splits for the bank as a whole. The gender disparity at the Senior Leadership level feeds into the gender pay gap, accounting for approximately 3% of the pay gap in 2024. While the ethnicity balance on the Board is a 50/50 split there is further work to be done around the gender representation on the Board.

Closing the Gender Pay Gap

At Gatehouse Bank we consider our recruitment and pay practices to be fair and equitable and continuously review our policies and processes to identify opportunities for improvement.

As of 31 December 2024, our gender pay analysis shows a mean gap of 31% and a median gap of 21% between men and women across the Bank. The key contributing factor to this gap is the higher representation of men in Executive-level roles, while a greater proportion of women are currently employed in roles within the lower pay quartiles - a pattern that reflects broader trends across the financial services industry.

The results are broken down by quartile below:

Quartile	Number	Male (No.)	Female (No.)	Male (%)	Female (%)
Lower	48	16	32	33.3%	66.7%
Lower Middle	47	24	23	51.1%	48.9%
Upper Middle	50	30	20	60.0%	40.0%
Upper	47	34	13	72.3%	27.7%

The unequal numbers in each quartile are due to hourly rates spanning the quartile boundaries. An hourly rate can only appear in one quartile, therefore the boundary shifts, affecting distribution of numbers in each quartile.

DE&I Survey

The Bank distributes an anonymous Diversity, Equity and Inclusion survey annually, which aims to assess 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 2024 standing at 89%.

The 2024 survey results below indicate our colleague priorities and action taken to start addressing them:

- **Cultural Awareness** – continued engagement through the Diversity, Equity and Inclusion Forum, highlighting key religious celebrations and significant global events such as Ramadan, Lent, and International Women's Day.
- **Neurodiversity Support** – provided training for all colleagues on neurodiversity and shared resources in recognition of World Autism Day.
- **Gender Identity and Inclusion** – introduced email signature options for pronoun sharing and name pronunciation to foster inclusivity.
- **Support for Colleagues with Caring Responsibilities** – raised awareness of our flexible working policies, acknowledging that 51% of colleagues have caring responsibilities and 43% of colleagues are caring for a child under 18 years.
- **Guidance on Difficult Conversations** – delivered workshops to equip colleagues with communication skills for sensitive topics such as bereavement and divorce.





Governance and Reporting

In 2024, Gatehouse Bank has chosen to align our ESG Reporting to the Task Force on Climate-related Financial Disclosures.

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 have a dedicated ESG Forum to manage ESG activity and implement our ESG strategy across the Bank. The ESG Forum is comprised of a Non-Executive Director, several Executive Committee members (ExCo), Board members and senior managers. The ESG Forum meets quarterly to provide strategic direction and measure progress of ESG initiatives and the Bank's ESG commitments.

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



Customer 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. The Bank has a dedicated Data Protection Officer who ensures the Bank follows best practice regarding data governance and security.

In 2024, there were no data breaches relating to customer privacy requiring notification to the Information Commissioner's Office (ICO).



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 colleague that joins the Bank must read and attest to the policy as part of their induction process. All colleagues carry out additional annual refresher training as part of their ongoing and continuous professional development. This training is mandatory for all, including Board members and the Executive Committee, including Anti Bribery and Anti Money Laundering modules.

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.

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.

Communication of Critical Concerns

Gatehouse Bank operates the industry recognised, three lines of defence risk governance model and maintains sound risk management and internal control systems. The risk governance model places responsibility of identifying & managing risk on business line managers and supporting functions such as IT, HR and Legal.

The first line of defence is responsible for integrating management of operational risks, ensuring risk exposure remains within the agreed risk appetite regarding decision-making, internal activities, and business products and systems.

The second line oversees the control environment effectiveness, ensuring risks are managed within the Bank's risk appetite, legal and regulatory frameworks.

The third line of defence provide independent assurance via the Board Audit Committee, who oversees both internal and external audit teams. These teams undertake independent reviews, which cover material controls, including financial, operational and compliance providing an assessment of the first and second lines of defence.

Reporting of assurance activity or critical concerns (including HR matters) is provided to the relevant Board Committees (Board Risk and Compliance Committee, Board Audit Committee and Board Remuneration Committee), which in turn will be reported to the Gatehouse Bank Board.

Greenwashing Prevention

As a Shariah-compliant Bank, we aim to uphold the highest ethical standards in all aspects of our operations, including our sustainability efforts. We are committed to transparency and integrity, ensuring that any ESG-related claims about our products and services are accurate, verifiable, and never misleading.

We collaborate closely with internal and external stakeholders, obtaining necessary approvals before presenting any ESG related facts or figures. Our sustainability reporting aligns with globally recognised frameworks, including the Task Force on Climate-related Financial Disclosures (TCFD) and the UN Principles for Responsible Banking (PRB), ensuring consistency and accountability. Additionally, we adhere to the Financial Conduct Authority's Anti-Greenwashing Rule, reinforcing our commitment to authentic and responsible ESG disclosures.

To maintain the highest standards, we continuously monitor and adapt to emerging regulations and updated guidelines, ensuring our ESG reporting remains compliant, credible and aligned with best practices. By prioritising transparency and accountability, we proactively prevent greenwashing and misrepresentation, ensuring that our sustainability commitments remain truthful, ethical and reflective of our core values.



TCFD 2024 Report

The Task Force on Climate-related Financial Disclosures (TCFD) is a set of global standards for assessing and managing climate-related financial risks. As the UK moves toward mandatory disclosures, financial institutions are expected to align with the recommended TCFD framework to enhance ESG transparency and risk management.

Gatehouse Bank has chosen to report against TCFD in 2024 as it is more aligned with the recommendations of UK government regulations, compared to the previous Global Reporting Initiative (GRI). Although the Bank is not yet required by regulation to produce a TCFD report, using this framework will strengthen our ESG governance and regulatory preparedness, while aligning with our ESG strategy and commitment to responsible banking.

Assessing climate-related risks and opportunities are a growing area for Gatehouse Bank. We already engage in numerous environmental, social and governance initiatives, detailed in the tables below and are working towards further developing and integrating risks arising from climate.



	Governance	Strategy	Risk Management	Metrics and Targets
Disclosure	a) Describe the Board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the Bank has identified over short, medium and long term.	a) Describe the Bank's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the Bank to assess climate-related risks and opportunities in line with strategy and risk management process.
Location	<p>The Board maintains oversight of all areas relating to ESG, we have a dedicated ESG Forum, who provide direction and measure progress around ESG initiatives. As well as a Climate Risk team that monitor portfolio risks. Both functions regularly report to the Board.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Sustainability Report <ul style="list-style-type: none"> ◦ Managing Climate Risk ◦ Governance and Reporting • Gatehouse Bank's ESG Policy¹ <ul style="list-style-type: none"> ◦ Financial Risks arising from Climate Change ◦ Strategies and requirements to achieve objectives 	<p>Our ESG Strategy is our overall guide for climate risks and opportunities. The Bank has set targets that impact short-, medium- and long-term direction. We will continue to develop our ESG targets which impact our operational planning and climate risk management. Climate related risks are undergoing constant review to ensure all relevant risks are considered and evaluated.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Sustainability Report <ul style="list-style-type: none"> ◦ ESG Strategy ◦ Biodiversity and Deforestation ◦ Climate Change 	<p>The Bank's Risk Management Framework identifies climate change risk as a cross-cutting issue impacting credit, operational, business, conduct, and regulatory risks and therefore, teams across the Bank are responsible for assessing applicable risks.</p> <p>We have aligned our approach with the recommended methodology in the 2020 Climate Financial Risk Forum Guide. This approach encourages Climate Change Risk to be assessed across the business and to continue to identify and prioritise those aspects most relevant for the Bank.</p> <p>The Bank's ability to identify & assess impacts of climate change risk is developing and reported at the Executive Risk Committee (ERC).</p>	<p>The Bank uses PriceHubble, an external residential property data bureau to obtain climate risk data to manage its climate change financial risk exposure on the existing residential portfolio and inform product development to uphold sustainable and responsible banking.</p> <p>This is the extent of the Bank's current climate risk assessments that align with the Paris alignment.</p> <p>The Bank is in its initial stages of developing its own metrics for assessing its portfolios.</p>

¹ Gatehouse Bank's ESG Policy.

	Governance	Strategy	Risk Management	Metrics and Targets
Disclosure	b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the Bank's business, strategy and financial planning.	b) Describe the Bank's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
Location	<p>Our Risk and Customers teams manage the portfolio-based climate risk. Any risks are reviewed by management and reported to the Bank's Executive Risk Committee (ERC).</p> <p>The ESG Forum includes multiple senior managers at the Bank thus, is well positioned to help identify any ESG risks that arise, which is then reported to the ERC or Risk team. Our ESG Policy also outlines climate risk governance in addition to the Corporate Governance report, which also describes board oversight into bank risks, including climate risk.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Annual Report² <ul style="list-style-type: none"> ◦ Corporate Governance Report • Gatehouse Bank's ESG Policy³ <ul style="list-style-type: none"> ◦ Financial Risks arising from Climate Change ◦ Strategies and requirements to achieve Objectives 	<p>Our ESG strategy and specifically climate related risk assessments are being developed further to better influence all aspects of the Bank's business and activity.</p> <p>Opportunities regarding climate risk currently are surrounding our ESG strategy, driving internal practices and the development of our net zero pathway report, that will help guide our business and product development going forward.</p> <p>We currently have two targets that impact our business planning, explained in references below.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Sustainability Report <ul style="list-style-type: none"> ◦ ESG Strategy ◦ Climate Change ◦ Financial Education and Inclusion 	<p>In line with obligations under the Prudential Regulation Authority (PRA), the Bank continues to develop its approach to managing financial risks arising from climate risk, the Bank's current approach detailed within the ESG Policy.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Sustainability Report <ul style="list-style-type: none"> ◦ Managing Climate Risk • Gatehouse Bank's ESG Policy³ <ul style="list-style-type: none"> ◦ Financial Risks arising from Climate Change 	<p>The Bank discloses its Scope 1,2 and 3 greenhouse gas emissions using Streamlined Energy and Carbon Reporting (SECR) annually.</p> <p>More information can be found here: 2024 Sustainability Report – Operational Greenhouse Gas Emissions 2024 SECR Report.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Sustainability Report <ul style="list-style-type: none"> ◦ Operational Greenhouse Gas Emissions

² Gatehouse Bank's 2024 Annual Report

³ Gatehouse Bank's ESG Policy.

	Strategy	Risk Management	Metrics and Targets
Disclosure	c) Describe the resilience of the Bank's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the Bank's overall risk management.	c) Describe the targets used by the Bank to manage climate-related risks and opportunities and performance against targets.
Location	<p>Our ESG Strategy is still in its early implementation stages, however we have the intention and breadth within the strategy to consider climate-related scenarios.</p> <p>The Bank does have a current target to reach Net Zero by 2050. In creating the pathway to achieve this we consulted an external consultant to conduct scenario testing which will inform bank and product development, ensuring our target can be achieved.</p> <p>The Bank is in its initial stages of developing its own metrics for assessing its portfolios against 2 degrees Celsius scenario.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Sustainability Report <ul style="list-style-type: none"> ◦ ESG Strategy ◦ Climate Change 	<p>The Bank annually reviews its ESG policy and internal operation to manage risk.</p> <p>We also conduct Risk and Control Self-Assessments (RCSA) as part of the Executive Risk Committee (ERC) oversight which is updated and reviewed annually.</p> <p>The Bank's approach to managing financial risks arising from climate change is detailed in the Risk Management Framework, which requires that associated risks are assessed across the business to continue to identify and prioritise those aspects most relevant for the Bank.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Sustainability Report <ul style="list-style-type: none"> ◦ Managing Climate Change • Gatehouse Bank's ESG Policy <ul style="list-style-type: none"> ◦ Financial Risks arising from Climate Change 	<p>The Banks ESG Strategy was renewed in 2024 where four pillars were introduced. We currently have a target for two of the pillars and in the coming years will be developing additional targets, ensuring each pillar has at least one target.</p> <p>The 2024 Sustainability Report further outlines our current targets and their progressions.</p> <p><i>More information can be found here:</i></p> <ul style="list-style-type: none"> • Gatehouse Bank's 2024 Sustainability Report <ul style="list-style-type: none"> ◦ ESG Strategy ◦ Climate Change

Performance Evaluation of the Highest Governance Body

Annually, self-evaluation is conducted to assess the performance of the Board and its committees. The Board Skills Matrix captures the abilities of individual role holders, providing a composite view of the breadth and depth of Board experience 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 Fitness and Propriety checks, as part of the Senior Managers Regime (SMR) maintenance which requires a firm to assess and evidence the individual's honesty, integrity and reputation, competence and capability and financial soundness on an annual and ongoing basis.

Remediation

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 the Grievance and Disciplinary Policy.



Partnerships, Affiliations and Sponsorships

Thank you to our 2024 partners
and affiliations.

Partnerships, Affiliations and Sponsorships

Partnerships and Affiliations

We recognise the importance of community in driving forward best practice in ESG. We are committed to continuously strengthening our network as well as partnering with other organisations to help achieve our ESG goals.



Bone Cancer Research Trust (BCRT)



The Bone Cancer Research Trust aims to improve outcomes for those impacted by primary bone cancer by funding research, raising awareness and providing support. According to the charity's strategy for 2022 – 2032, the aim is to develop more effective treatments for primary bone cancer patients by 2033.

Colleagues at Gatehouse Bank selected the Bone Cancer Research Trust as the Bank's Charity of the Year for 2024 through an anonymous all-staff vote. Throughout the year, colleagues across the Bank engaged in fundraising activities in aid of BCRT, including charity walks and runs, a sponsored hike up Mount Snowdon and tandem skydives. In total, £21,000 was raised which will help the charity to fund future research and support more people affected by primary bone cancer.

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.



Greengage



Greengage is a multidisciplinary sustainability consultancy offering strategic consulting services across the UK. In 2024, Gatehouse Bank commissioned Greengage's ESG and Net Zero team to assess financed emissions of its home finance portfolio, establish a verifiable carbon baseline and set Science-Based Targets initiative (SBTi)-aligned targets. Furthermore, Greengage also conducted net zero scenario testing to assess the impact of anticipated regulatory changes and key industry policy recommendations on the Bank's projected emissions trajectory. This work will not only assist with the development of the Bank's net zero pathway but also inform the development of financial products and services that will enable our net zero transition by 2050.



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.

In 2024, Gatehouse Bank took part in an Islamic Sustainable Finance Roundtable discussion, organised by the UKIFC to provide an update on our experience as a founding signatory to the UN Principles for Responsible Banking.





United Nations Environmental Programme - Finance Initiative - UN Principles for Responsible Banking



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 PRB provides 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 work tracks developing and sharing best practice for responsible banking.

Women in Islamic and Ethical Finance Forum (WIEFF)



Gatehouse Bank is a corporate member of the Women in Islamic and Ethical Finance Forum. 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.



Sponsorships

Hurdsfield Phoenix Vipers



The Hurdsfield Phoenix Vipers are a local children's community football team which is part of the Hurdsfield Phoenix Club in Macclesfield. The team provides training in a friendly and sociable environment, while also supporting the young players' learning and development. In 2024, Gatehouse Bank partnered with the Hurdsfield Phoenix Vipers as part of its Community Sports Fund, supplying the team with new branded sports kits.



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 so far has helped the club provide sports kits for their members, facilitated their attendance in sports tournaments and supported the club in hosting community sports days.

Match Point Tennis Coaching



Based at Meopham Tennis and Leisure Centre in Kent, Match Point Tennis Coaching is a family business offering tennis coaching to players of all levels and abilities. The club's specialty lies in creating a welcoming and inclusive environment for anyone to be part of, to learn and have fun playing tennis. The club's coaches are all committed to fostering a friendly community of like-minded people and tailoring their coaching according to their members' needs.

In 2024, Gatehouse Bank partnered with Match Point Tennis Coaching as part of its Community Sports Fund, supplying the team with new branded sports kits.



MK United FC



Founded in 1975, MK United FC is a community club based in Milton Keynes that provides inclusive football to those of all ages and abilities. Under its umbrella are two sports teams that form part of Gatehouse Bank's community sports fund, the MK United Cobras and the MK United U15s Blues. In 2024, Gatehouse Bank partnered with the MK United Cobras and the MK United U15s Blues as part of its Community Sports Fund, supplying the teams with new branded sports kits.

Tigers Junior Football Club



The Tigers Junior Football Club is a Football Association (FA) Charter Standard Community Club based in Hornchurch, Essex, which has been awarded the highest standard of Charter Standard Community Club status by the FA. The club has both male and female teams between the ages of seven and 18 who have competed in the Echo Junior Football League, Chelmsford Youth League, Essex County Girls League and Essex County Women's League, among others. All committee members, managers and coaches at the Tigers Junior Football Club work on a voluntary basis. In 2024, Gatehouse Bank partnered with the Tigers Junior Football Club as part of its Community Sports Fund, supplying the team with new branded sports kits.



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