



Gatehouse Bank Responsible Banking Progress Statement 2024

UN Principles for Responsible Banking



Principle 1: Alignment

Content

Gatehouse Bank plc ("the Bank") is a Shariah-compliant UK Bank with offices in London, Birmingham, Milton Keynes and Wilmslow. Gatehouse Bank is a wholly owned subsidiary of the Gatehouse Financial Group and is authorised by the Prudential Regulation Authority (PRA) and regulated by the PRA and the Financial Conduct Authority (FCA). The Bank offers products and services in three broad categories: Savings, Home Finance and Build to Rent.

In 2022, Gatehouse Bank qualified as a Large Company under the Corporate Act 2008, Section s414CZA. The Bank's Business Model is an integrated part of its new disclosures and is outlined in Gatehouse Bank's Annual Report 2024.

Being a signatory of the UN Principles for Responsible Banking 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. 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. We have also been working to reduce the Bank's operational carbon footprint and have been certified as operationally carbon neutral for the last four consecutive years.

Gatehouse Bank adheres to Shariah principles which have a natural alignment with sustainable practices. These Islamic finance principles prohibit the financing of sectors perceived to cause harm to society, including alcohol, tobacco, adult entertainment, gambling or the arms industry. In addition, Gatehouse Bank does not finance environmentally harmful extractive activities such as coal or oil and we don't offer speculative financial products.

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 our colleagues and customers. It also aligns with the UN PRB objectives, as well as the Sustainable Development Goals and Paris Agreement. Our ESG strategy is consolidated into four pillars: Biodiversity and Deforestation, Financial Education and Inclusion, Climate Change, Community Health and Wellbeing. These pillars align with our customers' and colleagues' priorities and global ESG frameworks and agreements which represent our dedication to both environmental and social responsibility, guiding our long-term vision for a sustainable and inclusive future.

We make every effort to do right by people and the planet in the creation of our products. Our Woodland Saver product range contributes to the generation of UK woodlands, for every account opened or renewed, we plant a tree on behalf of our customers, and in 2024, we surpassed the milestone of 50,000 trees planted. We also have a green home finance product that incentivises customers to acquire or refinance a property with an Energy Performance Certificate (EPC) rating of A or B. The Bank also offsets the carbon emissions of the average UK property for the initial two- or five-year fixed term of the product.

Links & references

[Gatehouse Bank's Sustainability Report 2024](#)

Principle 2: Impact & Target Setting

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Our ESG 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 Sustainable 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. As part of our commitment to the UN PRB, we have set targets which align with two of our four new ESG pillars. Under our Climate Change pillar is our target to reach net zero emissions by 2050. To achieve this, we have worked with external consultants, Greengage. Under our Financial Education and Inclusion pillar, in collaboration with the UNPRB objectives, is our target to increase the percentage of young savings customers (aged 18 – 30) from 3% in 2021 to 10% by the end of 2025.

Example Progress Indicators

We have already made progress against both targets in 2024. To align with the UK's net zero strategy, Gatehouse Bank consulted with independent sustainability experts, Greengage, to assess the emissions of the Bank's portfolios from the baseline year 2020 and provide operational and product development direction through a climate scenario analysis.

Recently, we enhanced our green home finance product offering to include UK expats and international residents in addition to UK residents. These products offer a discounted rental rate for customers acquiring or refinancing a property with an A or B energy efficiency rating. As far as we know, our green home finance products are the first Shariah-compliant products of their kind in the UK. In addition to the discounted rental rate, Gatehouse Bank also offsets the carbon emissions of the average UK property for the product's initial fixed term. Compared to the 2023 EPC distribution of properties financed, Gatehouse Bank has decreased the number of properties it finances with an EPC rating of E or below by 36. We have also increased the number of properties financed from 2023, with an EPC rating between A and D, by 410. 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. To assist in addressing efficiency ratings, our Products team are looking into additional ways to improve customer properties, including replacing of inefficient heating, windows etc. as well as potential commercial partnerships.

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, our Regular Saver account supports our commitment to increasing financial inclusion. At the end of 2024 we exceeded our young savings customer target with 12% of customers being young savers (aged 18-30). In addition to our product offerings, our colleagues have significantly contributed to this area. Colleagues participated in career talks with local students highlighting career opportunities and pathways to inspire students in their career goals and consequently improve 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.

Links & references

[Gatehouse Bank's Sustainability Report 2024](#)

Principle 3: Clients & Customers

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Gatehouse Bank offers savings products to UK residents, and home finance solutions for properties in England and Wales to UK and overseas homebuyers and landlords. Our products are available to customers of all religions and none.

We believe that 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 surpassed 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.

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.

Gatehouse is 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 who may be experiencing difficult circumstances.

Links & references

[Gatehouse Bank's Sustainability Report 2024](#)

Principle 4: Stakeholders

Content

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 the long-term success of our business.

Details of how Gatehouse Bank engages with stakeholders can be found in the 'Our Stakeholders' and the 'Memberships and Affiliations' sections of our Sustainability Report 2024.

Links & references

[Gatehouse Bank's Sustainability Report 2024](#)

Principle 5: Governance & Culture

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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 Gatehouse Bank's Executive Committee (ExCo). 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 activity and implement our ESG strategy across the Bank. The ESG Forum is comprised of a Non-Executive Director, several ExCo members, 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.

As part of our staff induction process, all new colleagues must complete a mandatory training on ESG and Responsible Banking, creating awareness of challenges and how to better incorporate our ESG strategy into their business-as-usual operations.

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.

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

On top of our business operations and products, having a positive impact on our communities and embedding the UN PRB principles is in our culture. 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, an increase of 38% from 2023. 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. Many of these colleagues volunteered for career talks and mentoring as we aim to have colleagues involved further in our Financial Education plans for 2025. Colleagues also raised over £21,000 for our charity of the year, the Bone Cancer Research Trust.

Links & references

[Gatehouse Bank's Sustainability Report 2024](#)

[Gatehouse Bank's ESG Policy](#)

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

Principle 6: Transparency & Accountability

Content

Gatehouse Bank's Sustainability Report 2024 is prepared in accordance with TCFD reporting framework.

As it is not a requirement, the 2024 Sustainability Report has not been assured by external consultants, however, has been extensively reviewed internally.

ESG content is also included in the Gatehouse Bank 2024 Annual Report which has been assured by external auditors. The Annual Report 2024 also serves as an important reference for this UN PRB Report.

Over the next few years, Gatehouse Bank will continue to further implement its newly updated ESG strategy. The Bank will continue to deliver, monitor and report against all sustainability and the UN PRB's guidelines. The ESG Forum will continue to meet quarterly to monitor and provide strategic leadership and direction in driving the Bank's ESG agenda and the UN PRB's commitment.

Links & references

[Gatehouse Bank's Sustainability Report 2024](#)

[Gatehouse Bank's Annual Report 2024](#)



The Helicon
One South Place
London
EC2M 2RB



/gatehousebankplc



Gatehouse Bank plc



gatehousebank



sustainability@gatehousebank.com

gatehousebank.com