

HELPING
**BUILD
BETTER
FUTURES**
HAPPEN



WELCOME TO OUR ESG REPORT

Our first Environmental, Social and Governance (ESG) report complements and enhances our Annual Report and Accounts (ARA), by providing a more in-depth update on the progress we're making against our purpose ambitions and responsible business priorities.

The report reflects activities undertaken from 1 January to 31 December 2021, unless stated otherwise. We plan to produce an ESG report annually, aligned to the publication of the ARA.

Unless clearly identified, the information presented refers to Yorkshire Building Society (YBS) and all subsidiaries, as detailed in our 2021 ARA.

The report has been produced with reference to the Global Reporting Initiative (GRI) standards 2021. Using the GRI standards has helped us consider the disclosure requirements of our stakeholders and focus on issues that align with our material topics; the ESG topics most important to us and our stakeholders.

The full YBS reporting suite brings together the Society's financial, non-financial, risk and ESG performance for 2021. Alongside this ESG report please refer to the following documents:

- [2021 Annual Report and Accounts](#) - includes Task Force on Climate-related Financial Disclosures (TCFD)
- [Gender Pay Gap Report](#)
- [YBS Policies](#)

The report has been signed off by the ESG Committee. As this is our first standalone ESG report, we have not procured external assurance on the content, although this is our aim in future.

Contacts

The Society's Media Relations Team acts as the point of contact for ESG related enquires:

Email: pressoffice@ybs.co.uk **Head office:** Yorkshire House, Yorkshire Drive, Bradford, BD5 8LJ



“ Since Yorkshire Building Society was founded over 155 years ago, we have been strongly committed to our mutual business model and to our social purpose, both of which remain at the very centre of our culture and operations to this day.



Over the last year we have firmed up our approach to managing Environment, Social and Governance (ESG) issues, in line with our purpose, and I am very pleased to present our first ESG report which sets out the progress we have made to date.

I am particularly proud of our increased investment into the communities within which we operate. Our range of community programmes operate on three levels: local, regional and national, and we have committed more than £1.8m of investment over two years (2021/22) as part of our purposeful agenda focusing on skills, employment, financial education and wellbeing.

In wider society, the topic of climate change has been brought into increasingly sharp focus in recent years and so we have also deepened our understanding of the risks posed by climate change over the course of 2021, and have ensured that our commitments form part of our broader risk management. The Board has set our intended direction of travel as our approach to climate change management evolves over time.

I look forward to working with teams across YBS in the years ahead to build on the great progress and impact we’ve already made.”

John Heaps,
Chair of the Board



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A PLACE TO CALL HOME



Helped **85,000** people to have a place to call home¹

- Supported a record **42,000** people into their own home for the first time
- Supported **144** homeless young people into their own home

FINANCIAL WELLBEING




127,000 people supported towards greater financial wellbeing, through our savings products and local community initiatives^{2 3}

£1.8m investment into our community programmes and charitable giving activity




1,400 older people supported through our partnership with Age UK

MEMBER VALUE



Passed back an extra **£41m** to our savers through our member loyalty programme and by increasing savings rates

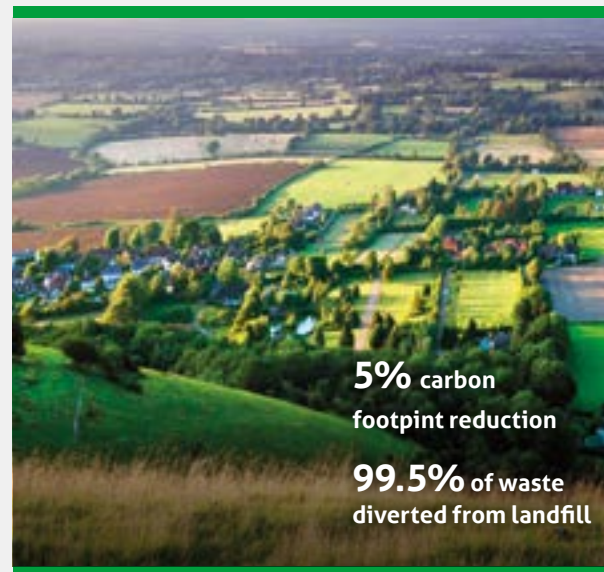
+54 Net Promotor Score (NPS™)

£297m core operating profit



Delivered rates which consistently beat the rest of the market, on average by **0.32%**⁴

ENVIRONMENT



5% carbon footprint reduction

99.5% of waste diverted from landfill

PEOPLE



36% female representation at Board

8.5 colleague engagement score

£1.09m investment in colleague training



Colleagues spent **2,700** hours volunteering

RESPONSIBLE OPERATIONS



£128.8m supplier spend⁵

£104.1m tax paid⁶

¹Includes people we've helped buy or rent a home through our mortgages, social housing lending and homeless young people we've supported through our partnership with End Youth Homelessness
²Includes people we've helped to save through access accounts (excluding fixed-term bonds) and direct-from-salary savings schemes from YBS Share Plans and our partner Salary Finance, also those we've supported through our community programmes and charity partnerships
³This figure was under-reported in our 2021 Annual Reports & Accounts due to a reporting error, the updated number of people reached in 2021 is 127,007 (increase of 2,931, compared to the ARA figure).

⁴YBS Group average savings rate compared to rest of market averages rates. Source: Based on CACI's Current Account and Savings Database, Stock, Jan-Dec 2021.
⁵This does not include non-procurable spend, including: Non-procurable Banking Charges (2% of total Banking Charges), Charity/Donations, Inter/Intra Company Payments, Letting/Estate Agency Services, Membership, Regulatory Payments, Rent and Rates, Sponsorship, and Taxes.
⁶Total tax paid includes UK corporation tax, bank surcharge, irrecoverable VAT, business rates and employer payroll taxes. Payroll taxes collected and paid over on behalf of employees are excluded.

We recognise the strength of collaboration and learning from others to support us on our journey, as we look to further embed our purpose and strengthen our ESG commitments. We're proud to have been recognised for our progress and look forward to continuing working with partner organisations to step up our efforts in this area.



AWARDS

Purpose

Business Moneyfacts Awards 2021	Best Service from a Commercial Mortgage Provider
Moneyfacts Awards 2021	Personal Finance Provider of the Year
	Best Building Society Savings Provider
Fairer Finance	Gold Ribbon for Savings Customer Experience
	Gold Ribbon for Mortgages Customer Experience
Mortgage Finance Gazette Awards	Customer Service & Treating Customers Fairly - Lenders
	Innovation by Lenders
Moneynet Personal Finance Awards	Best Overall Mortgage Provider
	Best Offset Mortgage Provider
	Best First-Time Buyer Mortgage Provider
	Best Easy Access Savings Provider
L&G Mortgage Club Awards 2021	Best Lender for Service category
	Best Overall Lender category
Moneyfacts Consumer Awards 2021	High Street Mortgage Provider of the Year
	First Time Mortgage Buyers' Choice Award
	High Street Savings Provider of the Year
Financial Adviser Service Awards	5 Stars Mortgage category
Your Mortgage Awards	Best Intermediary Mortgage Lender
TMA Club Awards	Best Lender for Intermediary Support 2021
MoneyComms Awards 2021	Best Regular Savings Provider

AWARDS

Responsible Business

Corporate Engagement Awards	Most Innovative Collaboration – Gold
Best Business Awards	Best Corporate Social Responsibility
National Centre for Diversity FREDIE Awards 2021	Large Business of the Year 2021
	Financial Services Company of the Year 2021
	Most Inclusive Workplaces 2021 (ranked 11th)
National Centre for Diversity	Leaders in Diversity
Inclusive Companies	Inclusive Top 50 UK Employers (ranked 16th)
Working Families	Top 10 Employer

Memberships and Accreditations

Disability Confident Employer (Level 2)
Women in Finance Charter
Business in the Community (BiTC)
UK Finance
Leeds Climate Commission
Yorkshire and Humber Climate Commission
Business for Social Impact (B4si)

WELCOME

from Alasdair Lenman

I'm delighted to introduce our first Environmental, Social and Governance (ESG) report. Whilst this report is new, our commitment to operating as a responsible business isn't. We've been helping our members achieve their life goals for the past 157 years, and we continue this ethos today through our purpose of providing Real Help with Real Life.

Over the last few years, we've made significant progress in supporting our colleagues, customers and communities. We've been working towards fostering an inclusive workplace and have ensured we offer a competitive benefits package to attract and retain the best talent.

We've always put customers at the forefront of our decision making, and we pride ourselves on excellent customer service. Likewise, we've always given back to the communities we live and work in, through fundraising and volunteering for charities and good causes. We recognise the impact our operations have on the environment and have made significant investments over recent years to help reduce this.

In 2021 we've re-focused our priorities. We've continued delivering our purpose ambitions of helping people have a place to call home and improved financial wellbeing, underpinned by the delivery of value to our members. But we've also identified three additional areas of focus, which form our responsible business priority areas. These are: investing in our people, building a greener society, and operating responsibly.

“**HERE ARE SOME HIGHLIGHTS
OF THE GREAT PROGRESS WE'VE
MADE IN THE LAST YEAR**”



Progressing from Top 30 to **Top 10 employer for Working Families** and from 35th place to 16th place in the UK's Most Inclusive Employers.

Redefining our strategy to ensure we foster a culture where inclusion and diversity are embedded in everything we do.

Seeing an increased number of women in senior management positions **from 46% to 50%**.

Receiving the award for **Large Business of the Year 2021** from the National Centre for Diversity.

Increasing investment to expand our range of community programmes at a local, regional and national level. The programmes cover various topics focusing on financial wellbeing and literacy, employability skills and digital inclusion.

Approval of our **new climate change strategy** and embedding specific environmental standards into our operations and governance.

New environmental disclosures in our Annual Report and Accounts (ARA) aligned to the Taskforce on Climate-related Financial Disclosures (TCFD).

Launching our member loyalty programme, which saw us returning an **additional £41 million of value** to loyal savings members, through targeted products and increased rates on our instant access savings accounts.

Another rise in our Net Promotor Score (NPS) **from +41 in 2018 to +54 this year**.

Throughout 2022 we plan to go further, with a new committee dedicated to ESG, which I will chair, so we continue to drive forward our purpose and create a more responsible business.

Alasdair Lenman, Interim Chief Executive
6th July 2022

Our purpose

Our purpose is to provide Real Help with Real Life, which means delivering on two long-term ambitions: helping people to have a place to call home and supporting them towards greater financial wellbeing.

These are underpinned by a third ambition: reflecting our mutual heritage by creating long-term value for our members.

To measure progress, in 2020 we set ourselves the goals of helping 500,000 people into a place to call home and helping 500,000 people improve their financial wellbeing over the next few years. So far, we've supported 138,701 people into a home, just over a quarter towards our target,

We've supported
138,701 people
into a home

and we're almost halfway to completing our financial wellbeing goal, having supported 234,435 people so far. You can read more about our progress on our purpose ambitions and our goals on pages 17 - 36.





Alongside these two goals, we've developed a series of key performance indicators (KPIs) to measure the value we create for wider society, through specific, measurable outputs and impacts. This forms part of our value creation model on page 15.

To deliver on our purpose ambitions, we need to continue protecting the interests of our stakeholders, alongside growing our business and putting ourselves in a strong position for the future. As a building society, we don't have any outside shareholders to answer to, so our primary concern is not to maximise profits for them, but to return more value to our members and wider society.

We're in a strong position for the future

It's important our level of profitability ensures our stability and security, generates enough capital to support our growth, and allows us to continue developing and delivering products and services to fulfil the needs of our members. [Our Annual Report and Accounts](#) has more detail on our financial performance and Strategic Blueprint – our overarching business strategy.

Our ESG strategy

Stakeholder engagement

We regularly engage with our stakeholders in a variety of ways to make sure we continue to meet their changing expectations. The shaping of our ESG strategy was supported by in-depth materiality analysis in 2020 to identify the ESG topics most significant to our stakeholders.

To do this we:

- established a shortlist of priority issues to explore with stakeholders
- assessed stakeholder perceptions around importance and performance for each issue
- identified opportunities for positive impact and differentiation.

Nearly 1,700 stakeholders were consulted through online surveys and in-depth interviews, to really understand their views and expectations of YBS. The majority of stakeholders consisted of colleagues and potential colleagues, members, and mortgage brokers. We also engaged with a smaller number of business partners, suppliers, investors, and political, regulatory and community representatives, to give a good representation across our key stakeholder groups.

We also used more recent information gathered from conversations with investors and the requirements of non-financial rating agencies to assess relevant topics and keep up to date with changing priorities. We plan to renew this research every two years and a summary of our findings are presented to the right and below.

Key stakeholder	Who they are	How we listen and engage	What they expect from YBS	Material ESG topics identified
Members and customers	Members Mortgages and savings customers Commercial lending clients Registered Providers of Social Housing	Member events (Your Time to Talk sessions, in-branch events) Annual General Meeting Our Member Panel, My Voice, and regular surveys on customer experience and brand Direct engagement through specialist teams (face-to-face, online web chat, telephone calls, letters, emails and social media)	Offer good value and flexible savings accounts and mortgages Deliver helpful, effective, approachable, friendly and efficient service Invest in the products and services they need to gain better financial resilience or secure a mortgage Run a strong, secure and sustainable business in their long-term interests Demonstrate action to support a wider societal purpose Provide adapted support to customers in vulnerable situations Invest in transforming our digital offering.	Affordable housing and home ownership Attractive products Business continuity and performance Campaigning on issues that matter to stakeholders Climate change, including carbon footprint reduction and Net Zero emissions Data privacy and security Digital transformation Executive remuneration Financial inclusion Financial resilience Local community support Responsible customer relations Vulnerable member support
Colleagues	All colleagues Contractors Agency colleagues	Colleague Forum, attended by a Non-Executive Director appointed to lead on colleague representation Focus groups and surveys Colleague events and virtual conferences Intranet (live Q&As, news, blogs) People Experience Forum Direct engagement through leadership teams Colleague listening groups Colleague networks	Provide a forum where views are heard on experience at YBS and the business strategy Treat people with empathy, respect and fairness Encourage and support their development and training Provide fair reward and remuneration policies Support a good work-life balance Care about their physical, mental and financial wellbeing Provide an inclusive culture where diversity is valued and celebrated	Business continuity and performance Climate change, including carbon footprint reduction and Net Zero emissions Diversity and Inclusion Fair reward and benefits Health and wellbeing Local community support Talent attraction, training and retention

Key stakeholder	Who they are	How we listen and engage	What they expect from YBS	Material ESG topics identified
Government and Regulators	Central and local governments	Direct engagement through specialist teams (face-to-face, phone calls, letters, emails)	Act within the law and regulation and in the interests of our customers	Business continuity and performance
	Financial Conduct Authority (FCA)	Engaging with consultations, including through industry bodies	Operational resilience	Climate change, including carbon footprint reduction and Net Zero emissions
Investors	Prudential Regulation Authority (PRA)	Monitoring, engaging and complying with regulatory change and reporting	Swiftly and proactively resolve customer issues	Data privacy and security
	Information Commissioner's Office (ICO)		Be financially strong and secure by maintaining adequate resources, including capital and liquidity	Diversity and Inclusion
	Payment Systems Regulator (PSR)		Act with integrity and transparency	Ethics and accountability
	Wholesale investors	Direct engagement through face-to-face meetings and events	Offer appropriately priced debt securities in the wholesale markets which adequately reward level of risk	Financial crime and whistleblowing
	Ratings agencies	Annual Report and Accounts	Operate in a prudent manner, protecting our financial sustainability and ability to service our debt	Sustainable finance
		Regulatory News Service announcements	Behave responsibly in wholesale markets	
		Investor reporting	Keep them informed and updated on YBS strategy, financial performance and principal risks	
			Share details of our funding strategy and the expected volumes of securities being issued	
			Demonstrate good ESG practices, validated by Non-Financial Ratings Agencies	

Key stakeholder	Who they are	How we listen and engage	What they expect from YBS	Material ESG topics identified
Partners	Brokers	Direct engagement through specialist relationship management teams (face-to-face meetings and events, phone calls, letters, emails)	Be simple and straightforward to deal with	Business continuity and performance
	Agency proprietors		Collaborate with them as trusted partners to achieve mutual success	Responsible supply chain
Our Communities	Suppliers		Deliver helpful, effective, approachable, friendly and efficient service	
	Trade unions		Demonstrate action to support a wider societal purpose	
	Industry bodies			
Our Communities	The local, regional, and national communities in which we operate	Charitable partnership and sponsorship agreements	Invest resources to support the social economic welfare of communities	Affordable housing and home ownership
		A range of initiatives to support the Bradford community	Demonstrate action to support a wider societal purpose	Campaigning on issues that matter to stakeholders
	Charities and community groups	Community education initiatives, including Money Minds and Career Minds	Provide an inclusive culture where diversity is valued and celebrated	Climate change, including carbon footprint reduction and Net Zero emissions
				Financial inclusion
				Financial resilience
				Local community support



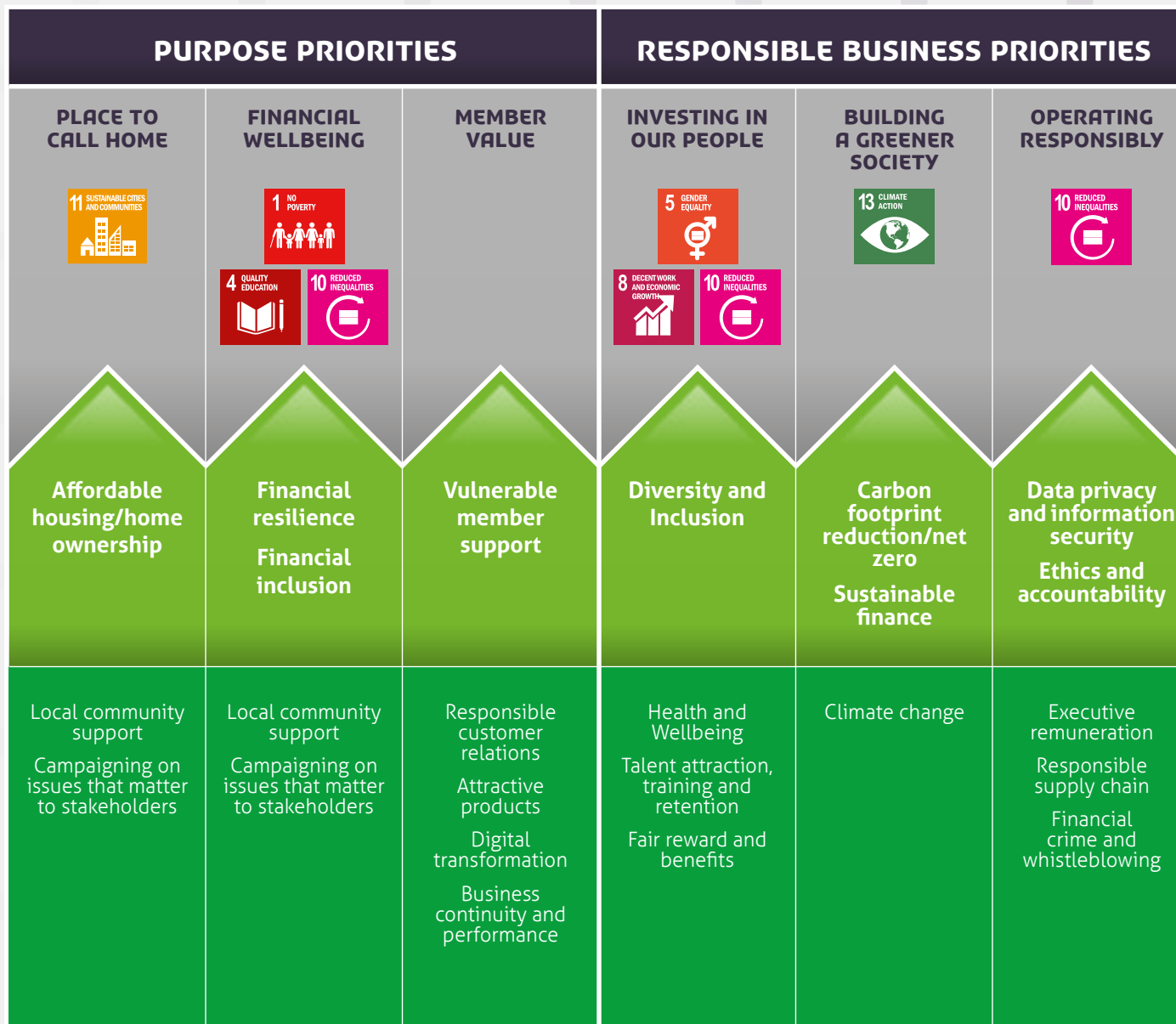
ESG priorities and material issues

Following our stakeholder engagement, we mapped the list of ESG topics material to YBS and our stakeholders and cross-referenced these with our purpose ambitions, in the materiality analysis model to the right. Our analysis confirmed that Financial Wellbeing, Place to call Home and Member Value remain crucial to our stakeholders and address many of the ESG issues they care about.

Alongside our three purpose ambitions, we have identified three additional priorities that cover the remaining ESG issues highlighted by our materiality analysis: these are investing in our people, building a greener society and operating responsibly. These priorities underpin our purpose ambitions and reinforce our credentials as a responsible business.

We've also mapped our ESG priorities to the United Nation's Sustainable Development Goals (SDGs), to better understand how our work supports global efforts to achieve some of these goals by 2030. In 2022 we intend to become a signatory of the Principles for Responsible Banking, which will ensure our practices align with the SDGs⁸ and the Paris Climate Agreement.

The material ESG topics that we have identified as most relevant to our stakeholders has informed the Global Reporting Initiative (GRI) topics which we are reporting against in this report, a full table can be found in the Appendix.



- ESG Priorities
- Primary material issues
- Secondary material issues

⁸The United Nations Sustainable Development Goals refer to 17 goals that were agreed by world leaders in 2015, aiming to create a better world by 2030, by ending poverty, fighting inequality and addressing the urgency of climate change

Creating value

Our value creation model shows the resources we rely upon to deliver our strategy – our inputs – and the impact of the activities we carry out as part of our strategy – our outputs. We measure the value we create for our stakeholders by comparing inputs against the outputs and impacts we produce.

OUR VALUE CREATION MODEL

INPUTS	OUTPUTS	IMPACTS (KPIs with 2021 measure)	MORE INFO
Financial <ul style="list-style-type: none"> Interest received from customers on residential and commercial mortgages Fees and charges received from customers Members' savings deposits Funding from investors Financial capabilities (e.g. financial reserves and risk management) 	<ul style="list-style-type: none"> Interest paid to our members and investors Profits to ensure our long-term sustainability for all stakeholders Pay and benefits provided to our colleagues Taxes paid to the Treasury Investment in the economy 	<ul style="list-style-type: none"> Average rate paid: 0.6% Member value in increased rates: £41m Core operating profit: £297.3m Colleague pay and benefits: £116.6m Total tax paid: £104.1m⁹ Suppliers spend: £128.8m¹⁰ 	<ul style="list-style-type: none"> - Member Value - People - Operating Responsibly
Social <ul style="list-style-type: none"> Strong relations with stakeholders, including partner organisations Thriving local communities Healthy housing market and employment rates 	<ul style="list-style-type: none"> Access to a place to call home through mortgages and End Youth Homelessness partnership Greater financial wellbeing through savings accounts and financial education programmes Great customer service in branches, agencies, by phone and online Investment in our local communities 	<ul style="list-style-type: none"> People helped into a home: 84,568 People helped towards greater financial wellbeing: 127,007 Net Promoter Score (NPS™): +54 Community investment contribution: £1.8m 	<ul style="list-style-type: none"> - Place to Call Home - Financial Wellbeing - Member Value - Appendix
Human <ul style="list-style-type: none"> Colleagues' time, skills, knowledge and experience Internal systems, processes and technology 	<ul style="list-style-type: none"> Training and development for our colleagues Engaging and inclusive workplace culture 	<ul style="list-style-type: none"> Colleague training investment: £1.09m Colleague engagement score: 8.5 Female representation at board: 36% BAME representation at Band E: 6% 	<ul style="list-style-type: none"> - People
Environmental <ul style="list-style-type: none"> Energy, water and other natural resources consumed 	<ul style="list-style-type: none"> Environmental footprint 	<ul style="list-style-type: none"> Carbon footprint: 2,565 tCO2 	<ul style="list-style-type: none"> - Environment

⁹Total tax paid includes UK corporation tax, bank surcharge, irrecoverable VAT, business rates and employer payroll taxes. Payroll taxes collected and paid over on behalf of employees are excluded.

¹⁰This does not include non-procurable spend, including: Banking Charges, Charity/Donations, Inter/Intra Company Payments, Letting/Estate Agency Services, Membership, Regulatory Payments, Rent and Rates, Sponsorship, and Taxes.

ESG governance

In December 2021 the Board signed off our new approach to managing ESG risks and opportunities, based on our stakeholder consultation and updated materiality analysis. As part of this, the Board decided to set up an ESG Committee (ESG Co), as a sub-committee of the Executive Committee, from which it has delegated authority to drive progress on the ESG strategy. The role of ESG Co is to support the Board in overseeing the delivery of YBS's ESG strategy, and to drive progress against both our purpose ambitions and responsible business priority areas.

The ESG Committee will be chaired by our interim CEO and will include the Chief People Officer, Chief Commercial Officer, Chief Financial Officer and Chief Operating Officer, all of whom lead functions crucial to the delivery of the strategy.

The Board is also responsible for the management of ESG risks, which are embedded into existing governance structures, detailed in the [Annual Reports and Account's Corporate Governance Report](#).

In 2022, we'll focus on driving and measuring progress further, in particular by:

- embedding the ESG Committee into the existing governance structure, ensuring it is effective at driving progress
- reviewing our materiality analysis, to ensure it remains accurate and up to date
- reviewing the ESG metrics within our executive remuneration bonus scheme
- setting ESG targets against relevant key performance indicators (KPIs).



PLACE TO CALL HOME

We're here to help people have a place to call home. This includes supporting first time buyers and house movers through a range of residential mortgages. It's also for people renting from our buy-to-let landlords, people we've supported through social housing, or those helped by our partnership with End Youth Homelessness.

In early 2021, the conditions of the mortgage market made it difficult for many people wanting to secure a place to call home. The average age of a first-time buyer continues to increase, rising to 34 in 2021¹¹ with the average first-time buyer deposit peaking at £67,800 - a rise of more than a third since 2019¹².

These conditions continue to worsen, and many people could soon be struggling to cope with the sharpest squeeze on real incomes in 45 years, with consumer price inflation outpacing wage growth. The cost of living crisis combined with record house price levels will make it even more difficult for those looking to buy their first home.

**YOUR HOME MAY BE REPOSSESSED IF YOU DON'T
KEEP UP REPAYMENTS ON YOUR MORTGAGES**

Helped
85,000
people to have a
place to call home¹³

Supported a record
42,000
people into their own
home for the first time¹⁴

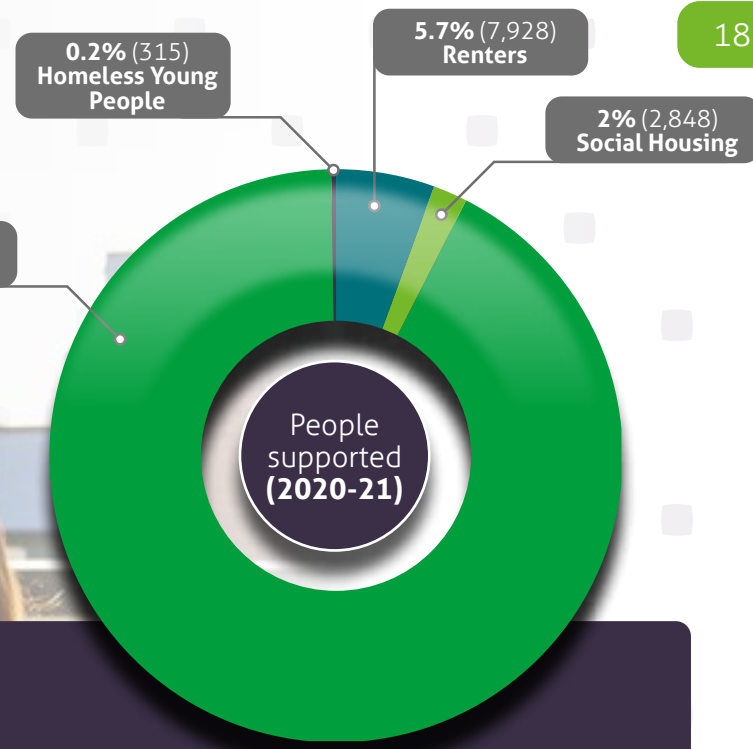
Supported
144
homeless young people
into their own home

¹¹Covid pushes up average age of first-time buyers - FTAdviser.com

¹²The plight of the UK's first-time buyers | Financial Times

¹³Includes people we've helped buy or rent a home through our mortgages, social housing lending and homeless young people we've supported through our partnership with End Youth Homelessness

¹⁴We calculate the number of people helped by the average occupancy rates according to the Office for National Statistics



Place to call home

We've set ourselves the ambition of helping 500,000 people into a place to call home.

In 2021, we've helped 85,000 people¹³ have a place to call home. This brings our total since 2020 to 138,701 - just over a quarter of the way toward our target.

¹³We calculate the number of people helped by the average occupancy rates according to the Office for National Statistics

Helping homeowners

In 2021 the Covid-19 pandemic caused disruption to the availability of many mortgage products at the same time government incentives were boosting customer demand. Many customers facing difficulties were first-time buyers, the self-employed and contractors. Lending to these segments of the market is core to our purpose, giving us the opportunity to help people reach the first rung of the property ladder or find a mortgage where they would struggle elsewhere.

We remain committed to helping first-time buyers find a place to call home and those with small deposits move into homes more suitable for their needs. We were the first lender to re-enter the 95% loan-to-value market (LTV) after the start of the Covid-19 pandemic. We extended this lending by offering two-year terms to complement our five-year product options, including home movers as well as first-time buyers; and launched direct products under our YBS brand following the initial successful introduction to Accord Mortgages¹⁶.

Demonstrating our commitment to help people with low deposits, 30% of our business to new customers has a 90% or 95% loan to value profile. We also help people maximise borrowing relative to income, with 40% of our borrowers utilising up to 90% of their affordability limit, whilst ensuring this is affordable through our robust affordability measures.

This, combined with other support, resulted in a record 42,000 people having a place to call home for the very first time, far exceeding the previous year (2020: 26,000).



We were the first lender to re-enter the 95% loan-to-value market

¹⁶Accord Mortgages is a subsidiary of Yorkshire Building Society which offers residential and buy to let mortgages through intermediaries only.



Maximum age for a borrower to have completed their mortgage is 80

Common sense underwriting

Our common sense approach to underwriting means we can support borrowers whose financial standing has been affected by Covid-19. We pride ourselves on looking at each case on its own merits, allowing us to help people negatively impacted on a temporary basis, like self-employed borrowers. Our approach helped us fully understand the impact Covid-19

has had on an applicant's business and take a pragmatic view of their use of government support. For example, we consider performance pre-pandemic and past track records, as well as their long-term prospects and the sustainability of their business. We give all our underwriters

discretion to make common sense decisions, rather than a 'computer says no' approach.

Later life lending

As the age at which people buy their first property increases, and the price of properties continues to rise, people may need longer to pay back their mortgages. At YBS, the maximum age for a borrower to have completed their mortgage is 80. By stretching the mortgage term, we can

enable people to lower their monthly payments, making buying a property more affordable. It can also help older people downsize or re-mortgage their property to release equity. In addition, we updated criteria to better support residential interest only borrowers who are already retired or whose mortgage term would take them into retirement.

Age Partnership

We work with retirement specialists Age Partnership to help customers coming to the end of their interest-only mortgage without a repayment vehicle in place to find a suitable solution. As much as we'd like to say 'yes' to all our mortgage applicants, we're not always able to. Working with Age Partnership allows us to help the small minority of customers that require support through specialist providers, by providing a referral, rather than closing the door. We don't receive any referral fees from Age Partnership, and thanks to our relationship, they provide this service for free to our customers. We referred 37 customers to Age Partnership in 2021.

We plan to do more on our Place to Call Home ambition by developing mortgage propositions, and enhancing our analytical capabilities, to improve the range of products we can offer to borrowers less well served by the wider market.



HELPING
**WE'RE FINALLY
HOMEOWNERS**
HAPPEN

Shawn and Lauren bought their first home in Bradford with a YBS mortgage at 95% LTV.

They said:

We get so much pride from owning our home. Once you're a homeowner, you feel like you've got a foundation for life. It's a really big step towards independence. Any mortgage savings go towards making more memories.

We found the mortgage journey very easy and YBS were super helpful. Everyone we spoke to was caring and guided us through the whole process.





Buy to let and commercial lending

Home ownership may not be a realistic ambition for many people, so we also want to support those who can't access the property market. We're very aware the private and social rental markets form a key part of the UK's housing market. This is why we think it's important to help both private and social landlords when it comes to financing decent quality properties in the rental sector.

Supporting landlords throughout the pandemic has been a real priority for us, and we simplified the fee structure by reducing standard valuation and home-buyers fees to align with our residential offering. We also made changes to our lending limits for established landlords, offering them more flexibility to manage their property portfolios. By increasing the range of options available, we can help support more brokers and their landlord clients. We also expanded our buy-to-let proposition to include landlords in Scotland and now consider lending to first-time buyers who want to become landlords.

Accord Mortgages will now allow landlords to use personal income to top up any shortfalls in rent, allowing them to obtain the loan amount they require. We also removed our minimum income requirements to fulfil our common sense lending approach, so we can extend our offering and ultimately support more people into a home. Alongside this, we expanded into the new build market for landlords this year, and have helped landlords provide homes to almost 5,000 renters in 2021.

In 2020 to support increased access to commercial lending we created three new regional hubs in Bristol, Birmingham and Manchester to complement our existing office in Peterborough. These new offices extended our reach enabling our commercial lending to support the UK business community. Our lending teams have knowledge of their local markets and

understand the challenges that businesses face in their communities. Our products provide landlords with long term, stable borrowing options that allow them to build a diverse portfolio of buy to let products, including residential, holiday let, semi commercial and HMO borrowing.

Customers in financial difficulty

We have a dedicated team that works with mortgage customers who find themselves in financial difficulties. We have a number of ways we can help borrowers in arrears, and work with them to find the best solution. In 2021, we helped 2,076 people in arrears onto payment plans.

The mortgage payment deferrals scheme introduced by the UK government in 2020 as a response to the pandemic came to an end in July 2021. A total of 96% of YBS customer making deferrals have resumed regular payments.

We also have policies in place designed to protect borrowers from being lent more than they can comfortably repay over the term of their mortgage. The proportion of our customers who are more than three months' in arrears, including repossessions, is 0.50%, a reduction from 0.59% in 2020 - significantly lower than the market average of 0.79% (2020: 0.84%).

Repossession of a property is always a very last resort, but unfortunately, it's sometimes the only available solution to prevent members from getting into unmanageable debt, as well as being in the best interests of our whole membership and long-term financial sustainability. In 2021, we repossessed 50 properties, which unfortunately was an increase from 26 in 2020. This is reflective of us following Government and FCA guidance to assist homeowners in managing their mortgage repayments and a hold on repossessions from March 2020 to April 2021.

End Youth Homelessness

Our ambition to help people into homes has been reflected in our partnership with End Youth Homelessness (EYH), a collection of grassroots charities working together at a local level to end homelessness for young people across the UK.

Our three-and-a-half-year partnership with EYH came to an end in 2020, although the money we raised continued to support young people into homes during 2021. We're delighted that, through EYH's Housing Fund, we met our original target of supporting 700 young people into their own rented home.

The partnership was described as a watershed moment by EYH, as it was their first consumer-facing national partnership. Nick Connolly, EYH Managing Director, said: **"The partnership itself achieved far more than we hoped. We raised more than planned, which enabled us to both create and then expand the first truly national service for homeless young people. In three years, we transformed a single Rent Deposit Scheme in Sunderland to a national pilot in over 13 regions across the UK, evaluated that pilot and launched EYH's Housing Fund, which is powered by a diversified funding strategy and is expanding."**

The partnership worked at a strategic level too, as YBS updated their mortgage terms to allow landlords to rent to people in receipt of benefits, making more properties accessible to the young people EYH supports. This, alongside additional benefits, such as market research, marketing to landlords, and technical research, ensured this partnership was truly transformational for EYH and its member charities.



701 young people helped through the YBS partnership with EYH



The partnership with YBS helped a total of 701 young people who had previously endured homelessness and 138 of their dependents, to have the opportunity to access a home, alongside the support required to go on to live successful, independent lives. This included 144 young people as well as 20 of their children in 2021.

The Housing Fund provides landlords with a guarantee certificate instead of a deposit, protecting the landlord from property damage and rent arrears. It also provides a grant to contribute towards essential household items, such as cooking equipment and bedding. Throughout the tenancy, the young person receives support and help with life skills, such as managing household bills and beginning to build savings, vital to help them living a successful, independent life.

EYH's research shows that on exiting the scheme:

- 89% of young people felt confident in budgeting
- 86% of young people's wellbeing had improved since moving into their own home
- 69% had saved money.

As well as supporting homeless young people, the scheme helps private landlords fill vacant properties quickly and free of charge. Mortgage conditions can sometimes prevent landlords from renting to people receiving housing benefit. Since we began working with EYH, we changed our buy-to-let policy to allow landlords to let properties mortgaged with us to people who receive benefits.

When our partnership with EYH ended in 2020, we decided to focus our community investment efforts on our Financial Wellbeing purpose ambition, so we could maximise our wider societal impact in that area.

HELPING A PLACE TO CALL OUR OWN HAPPEN

EYH supported Florence, 21 and her two-year-old son Toby into a home, following years of sleeping on her mum's living room floor.

Florence said:



It's all the little things that many people would take for granted, that I'm so grateful for. I like that I'm finally able to give my child his own bedroom and bed, and that I finally have a bed of my own after years of not having one. I can't believe how much space I have as I'm so used to feeling cramped, but I love that I finally have somewhere to hang my clothes instead of living out of bags.



FINANCIAL WELLBEING

We're here to help people towards greater financial wellbeing. This includes customers choosing to build up their savings with us through our easy access savings products and people who have benefited from our financial literacy and employability initiatives across our local communities.

Financial Wellbeing was a priority for YBS well before 2020, but it has been brought sharply into focus over the last couple of years. The pandemic has compounded the savings gap for low income families, with nearly nine million people needing to borrow more¹⁷. Over a quarter (27%) of people in the UK feel financially worse off than when the pandemic began, with two in three (67%) saying it's negatively impacted their mental health¹⁸.

Our own research shows one in five adults (19%) have less than £100 in savings¹⁹. The cost of living crisis has made it even more difficult for people to prioritise saving, whilst highlighting the importance of saving regularly to help people build financial resilience by having money to fall back on in emergencies. Good financial wellbeing is impossible without savings, which is why creating savings products that encourage and enable people to save is an essential part of what we do.

Beyond our savings products, we know that increasing a person's understanding of their relationship with money, how to access and prepare for employment and developing digital skills in a changing world, are crucial enablers to growing financial wellbeing. And, we also recognise that we have a role to play in helping our communities, customers and colleagues feel empowered and confident to make informed choices that unlock their long term financial goals.

127,000
people helped
towards greater
financial wellbeing²⁰

£1.8M
investment into our
communities

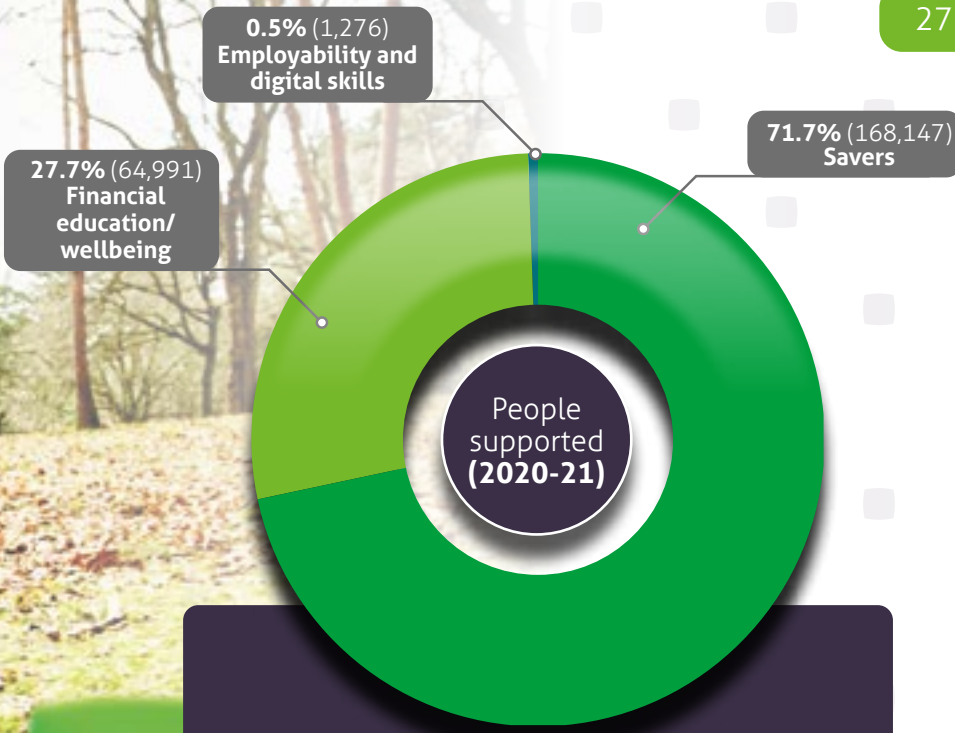
1,400
older people
supported through
our partnership with
Age UK

¹⁷House of Commons Library Coronavirus: Impact on household savings and debt - House of Commons Library (parliament.uk)

¹⁸Research conducted by Opinium Research, with a nationally representative sample of 2,000 UK adults 18+. Fieldwork was undertaken between 4th – 8th December 2020.

¹⁹Yorkshire Building Society Financial Resilience survey: The research was carried out online by Opinium. All surveys were conducted between 7th May 2021 and 11th May 2021 and the sample comprised 2,000 UK adults.

²⁰Includes people we've helped to save through access accounts (excluding fixed-term bonds) and direct-from-salary savings schemes from YBS Share Plans and our partner Salary Finance, also those we've supported through our community programmes and charity partnerships



Financial Wellbeing

We've set ourselves the ambition of helping 500,000 people improve their financial wellbeing.

In 2021, we've been able to support 127,000 people toward financial wellbeing. This brings our total since 2020 to 234,435, almost halfway towards our target.

Encouraging savings habits

To help encourage the habit of saving, we provide various types of savings accounts that meet the differing needs of our members; fixed rate accounts for those wanting to put money away for longer; easy access accounts for those wanting to save for emergencies or a special occasion; and regular savings accounts for those wanting to build a regular savings habit, rewarded with higher rates for regular deposits.

In 2021, we helped almost 48,000 people improve their financial wellbeing by saving money in our expanded range of easy access savings accounts. We will continue to create purposeful propositions that help people find new ways to save and encourage healthy savings habits. Below is a summary of two of our most purposeful savings products launched to support people in increasing their financial resilience.

Christmas Saver

In 2021 we launched our first online regular savings account. Our Christmas Saver encourages people to start saving early for Christmas 2022. A total of 9,200 customers chose this account, which will help them to lessen the financial burden of the festive season.

Make Me a Saver

In 2022 we will launch 'Make Me A Saver', another regular savings account that encourages first time and non-regular savers to develop positive savings habits. The account will offer holders the chance to win one of 10 monthly £1,500 prizes.

Salary Finance

Saving direct from salary is another way we can support those who would otherwise struggle to put something aside. Since 2018, we've worked in partnership with Salary Finance²¹, who have enabled 1,700 people to save in 2021. For many, their Salary Finance account is their only means of saving.



We helped almost **48,000** people improve their financial wellbeing

²¹Salary Finance is an employee financial wellbeing benefit that helps staff improve their lives by improving their finances. More information can be found here: <http://www.salaryfinance.com>



**HELPING
MY FAMILY'S
FUTURE
HAPPEN**

Mum of four Gillian has saved with YBS for more than 20 years. She introduced each of her sons to YBS and they've all had accounts with us since they were babies.

Gillian said:

I'm a saver, not a spender, it's how I was brought up. So, when we were expecting twin boys, I opened an account up for them as babies and opened another account to save up. I love going into my YBS branch - the staff are very friendly and supportive. I passed on the value of saving to my sons. Now they're saving with YBS too.

Community investment

Financial wellbeing can be difficult for anyone at any stage of life, so we've invested £1.8 million to build on our existing community programmes throughout 2021-22. We've created a range of tailored interventions for different groups of people, with flexible support adapted to individual needs.

Most of these programmes cover the whole of the UK, but we've also developed some specific programmes tailored to our heartland of Bradford.

Focusing our efforts on one community over the long term will create synergies and leverage our impact across all our Bradford programmes. More details on this can be found on page 31.

We measure the potential impact of each project based on the difference it should make to someone's life. This in turn allows us to understand and measure success, and provides a framework to ensure we have a balanced spread of projects.

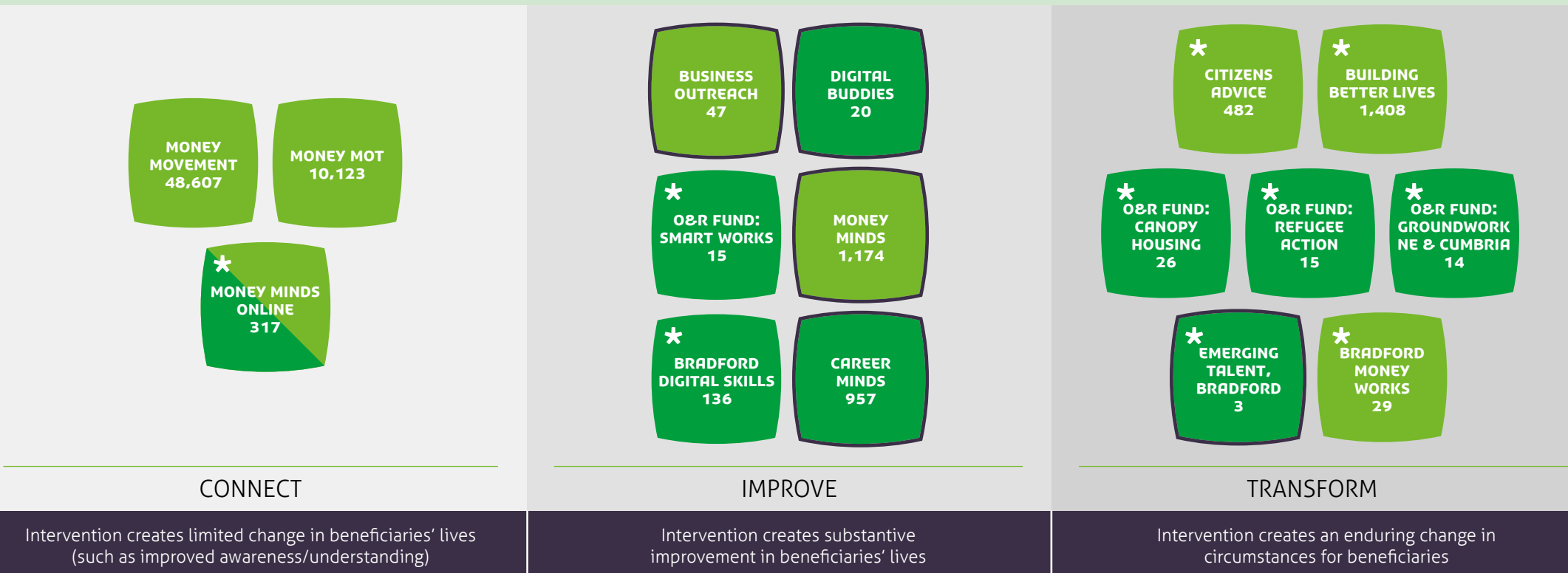
We use an established approach to measure our impact and the difference we're making.

This was created by community investment experts B4si, which classifies depth of impact into three categories: connect, improve and transform. The graphic below outlines how our programmes fit across this framework.



THREE DEPTHS OF IMPACT*

...and in different ways, adapted to the level of support they need



Intervention creates limited change in beneficiaries' lives (such as improved awareness/understanding)

Intervention creates substantive improvement in beneficiaries' lives

Intervention creates an enduring change in circumstances for beneficiaries

*Depth of impact assesses the degree to which beneficiaries are better off as a result of an activity **Pilots delivery started at various points in H1 and will continue into 2022, based on year 1 funding

Our community programmes offer support throughout life, with projects aimed at young people, working age people and older people:

Young people

Young people have faced some of the most adverse impacts from the pandemic and have missed out on vital time in the classroom to prepare them for their future in work. As soon as we were safely able to do so, YBS colleagues restarted our Money Minds and Career Minds sessions in schools, delivering financial and employability education to local children aged 5-19. We also successfully piloted virtual sessions, an initiative that allowed us to deliver a total of 102 sessions to over 2,000 children.

To expand the reach of these educational programmes, we worked with students and teachers to create a new online platform for Money Minds. These digital resources, designed to complement our long-established colleague delivery programme within schools, will be launched in 2022, with the aim of reaching 55,000 young people aged 11-19 over the year. The online platform provides interactive, flexible learning on money management and employability topics that can be used inside or outside the classroom.

What separates these resources from the rest is the way that topics have been carefully selected to be taught in a way that is relevant to the particular year group. Issues like budgeting are particularly important for students in Key Stage 5 who will soon be taking steps into a more independent way of living, often at university and this can involve being far away from the financial security and safety net that parents provide when students are still living in the family home.

Tom,
Course Leader for Sociology and Sixth form tutor, Shenfield.

In 2021 we also launched some of our Bradford-based initiatives to provide much-needed support to young people in their journey through secondary school, further education and working life. We've partnered with three schools, one college and two universities, to provide financial literacy and employability support via training, work experience, mentoring and apprenticeships. The structured programme is facilitated by our colleagues, helping to support students along their education journey with the tools and knowledge they need to enter working life with confidence and raised aspirations.

"It's been great working with YBS over the past couple of months. The Community Team has made the whole process easy and has provided quality staff and lessons that have really had an impact with students. I can't wait until the next event! We feel part of the YBS community now and look forward to building the relationship further to help guide our students to meaningful careers in the future."

Ian Aindow,
Assistant Head Teacher, BBG Academy.

Our new investment also allowed us to partner with the charity MyBnk, to reach vulnerable young people within Bradford who aren't in education, employment or training. Over a period of two months MyBnk worked with local organisations to deliver three sessions to 28 young people aged 16-25, supported by digital tools to help manage their money, make financial decisions and plan for their future. The programme will continue to run into 2022.



Working age people

Faced with a variety of complex life decisions, supporting those of working age is crucial if we are to help improve the financial wellbeing of our local communities as a whole.

To support our customers to develop better savings habits we've brought together all our current financial resilience tools and content into one place. We call this our 'Money MOT' which is available on our website. Whether building a personal budget or making plans for retirement, the guidance provided by Money MOT can help individuals navigate towards



a brighter financial future. In 2021, over 10,000 customers used the content provided on the site. Since October 2021 our retail network colleagues have stepped out from behind the counter and into the communities they serve, delivering sessions on fraud awareness and financial wellbeing to help community groups and local business employees improve their financial literacy. In 2021 colleagues delivered three sessions and supported 47 individuals. In the coming months we expect to launch further topics around financial management and career support, all of which is an extension of our existing Money Minds programme.

At YBS we actively seek new ways we can benefit our communities. In May 2021, we launched an innovative pilot programme with Citizens Advice to fund advisers in six of our branches. They provide free and independent, face-to-face advice and support to members of the public across a wide range of issues, including financial wellbeing. The programme supported nearly 500 people in 2021, across all ages, with 50% of those supported under 55. Results reveal that if people act on advice received at their appointments, they could expect to secure an average of £7,591 in additional income²². In March 2022, we're expanding our partnership into a further 12 branches across the Yorkshire and North West regions.

As one of the initial branches that ran the programme it's great that we will be continuing to offer this support to both customers and members of the public within our communities. In fact, nearly six out of ten appointments so far have been with non-customers.

Since the beginning of our partnership with Citizens Advice, I have been genuinely shocked about some of the stories I have heard. The issues that some local people are facing daily are at times beyond belief and the scariest aspect for me is that often they have no support network or don't know where to turn to for help. I've witnessed first-hand how this partnership can provide an absolute lifeline for people to be able to have access to that vital support when they really need it.

Adam Waterfall,
YBS branch manager.

In 2019, 82% of UK jobs required digital skills, yet 13.6 million people lack the required abilities for the jobs of today and the future²³. In Bradford, we have partnered with social change charity, Good Things Foundation, to design a programme to improve the digital skills of socially excluded ethnic minority communities, where the skills gap is particularly pronounced. Working jointly with local community partners to develop the training materials, Good Things Foundation has seen 136 people begin their learning journey since October 2021 with a further 404 people expected to be supported by May 2023. Of those that have completed training, 100% feel their digital skills are improved.

²²Based on data logged and provided by 52 people

²³Lloyds Bank UK Consumer Digital Index 2020 Report



HELPING IMPROVED DIGITAL SKILLS HAPPEN

Bilal²⁴ received digital skills training from Safety First Community Training Centre, one of the six community centres helping to deliver the pilot. He was uncertain about his future and was keen to find a job to kickstart his career, but his lack of confidence and digital literacy was holding him back.

Bilal spent several weeks taking part in digital skills training, building up his confidence and ability to use the internet. Through dedication and hard work, his skills massively improved, enabling him to enrol himself onto the government's Kickstart programme. This led to Bilal securing a 25 hour a week job with Bradford Council in their retail and catering department.

He said:

Without the support I received, I wouldn't have become more confident and taken the next steps on my career path.

²⁴Name changed to protect identity

Older people

Many older people need a trusted place they can turn to for impartial advice and support. Whether it's retirement, the loss of a partner, a health diagnosis, or a change in care needs, significant life events can lead to financial difficulties which, if not addressed, can soon spiral into crisis.

In 2021, to support people who are in later stages of life, we created [Our Money Movement](#). We could see how most of the information for people approaching retirement was overly complex and full of jargon and hidden charges. Our aim was simple; to provide plain, straight talking guidance to help individuals make informed decisions about their financial future. So far, nearly 49,000 people have used this service to feel more confident and informed in their retirement options.

We're proud to support our current charity partner Age UK. Since the start of our partnership, our colleagues and members have raised over £154,000, while YBS has donated nearly £346,000, bringing the combined total to just over £500,000.

The funding has enabled Age UK to launch their Building Better Lives programme, which provides intensive one-to-one support sessions, local workshops, and tailored expert advice to older people in eight communities across the UK.

So far, Age UK has supported 1,400 older people and unlocked over £2.5 million worth of benefits that older people were entitled to but aren't claiming - an average of around £1,800 in additional income per year for each person supported by the programme. For many, this extra income will be life changing.

In addition to fundraising, the partnership has helped YBS colleagues support their older members by signposting them to Age UK's services. YBS colleagues have also taken part in Age UK's Digital Buddies initiative, which has helped them to learn how best to support older people to improve their digital skills.

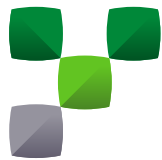


HELPING RELIEVING FINANCE WORRIES HAPPEN

“ Age UK has given me more confidence to pay for the things I need replacing in my home or to make repairs. I didn't think I'd qualify for any benefits and had never claimed before, but because of the help I've received, I don't have to pay any council tax and get a free TV licence.

'I know my health isn't going to improve, but I now have more money to help me get the support I need, including getting taxis to places. I won't have to worry so much about how I'll be able to manage my finances now.

Keith, 66



YORKSHIRE BUILDING SOCIETY CHARITABLE FOUNDATION



Opportunity and Resilience Fund

In 2021, YBS donated an additional £70,000 to the Yorkshire Building Society Charitable Foundation, together with an existing £30,000 annual donation. This funding created the 'Opportunity and Resilience Fund' to support financial resilience, digital and employability skills, training and opportunities to underserved communities.

Through this fund, the Charitable Foundation has helped four charities launch projects supporting vulnerable young people and people from socially excluded ethnic minority communities in 2021-2022:

- **Refugee Action:** providing an employability skills course for refugees.
- **Smart Works:** helping people prepare for job interviews, including providing suitable clothing.
- **Groundwork North East:** supporting vulnerable young people with digital inclusion.
- **Canopy Housing:** helping homeless and vulnerable individuals towards employment in construction through accreditation, work experience and job opportunities.

In 2022 a second round of funding will be launched.

Member and Colleague Nominations

Alongside the new fund, the Charitable Foundation, which is an independent registered charity governed by a board of external and internal trustees, continued to make donations to charities nominated by members and colleagues of up to £2,000 every quarter.

The Charitable
Foundation has helped
four charities launch
projects

In 2021, the Foundation donated more than £320,000 to 224 charities focused on improving health, alleviating poverty and saving lives around the UK.

Donations are made possible thanks to our members who take part in the Small Change Big Difference® scheme; members donate pennies from the interest they earn on their savings accounts or round up their mortgage payment to the next pound and donate the difference to the Charitable Foundation once a year.

MEMBER VALUE

As a building society we're run differently from a bank. We don't have shareholders to satisfy, instead we're here for the benefit of our members in the form of flexible, well-priced financial products and friendly, practical customer service. The money we earn is given back to members in better interest rates, goes towards paying for the products and services we provide, or gets re-invested to build a stronger Society for the future.

As such, our members are at the forefront of our decision-making processes, and we've prioritised their needs, along with those of our colleagues, throughout the pandemic. We ensured that health and safety measures in our branches adhered to up-to-date official guidance, and our branches remained open all year to provide our customers with the key services they need.

Delivered rates which consistently beat the rest of the market, on average by 0.32%

Passed back an extra

£41M

to our savers through our member loyalty programme and by increasing savings rates

£297M

core operating profit

+54

Net Promotor Score (NPS™)



Member value programme

In 2021 we saw a level of profitability higher than a typical year. As a result, we were able to return additional value to members through the launch of our member value programme. This programme rewarded 80,000 of our loyal members with our best interest rates and increased the rates we paid many existing savers – raising them in January and once again in June. Our average access savings rate over 2021 stood at an average of 0.32% above the market average, at the previous year end this was 0.18%²⁵. At a time when many market rates are at historic lows, we were proud to be in the position to so clearly demonstrate commitment to our purpose. We're looking at developing a number of different loyalty propositions to roll out in 2022, as part of our ongoing member value programme.

Engaging with our members

What our members think matters to us and we don't assume to always know what they want. We invite them to share their views through our online research community, My Voice, as well as our AGM. This was held virtually in 2021 due to the pandemic but is planned to return to face-to-face going forward.

All members have the opportunity to ask questions to our Chief Officers and Directors and hear about our performance through our AGM communications, voting process and meeting. Members get to vote on key decisions, including the election and re-election of Directors who run YBS. Members can vote in person, online or by post. To encourage participation, we made a donation to our charity partner for each vote made at our 2021 AGM, with members' votes raising £20,000 in 2021.

Customer service

At YBS we pride ourselves on the excellent customer service we provide to our customers and members. The high market demand and time pressures caused by the stamp duty deadline meant our operational teams were put to the test this year. At a time when lockdown restrictions were still in place, and absence was high due to illness, carer responsibilities and shielding, customer demand was also at its strongest. Thanks to our operational strength and flexibility we were able to provide a continued presence in the market whilst offering a high standard of service to borrowers.

All members have the opportunity to ask questions to our Chief Officers and Directors

One of the ways we track the satisfaction of our customers is through our Net Promoter Score²⁶ (NPS). This measures how willing our customers are to recommend us to their friends and family based on their experiences with us. In line with previous years, our overall NPS score for 2021 has increased yet again (from +53 in 2020 to +54). The ability to maintain an overall NPS score at this level, despite the challenging environment, demonstrates our commitment to delivering a high standard of service to our customers and members.



We have a number of policies that demonstrate our commitment to responsible customer relations. Our [Sales and Financial Promotions Policies](#) underpin our approach to the provision of products. These ensure the delivery of fair customer outcomes alongside our commitment to always providing products based on customer's identified needs, circumstances and priorities, without bias. They also ensure the marketing of financial products is clear, fair and not misleading. Colleagues receive continuous professional development to maintain competence standards to ensure fair customer outcomes, as detailed in our [Training and Competence Policy Guide](#).

²⁵YBS Group average savings rate compared to rest of market average rates. Data source: CACI's Current Account and Savings Database, Stock. Data period January – November 2021.

²⁶Net Promoter score and NPS are trademarks of Satmetrix Systems, Inc. Bains & Company, Inc., and Fred Reichheld.

Complaints

We always try to give our customers the best possible service, but recognise we sometimes fall short of the standard our customers expect and deserve. We encourage any customer who is unhappy with the service they've received to let us know. We try to resolve any issues as soon as we're made aware of them; however, should we be unable to do this for any reason, our General Servicing Team steps in to make sure problems are resolved both fairly and expediently. If a complaint is escalated and a vulnerability has been identified, the complaint will be triaged and dealt with as a priority if appropriate.

We aim to resolve any payment issues within 15 days and all complaints within 28 days, or sooner when this is possible. Any customers unhappy with our final response can escalate their complaint to the Financial Ombudsman Service. In the second half of 2021, we received complaints from 4.68 out of every 1,000 mortgage customers (2020 0.65) and 0.39 out of every 1,000 savings customers (2020 0.65).

Supporting vulnerable customers

We know some of our customers experience difficulties that may affect their ability to manage their finances or that could create barriers to accessing our products and services.

To give them the support they deserve, all our frontline colleagues across our branches and head office functions are trained to recognise when additional support may be required. We also have a specialist team that offers advice and guidance, supporting our customers, as well as our colleagues in branches, agencies²⁷ and contact centres. This includes providing documents in alternative formats such as braille and larger print, arranging British Sign Language interpreters in branches or Text Talk



in our contact centre. Our [Product and Distribution Governance Policy](#) ensures that vulnerable customer considerations are taken into account when developing any product. All products and channels, including written, face-to-face, phone and online digital, are reviewed to ensure compliance with the policy.

We liaise with local authorities or trusted third parties where there are any concerns about the safety of customers and sign-post customers to other organisations who can provide expert advice and assistance.

The team also makes sure our details on the specialist support our customers need are kept updated, as this can change over time. This means customers don't have to tell us twice about their circumstances to receive the adapted support they value. On average we review the circumstances of 150 customers each month to ensure we continue to provide the right support for their specific needs.

Due to the diversity of factors that can contribute to the level of customer vulnerability, there isn't one approach that can be adopted to fit each circumstance. In their dealings with vulnerable customers, our colleagues adhere to the principle that fair outcomes are achieved throughout the customer journey, and any barriers to accessing our products and services should be removed. It's therefore essential that colleagues take a flexible approach, since our failures could lead customers to suffer financial and non-financial impacts. All YBS colleagues are required to complete and pass the 'Vulnerable Customers' e-learning test as a new starter and then on an annual basis.

More information can be found in our [Vulnerable Customer Policy](#), which represents YBS's regulatory requirements and legal obligations including those under the Equality Act (2010).

²⁷Agencies are independent businesses, such as estate agents or solicitors, which offer Yorkshire Building Society savings accounts and manage savings transactions. We carefully select businesses to act as local agencies on our behalf.

Digital

We're investing heavily in digital capabilities to bring us in line with customer expectations.

Our savings app supports over 130,000 customers to access mobile banking - a 105% increase during 2021 – ultimately making it easier to save with us. Launched in 2020, it has continued to improve throughout 2021, with users able to seek and filter products through the app, amend personal details and access updates from us. Our app has high ratings, with 4.7 and 4.6 out of 5 stars in iOS and Google Play app stores respectively, and an NPS score of +48. Customers have praised its ease of use, safety, and

Our savings app supports over **130,000** customers to access mobile banking

ability to complete tasks easily.

Building on the progress made in 2020, we've continued to streamline and enhance our savings product proposition, including and especially through digital channels. Our customers are now able to open a savings account with us online in five minutes, which provides a direct benefit to customers in the time saved.

In 2021 we added functionality to our Mortgage Sales and Originations (MSO) platform to include our Accord buy-to-let mortgages; our Accord residential lending business has been successfully operating on MSO since 2019. All new Accord buy-to-let mortgages now use this more efficient platform.

We've received positive feedback from brokers as MSO provides a better customer experience by reducing the time spent inputting information, providing automated updates on how the underwriting process is progressing and increasing the speed of cases going from application to offer stage. MSO also gives us the flexibility to enter different sections of this market and launch new products much more quickly.

Further investment in digital servicing capability and developing the functionality of the YBS app will continue to help more members interact with us how, when and where they want to, complementing our branch and telephone channels.

Face-to-face

Ensuring that our customers can interact with us in a way which suits them is important to us. Our customers tell us they value our face-to-face service channel highly, and this remains a core part of our business. This year we've continued to review and optimise our national distribution network, both in terms of the services available in our sites – including our recent pilot with Citizen's Advice covered on page 32 – as well as the geographic spread and cost-effectiveness of the network itself. Our focus on financial sustainability means sometimes difficult decisions have to be made. We made some changes to branch opening times, with some returning to operating the same hours as pre-pandemic and others having been adapted. We also continued to optimise the mix of our branch and agency network.

We closed twelve of our physical branch locations in 2021 and increased the number of agencies by nine locations. Agencies are trusted local business owners who work with us to provide our services from their

business premises. They have a key role to play in our face-to-face retail network and provide a solution in many areas where having a branch may not be viable, giving our members better service and value for money. This has enabled us to continue to provide outstanding face-to-face service in a more cost-effective way and achieve a branch transactional NPS score of 81+²⁸. We currently have 231 branches and agencies vs 243 in 2020.

Throughout the process of closing branches or switching them to agencies, we've worked hard to treat people with care and respect and have sought to offer colleagues affected by the changes opportunities to transfer to new roles within agencies. Of the 51 colleagues affected by these changes, 27 have kept their role in the new agency and 9 were redeployed to another role within YBS. Where appropriate, we may continue to switch some branches to new and existing agency partners in 2022.

When business changes impact customers, such as a change in the location of our branches, we proactively call customers who may need additional support to ensure they understand the change and are aware of available alternatives. This includes undertaking individual account reviews to identify the options that best meet the customer's personal needs.



INVESTING IN OUR PEOPLE

Our people are our greatest asset: they play a vital role in everything we do. In return, we make sure they feel respected, valued and proud to work for YBS.

Our ambition is to be a leading employer and unleash the potential of every colleague. That's why we're developing a culture of supporting and engaging all colleagues, as well as prioritising their wellbeing and promoting diversity. We're also providing opportunities and support for every colleague to develop and reach their goals, celebrating their successes along the way.

36%
female
representation
at Board

£1.09M
investment in
colleague training

8.5
colleague
engagement score

Colleagues spent
2,700
hours
volunteering



Colleague engagement

Colleagues at YBS are highly engaged. We measure colleague engagement with regular surveys throughout the year and have seen an annual increase in 2021 from 8.3 to 8.5, which is considered to be a significant increase. Our employee net promoter score (eNPS) has also improved, increasing by 10 points compared to October 2020, placing us in the top 5% of financial organisations.

We firmly believe effective communication and dialogue lie at the heart of our high levels of engagement. We recognise the importance of strategic engagement, with regular communications from our Chief Officers and Directors. To mark the completion of the first year of our new strategy, these senior leaders dedicated a significant amount of time to prepare and deliver a series of events that gave all colleagues the chance to reflect on what we had collectively achieved, and to be clear about what is expected of them in the year ahead.

However, we place even greater emphasis on the role of our people leaders in engaging their teams and helping individuals see how their roles fit with our wider purpose. To support them, we run a successful coaching programme that is accessible to all people leaders, but particularly those for whom engagement is falling below expected levels.

“The coaching programme has helped me to improve engagement within my team and keep team members engaged and motivated, which in turn had the same impact on me”

People Leader and Coaching Programme attendee.

Collective bargaining

We recognise the importance and benefit of a collective bargaining process, and have nurtured a strong working relationship with Aegis the Union, which has sole negotiating and consultancy rights with YBS. Membership of Aegis, which offers support through specialist employment advice and representation at formal meetings, is open to all colleagues. Membership is at 43.2%, which has remained broadly consistent with 2020 (46.4%). Those employees not choosing to be members have the same working conditions and terms of employment to those who are.

There is regular engagement between Aegis and our Executive Committee via our Joint Consultative and Negotiation Committee (JCNC), with the Chief Executive Officer attending twice a year, alongside a rotation of Chief Officers.

Working in partnership with Aegis allows us to create a positive employee relations environment and fosters a culture of trust and transparency. Constructive challenge helps ensure the best outcomes for colleagues, customers and the long-term sustainability of YBS.

We consult with Aegis in relation to any proposed organisational change. Where collective consultation is necessary, we comply with the minimum legal requirements and seek to consult for longer where possible.

During the pandemic, our contact with Aegis increased to weekly meetings. This allowed regular engagement on key policy and procedure decisions and offered support to the delivery of our priorities during this crisis: maintaining the health and wellbeing of colleagues, alongside our ability to serve customers.



Learning and development & talent management

At YBS we seek to fully understand the knowledge, skills and experience that we need to deliver our Strategic Blueprint – our overarching business strategy. We know the talent and capabilities of our people, and how we can optimise and mobilise these to achieve our goals. Investment in our people’s learning and development equips them to deliver excellent customer service and allows us to deliver our strategy and purpose and safeguard the longevity of the Society.

Onboarding

Our approach to learning and development starts the moment a colleague joins us. The way we welcome new starters to the Society was adapted during the pandemic to offer a modern and engaging onboarding experience in line with our strategic ambitions and ways of working. The process involves an online experience that curates the new starter journey from before they join and across their first three months at the Society, providing opportunities for discussions with colleagues working across different areas of YBS.

Colleagues logged over **2,600** hours on LinkedIn Learning

New starters can access a pre-boarding portal and magazine welcoming them before they've officially started their role, allowing them to hit the ground running from day one. Onboarding guides follow once they begin, alongside weekly nudges from our learning platform to remind them of content to read or learn and conversations to have.

In addition to this digital content, each month all new starters form a cohort and are invited to join a series of discussions over several weeks, focused on our purpose, our strategy and our behaviours, and how their role fits into it.

Behaviours and Performance Development

We launched our revised behaviours, that had been developed in detailed consultation with colleagues, in 2021. These will allow us to develop our culture and create a 'golden thread' between our purpose and strategy:

- **We care about people:** Customers and colleagues alike, which motivates us to go even further with the standard of products we create and services we deliver.
- **We say it straight:** To build trust and get great results faster.
- **We reach for better:** To raise our level of ambition and success in a digital age.
- **We make it happen:** Working in an agile way, we can't let barriers and bureaucracy slow us down in today's fast-paced world.

The behaviours are embedded in 'My Blueprint', our new performance development process. Every colleague's personalised 'My Blueprint' consists of a number of objectives, covering deliverables such as activities or projects they lead on, as well as a behaviour and personal growth objective. Each objective is broken down into quarterly areas of focus for colleagues, and quarterly performance discussions help colleagues and leaders have honest conversations around performance and any stretch opportunities.

Training

The Society encourages all colleagues to pursue professional and technical training to enhance their skills and reach their career goals. With the rise in remote working, we've adapted our methods, converting much of our classroom-based training into a blend of online learning and virtual workshops. Business-critical areas, including Customer Services, Retail Distribution and Financial Crime, now have multi-media models, where online learning is complemented by dedicated in-person learning partners.

In addition, our rollout of LinkedIn Learning for all colleagues provides our people with the freedom to learn about what they want at a time that suits them. More than 1,500 colleagues logged on to the platform last year, completing over 2,600 hours of learning.

A key focus for 2022 will be to help our colleagues develop the skills needed to be fit for the future. We're launching a Digital Skills for Life and Digital Promotions programme to approximately 1,500 colleagues across our Customer Services and Branch Network. This programme aims to ensure colleagues have the necessary skills needed to engage with digital products and services safely and effectively, and to enable those colleagues to more effectively support our members in doing the same. We'll be leveraging our learning network to support delivery of this programme to a large audience, upskilling 50+ learning heroes and digital champions to deliver our virtual workshops.



Leaving YBS

Our training and development programme also supports those to find new roles outside of the Society and, if a colleague faces redundancy, we have a number of ways we support them to seek employment.

Our [redeployment guide](#) outlines how we actively work to redeploy colleagues into internal roles and last year 34% of hires were filled with internal candidates. With new hybrid ways of working, this has opened up even more opportunities for regional colleagues to take up different roles working remotely. Alongside this, we also offer secondment opportunities and our apprenticeship programme is open to internal colleagues too.

Where a colleague isn't able to find a position internally, we have a partnership with an outplacement service, for which colleagues receive credits to support with retraining, job hunting and interview skills.

For colleagues nearing retirement, Fidelity, the Trustee's outsourced Pension Scheme Administration provider, provides a programme of pre-retirement communications beginning with wake-up packs and signposting to Pension Wise - Money and Pensions guidance service - five years before the member's selected retirement date. Further communications are sent six months before the selected retirement date or at any other time as requested by colleagues.



Leadership

Ongoing investment in our leaders continued throughout 2021. Our new Leadership Framework, designed hand in hand with our senior team, was very positively received, alongside a bespoke frontline leader immersion programme and diagnostic tool to help leaders prioritise their development.

The frontline leader immersion programme provides a structured and bespoke development path to access all 12 skills within the Leadership Framework, including Management, Courage, and Change Leadership. In 2021, 85.5% of eligible colleagues signed up. This is all supported by a rich digital library to help leaders reinforce and continue at their own convenience.

We also extended our coaching for building engagement to include 1:1 and group coaching to help leaders manage and develop performance in their teams. A series of masterclasses and toolkits were delivered to help build capability and engagement in our revised performance management approach. Investment in our leaders through further leadership development programmes will continue during 2022.

In our annual colleague engagement survey our results showed:



9.1 out of 10 – 'My manager encourages and supports my development'.



8.6 out of 10 – 'My work enables me to learn and develop new skills'.



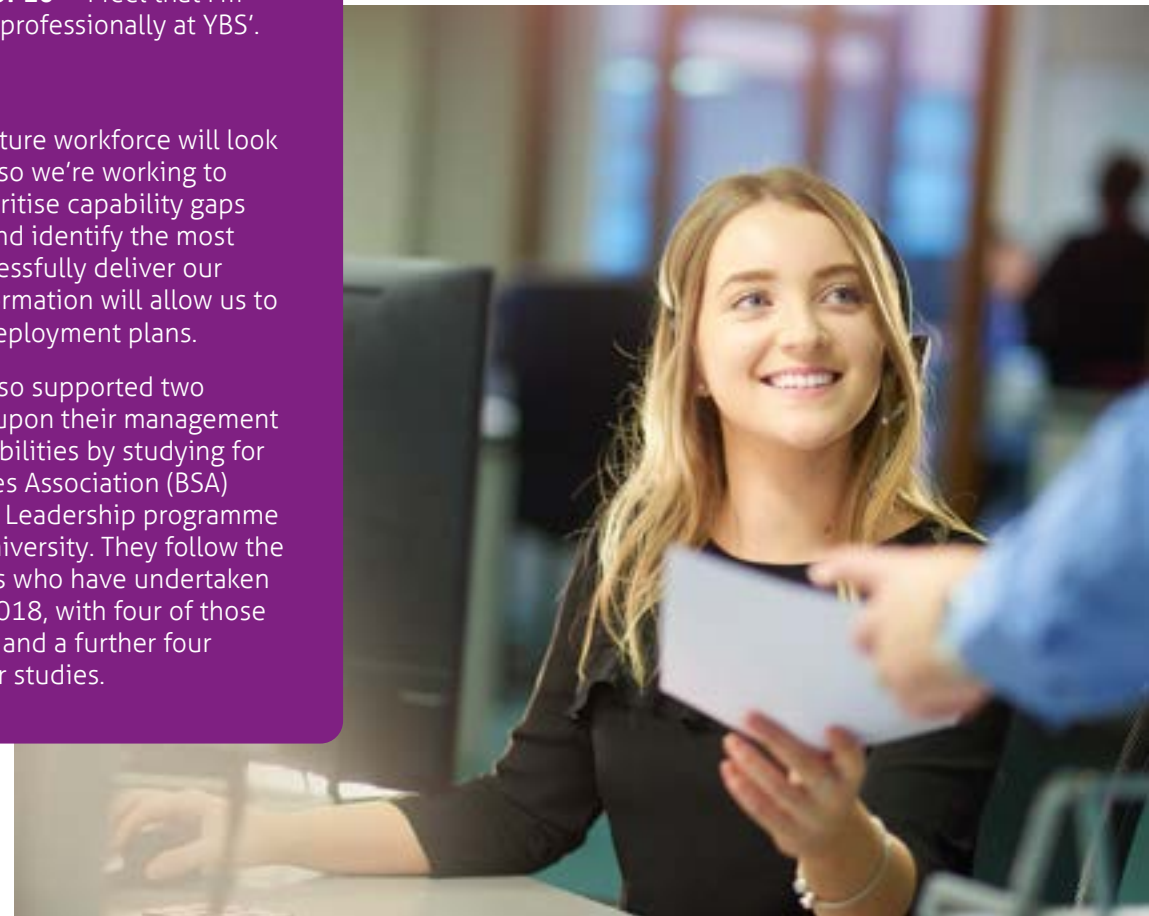
8.3 out of 10 – 'I feel that I'm growing professionally at YBS'.

We know that the future workforce will look different to today's, so we're working to understand and prioritise capability gaps across the Society and identify the most critical skills to successfully deliver our strategy. All this information will allow us to establish learning deployment plans.

This year we have also supported two colleagues to build upon their management and leadership capabilities by studying for the Building Societies Association (BSA) Master's in Strategic Leadership programme at Loughborough University. They follow the eight YBS colleagues who have undertaken the Master's since 2018, with four of those having completed it and a further four continuing with their studies.

Apprentices

Our apprenticeship schemes support participants in working towards achieving a professional qualification whilst learning on the job. We're proud that six colleagues have completed their apprenticeships in 2021, one of whom was the first student to complete the full three levels of a bachelor's degree as a degree apprentice. A further 55 colleagues are either at the beginning or part way through this journey.





**HELPING
LEARNING
ON THE JOB
HAPPEN**

The Society funded Robert Halliwell to complete a BSc (Hons) degree in Digital and Technology Solutions at Leeds Beckett University, whilst working full-time job as a capacity and monitoring analyst at YBS.

Robert said:

For me, the main attraction of a degree apprenticeship was the opportunity to gain work experience whilst studying for a degree. The combination has been perfect - having the ability to apply what you learn in a real work scenario really helps when studying for exams, assessments or writing reports. The degree apprenticeship is the ideal start to a career or career change, and I'd highly recommend it. The support from both YBS and the university has been amazing throughout.

Inclusion and diversity

We want to be an inclusive, diverse place to work where everyone is welcome and all colleagues can bring their 'whole self' to work. Wherever we can, we remove and minimise any barriers that might prevent colleagues achieving their full potential. We celebrate diversity of thought, background and experience, which is fundamental to strong decision-making, innovation and improved business performance.

All colleagues have a shared responsibility to treat each other with decency and fairness. Any form of discrimination, victimisation or harassment is unacceptable, and we're fully committed to making sure there's no discrimination in the recruitment, retention, training and development of colleagues. All complaints are investigated, and appropriate further steps taken.

Our redefined Inclusion and Diversity (I&D) strategy has been developed with insight from the National Centre for Diversity, Working Families survey review, the Prudential Regulation Authority D&I discussion paper DP21/2, colleague engagement survey results and feedback from our colleague networks. It aims to build a more inclusive environment to attract, retain and grow diverse talent, with a culture where all colleagues are supported in their personal development and are seen and heard.

Our I&D strategy is split between three pillars:

- **workplace**, to create an environment where everyone feels safe, trusted and valued
- **colleagues**, to create a thriving community made up of unique perspectives, identities and backgrounds
- **community**, to represent and add value to the communities we operate in and the customers we serve.

Workplace

Workplaces over the past 18 months have transformed at a pace never seen before. With a large percentage of the YBS workforce working remotely, connection and belonging have become increasingly important. Even with these challenges, our engagement survey has seen an overall progress in the I&D space through the Equality question, 'I believe all people are treated fairly at YBS' from 8.0 in 2020 to 8.3 in 2021.

Our I&D committee meets every six weeks to discuss actions inside the business and take a view on matters arising externally. The committee is a sub-committee of our Executive Committee, chaired by our Director of Colleague Experience, with our Chief Internal Audit Officer as accountable executive.

In January 2021, the committee agreed a set of objectives to achieve by 2023, including:

- 50% females at Level E (senior manager) and above
- 8% ethnically diverse colleagues at Level E and above
- 14% ethnically diverse colleagues
- 40% males in Customer Services Customer facing roles
- 25% males in branch
- 38% females in IT roles.

Our Senior Leadership Team and Executive Committee members actively engage with matters relating to I&D, taking part in colleague listening groups and, this year, have undertaken allyship sessions on the topics of race and ethnic minority groups. Every quarter we

produce data dashboards to provide them with an updated view of colleagues, with a specific focus on ethnicity and gender identity, and plan to expand this data set over the coming year.

Throughout 2021 we embedded I&D into our communications, with a focus on colleague voice and stories. This has opened up conversations across the business on a range of topics, including faith, menopause, black history, sexuality and baby loss, with educational speakers, events and resources to support colleagues' individual stories.

Colleagues have a responsibility to treat each other with decency and fairness

Following colleague feedback, we introduced five 'Colleague Networks' for women, disability, ethnicity, parents and carers, and LGBTQIA+. Over 165 colleagues take part in the networks, and members meet regularly in a safe setting to have open, honest discussions about relevant topics or issues. Each network has a Senior Leadership Team sponsor and a feedback structure to provide a formal route to escalate issues and, where required, translate them into real actions.



**HELPING
POSITIVE
CHANGES
HAPPEN**

Colleague networks create a safe space to support colleagues in their everyday working life.

One colleague said:

Joining the colleague networks have had a great impact on my working life. I feel a real sense of community and allyship that hasn't been present at previous places of work. Having support and a safe place to be able to discuss issues and experiences with similar individuals is essential, and the colleague networks are playing a major part in making positive changes happen.



Positive change

We want to do more to support women in building their careers with us. In our latest Women in Finance²⁹ submission, we reported an increase in female representation at senior management level from 46% to 50% this year. Female representation on the Board has also increased from 20% to 36% - the target set as part of the Hampton-Alexander Review³⁰.

Our mean gender pay gap was 28.1% in our fifth annual gender pay gap report - 4.8% lower than in 2020 and our lowest level since gender pay gap reporting was introduced. The main driver continues to be the imbalance of women and men at different levels of the organisation, with more men occupying senior roles and more women occupying less senior roles. A shift in this dynamic has resulted in a reduction of the gap in 2021.

There is still more to do; if YBS was to have a 50:50 gender split across all levels of the organisation our Gender Pay Gap would be 4.2% (3.5% in 2020). A driver of the increase in this measure is the internal promotion of women into more senior roles. As recently promoted colleagues initially occupy the lower end of the respective salary range, we expect this gap to narrow.

Our plans for the workplace in 2022 include:

- Becoming a signatory of the Race at Work Charter
- Achieving Disability Confident Level 3
- Continuing to embed inclusive leadership and colleague networks
- Ensuring our zero-tolerance approach to discrimination is reflected in both customer and colleague behaviour policies.

Colleagues

In 2021, we focused on unlocking untapped talent to allow colleagues to reach their full potential. We set out a number of initiatives in three key areas, and made great progress:

- **Strengths-based interviews** - training was provided for all entry level and apprenticeship hiring managers, as well as senior level roles. The approach focuses on a person's capabilities, not just previous experience, allowing us to widen the talent pool
- **Balanced shortlists and interview panels** - this approach is now used across more of our roles, alongside advertising on I&D focused job boards. Our social media content now ensures it's attractive to all underrepresented groups and we're showcasing our flexible and inclusive culture
- **Our 2021 apprenticeship campaign** - this was specifically developed to attract talent from a gender, ethnicity and social mobility diverse perspective. To attract a broader age range of applicants, we also focused on the ability for people to join us to retrain by removing barriers like qualifications and hours, offering competitive salaries, and proactively supporting those with a disability to progress to interview stage.

We achieved our target of a 75:25 male:female split for apprentices and were hugely successful in attracting more males into junior roles and females into senior and technology-based roles. We exceeded our goals of 25% female new starters in IT (achieved 45%), and a 66:33 male: female ratio for new starters in customer facing roles (achieved a 45:65 male: female ratio).

Our plans for colleagues in 2022 include:

- Rolling out strengths-based recruitment and balanced interview panels
- Piloting and launching an I&D engagement module
- Piloting a reverse mentoring programme to upskill approximately 30 leaders and colleagues in mentoring and coaching
- Developing and launching a Black, Asian and Ethnically diverse leadership development programme to help address the misrepresentation at the senior level of the business
- Starting a direct sourcing strategy to attract more diverse talent
- Rolling out our 'Equally Yours' programme, to help colleagues gain a better understanding of I&D, the barriers to inclusion and how to overcome these barriers in order to build a more inclusive environment.

²⁹More information can be found here: <https://www.gov.uk/government/publications/women-in-finance-charter>

³⁰More information here: FTSE women leaders: Hampton-Alexander review - GOV.UK (www.gov.uk)



Community

The impact of Covid-19 on our home city of Bradford is likely to be long lasting due to its unique demographics. One third of the Bradford population has an ethnic minority background, and evidence shows this group has been disproportionately affected by the pandemic.

Bradford has the highest population nationally of under 18 year olds, making it the youngest city in the UK. It also has the 4th highest claims for Universal Credit. As part of our wider investment to build financial resilience and employability skills in our communities, we're specifically supporting people in Bradford to improve their skills and progress their employment journey through partnerships with local schools, colleges, universities and charities. You can read more about this on pages 30-36.

In Autumn 2020, in conjunction with the Local Enterprise Partnership, we committed £120k to support Bradford businesses fund apprenticeships in areas of key skills, including IT, Digital, Data and STEM (Science, Technology, Engineering and Maths). In 2021, £30k of this commitment was used to support two Data Analytics apprenticeships at Christians Against Poverty.

We were also headline sponsor of Bradford Pride and sponsored the Common Purpose Bradford 150 Legacy Programme in September and aim to increase visibility of these sponsorships in 2022.

Reward and Recognition

It is important colleagues feel recognised, valued and fairly rewarded for their contributions to supporting the Society deliver our strategy.

Reward

In 2021, we continued to pay all colleagues at or above the Real Living Wage³¹, completed our annual pay review and paid the annual Building Together bonus. Additionally, like the previous year, no colleague was furloughed, received pay reductions or took forced unpaid leave because of a Covid-19 related absence. In 2021 our total spend on colleagues benefits, salaries and bonus was £116.6m. We support colleagues in balancing their work and home life by offering flexible working arrangements and all colleagues, irrespective of length of service or time in role, can request a change to their working pattern. We also continued to offer uncapped dependant's leave, first introduced in 2020, to help colleagues navigate the pandemic, and give parents and carers more flexibility.

We offer enhanced maternity, adoption and shared parental leave, and colleagues can also access a range of flexible benefits, including critical illness cover, private medical insurance and a health cash plan.

Recognition

We were delighted to host our annual Raising the Roof awards in-person in November 2021 to celebrate colleagues who'd gone the extra mile for customers, colleagues, communities and the Society. Over 400 nominations were received, with 75 chosen to attend the event by a judging panel of their colleagues and senior leaders. We also had two awards nominated by members and brokers respectively for colleagues who have provided exceptional customer experience.



³¹The Real Living Wage is based on the cost of living, which is calculated by the Living Wage Foundation Charity. More information can be found here: <https://www.livingwage.org.uk>



HELPING
**CELEBRATE OUR
COLLEAGUES**
HAPPEN

**We Reach for Better award winner,
Sharon Stirling, said:**

Hearing all the great stories from the other finalists was so inspirational. I was really shocked to win my category, especially after listening to what everyone else had achieved – I was convinced it wouldn't be me. What a moment though, walking up to collect my award, I'll never forget it! I feel really proud to work for an organisation that does so many amazing things for its customers, colleagues and communities. YBS really is fantastic.

Celebrating our colleagues

One of the positive outcomes of the last few years is a push for the Society to re-evaluate the ways colleagues work and interact with each other. Most colleagues moved to predominant remote working in March 2020, and we've certainly experienced a number of positive impacts that we'd like to retain once the pandemic concludes.

As a business, we've committed to developing a blended working model that offers the most amount of choice to as many of our people as possible, and believe this will bring with it new opportunities for colleagues to develop and progress at YBS. We're also seeing this shift in less obvious business areas, like our telephony and online servicing teams, as well as colleagues across the retail network taking secondments or making permanent moves to head office teams now the barrier of geography has been removed.

We're in the process of formally reviewing business needs on a range of fronts, including technology, workspace and policies and procedures, balancing the investment we are making in technology for members and colleagues. We want to make sure this process preserves the very best to have come out of the last two years and provides a way of working that is fit for purpose well into the future.

We've committed to developing a blended working model



Health and wellbeing

We want every colleague to feel valued for their contributions, have the opportunity to flourish and be supported in their wellbeing. Colleagues value this support, and our wellbeing scores have increased year-on-year, reaching 8.6 (an increase from 7.5 in 2019) for 'YBS really cares about my mental wellbeing' and 8.5 (an increase from 7.2 in 2019) for 'Working here, I feel that I can live a physically healthy lifestyle'.

Over the last year we've continued to support colleague health and wellbeing so they can be physically thriving, emotionally balanced, financially secure and socially connected. We continue to invest in a wellbeing programme focused on helping colleagues stay well and supporting them when they're struggling.

Maintaining colleague safety and wellbeing, alongside continuing to provide excellent customer service to those who need us most have remained our two key objectives in response to the pandemic. This focus enabled key policy changes, like unlimited dependency leave, so we continued to level the playing field and minimise disproportionately affecting specific colleague groups.

In 2021, there have been fewer disruptions to our operational teams, with branches and agencies remaining open to customers. Most head office colleagues continue to work predominantly remotely, with teams adapting well to this blended working. With elements of remote working likely to be a feature, we have begun to prioritise ways to sustain connectivity between teams and support colleagues in the long term.

Clear, two-way communication remains key, and people leaders were provided with extra tools and guidance to support their remote working team. A return to the office guide was also produced when restrictions began to ease.

We have a number of wellbeing resources and processes for colleagues, and support various awareness days to encourage conversation, understanding and signpost support. Our dedicated Wellbeing Week in July included Bupa webinars on work-life balance, the importance of good nutrition, exercise and sleep. Our annual Cuppa and Catch Up event, encouraging colleagues to reconnect in person or virtually, was also a success.

Mental health

Colleagues have access to our confidential Employee Assistance Programme helpline and Unmind, an online platform with bite-sized learning and tools for good mental and physical health. We have Rest, Restore, Relax rooms at two of our main offices, and frontline colleagues were given bespoke training on emotional resilience. People leaders are also encouraged to have regular wellbeing check-ins with their team to help identify early where colleagues may need additional support.

We now have 20 mental health first aiders across the Society, who champion mental health and encourage people to think more proactively about it, whilst providing initial support and signposting in a crisis.



HELPING CHAMPIONING MENTAL HEALTH HAPPEN

“ I started a mental health blog that often features stories from other people who wanted to spread awareness of certain topics. So far, my blog posts have covered men’s health, autism, bipolar disorder and depression. You’d tell your manager if you’d broken your leg and were in pain, but not necessarily that you’re struggling with your mental health or having a bad day. It’s important to show that mental health is just as important as physical health. ”

Abbie Cunningham
(Mental Health First Aider)



Physical health

All colleagues were offered free flu vaccinations for winter 2021/22 and given access to Bupa's 24/7 Digital GP service and a range of physical health webinars and exercise videos. Display screen equipment (DSE) guides to help colleagues in all working environments maintain good posture and working habits were also made available.

Financial wellbeing

As a key part of our purpose, we have actively provided a range of support to enable colleagues to improve their financial resilience. This has included Salary Finance products that allow colleagues to save directly from their salary or consolidate high-interest credit into more affordable payments directly from their salary.

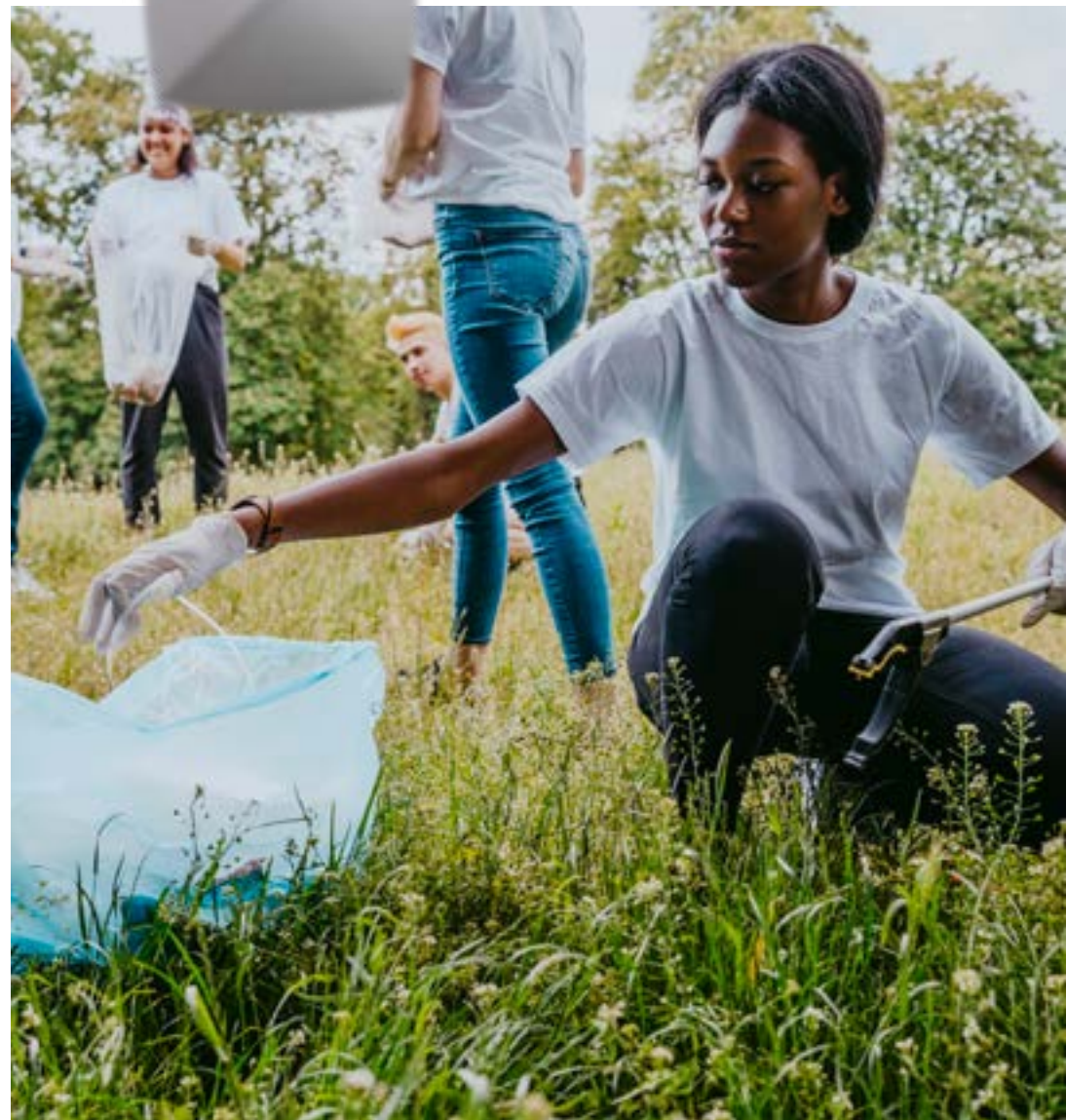
We've arranged a series of pension webinars to help colleagues plan for retirement at different stages in their life and created a financial wellbeing hub on our intranet with resources and practical support, such as calculators and budgeting tools.

These initiatives are in addition to our established enhanced family and sick leave policies.

Social wellbeing

Nowhere is our 'We care about people' behaviour more evident than in the positive contributions colleagues make to the communities we serve. Each colleague is encouraged to get involved in fundraising and volunteering using their annual 31 hours (pro-rata) paid volunteering hours allowance. This year we continued to align our volunteering opportunities with our purpose ambition of providing financial wellbeing, with colleagues getting involved in delivering financial education and employability workshops and awareness raising sessions. More details on this can be found on pages 30-36.

Volunteering isn't just about giving back to our local communities, it's also about learning new skills, giving colleagues a chance to challenge themselves to do something new and gain new experience, helping them reach their learning and development goals. Each of our volunteering opportunities enable colleagues to share their skills, knowledge and expertise with charities and schools, such as becoming a trustee, school governor, or by supporting a charity or good cause through pro bono activities.



Health and Safety

We have created a positive health and safety culture where colleagues know how and why to report accidents and near misses, no matter how small, allowing us to monitor trends and act promptly to identify control measures when needed. This is reinforced through annual mandatory learning and intranet posts.

The Health, Safety and Environment Forum, made up of colleagues of varying levels and business areas, meet on a quarterly basis, and a monthly accidents and near misses report is also given to Aegis the Union. This is in addition to an annual report that forms part of the Health and Safety review, attended by the Chief Executive and other senior leaders.

We saw an annual 18% increase in reported accidents and near misses in 2021, possibly driven by increased office occupancy following the easing of Covid-19 restrictions. Overall rates remain 24% lower the pre-pandemic accident rate of 2019.

We monitor the levels of sickness and absence closely as part of our commitment to supporting our colleagues and their wellbeing. Over the course of the year, the pattern of absence we observed was significantly influenced by the pandemic. We ended the year with a sickness rate of 5.0%, which compares to 7.5% seen in 2020, and the proportion which relates to mental health is broadly similar. We'll continue to monitor these trends to ensure our colleagues are provided with the right level of support.

Longer-term mental and physical health impacts of the pandemic will emerge during 2022, and we're conscious colleagues may need support to re-energise and renew resilience levels after a difficult two years. We've identified a number of ways to support colleagues this year, including:

- Manager education to help leaders confidently discuss topics such as financial wellbeing, infertility, neurodiversity, and menopause, alongside access to the Bupa Mental Health Awareness for Managers webinar
- Encouraging colleagues to be more active through physical challenges linked to our Age UK charity partnership
- Additional financial wellbeing resources, such as budgeting tools and savings tips.
- Bupa health talks on topics including self-care, resilience, exercise and nutrition to encourage colleagues to take ownership of their own wellbeing
- Bupa health check portals in offices to help colleagues understand their current health risks and how to improve personal health and wellbeing

We're also committing to the Menopause Workplace Pledge, actively supporting colleagues affected by the menopause and committing to talking openly, positively and respectfully about it.



BUILDING A GREENER FUTURE

At YBS our vision to build a greener society means that high environmental standards will be integrated into all relevant business operations to support our purpose to provide Real Help with Real Life. YBS will achieve a Net-Zero transition that is fair for all our customers which continues to enable them to find a place to call home. We understand that the financial services industry needs to act now to help to mitigate and manage the physical and transitional risks posed by current and future climate change and acknowledge the part we can play in tackling this issue at a local and national level.

We joined the Yorkshire and Humber Climate Commission during 2021, which aims to help the region reduce its carbon emissions as quickly as possible and ensure people in Yorkshire are prepared to cope with the growing physical and transitional risks related to climate change. In addition, we maintained our support for the Leeds Climate Commission.

YBS will achieve a Net-Zero transition

5%
carbon footprint
reduction

99.5%
of waste
diverted from
landfill

To achieve our Greener Society vision, we have three supporting missions. The table summarises the ambition for each mission in the coming years.

Our missions	2021	2022	2023	2025	2025 and beyond
Ensuring that YBS continues to manage its operational carbon emissions	YBS committed to maintaining a 100% renewable operational energy supply and aligning to the principles of the 'RE 100' initiative of the CDP and the Climate Group.	YBS will target a minimum annual landfill diversion rate of 97% and will select a Net-Zero framework to align on scope 1 and 2 emissions.	Fully understand operational scope 3 emissions and devise a plan to reduce them. Work toward developing quantitative emission targets for operational scope 3 categories.	Achieve Net-Zero emissions alignment on scope 1 and 2 in our 2025 benchmark year. YBS will ensure that all new vehicles acquired onto its vehicle fleet will be hybrid or fully electric from 2025.	YBS will align to the UK Government goal of Net-Zero on operational scope 3 emissions by 2050 (currently excludes Financed Emissions).
Promoting and embedding Carbon Literacy into the YBS working culture	Introduced additional controls within lending policy to enable quantitative confirmation that the Society does not lend or invest in heightened climate risk and environmentally damaging sectors.	Disclose financed emissions baseline in the 2022 Annual Report and Accounts. YBS will join the Principles for Responsible Banking and measure progress against the UN's SDGs	KPIs will need to be defined to fully incorporate sustainability objectives within executive remuneration. Embed climate risk into our commercial decision making.	Continue to evolve and mature and develop internal capability.	YBS will further improve climate change resilience across all operational areas. As we progress, we will update with further commitments to improve our scope 3 position.
Supporting customers in their transition to a low-carbon economy through understanding the risks and opportunities climate change presents, and providing proactive and reactive support	YBS commits to ensuring our disclosures are aligned to the requirements of TCFD from 2021.	Engaging customers around the climate transition. The Society will launch our customer net-zero transition plan and green product initiatives. We will help people buy energy efficient homes and we will help people improve their homes to make them more efficient.	We will extend our proposition range in 2023. YBS will help customers make better choices about the environment through proactive and reactive communications.	Continue to evolve and mature.	A consideration that our purpose to provide Real Help with Real Life should remain the priority and our climate commitments should not affect our intention of helping customers into homes.

Carbon Footprint - Disclosure & Progress

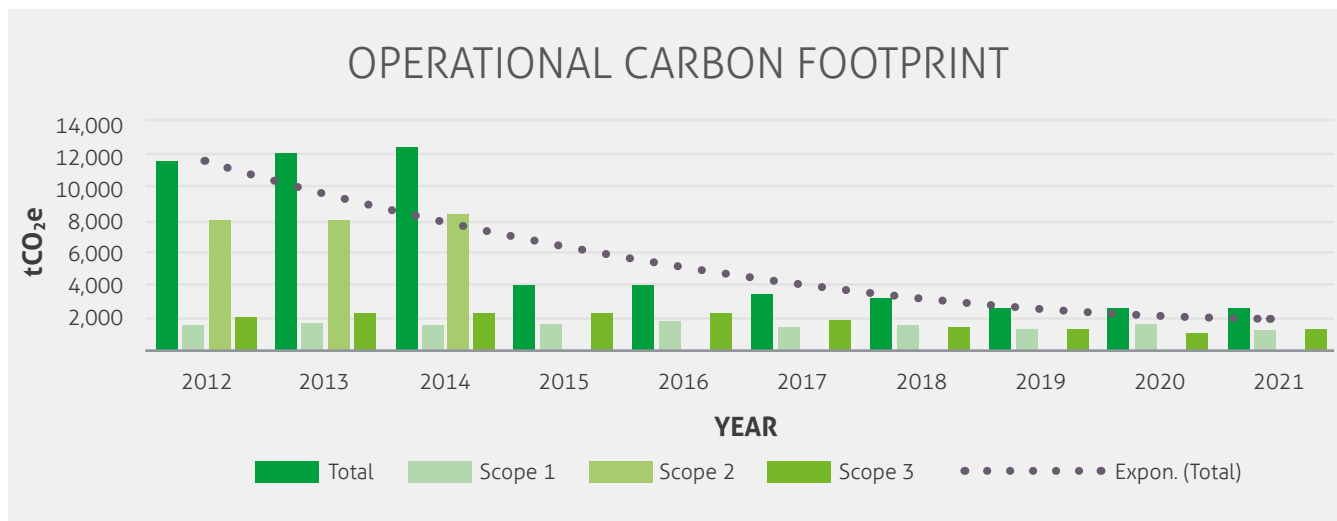
Our 2021 carbon footprint is 2,565 tonnes of carbon dioxide equivalent (tCO₂e) across Scope 1, 2 and parts of Scope 3; this represents a 5% reduction on that reported in 2020.

Since our first disclosure in 2012 we have delivered an overall 78% reduction through proactive action across our operations. This is a great achievement; however, we understand there is more work to be done to expand our carbon reporting and use this to help drive further reductions. Over the next 12 months, we'll be working to comply with the voluntary Partnership for Carbon Accounting Financials (PCAF) financed emission reporting standard, and making a disclosure in our 2023 TCFD report. In 2023, we'll also publish our first progress report on our climate commitments.

Changes in best practice, and enhancements in our understanding and ability to collect data, occasionally result in us reassessing our previously disclosed carbon footprint metrics. All such updates are verified by our carbon footprint consultancy provider, Ricardo plc, and assessed against the requirements of ISO14064-3³² and the GHG Protocol Corporate Standard. The main drivers of such changes have been:

- As there was limited Scope 3 data available between 2012 and 2014, we've assumed 2015 as the benchmark and replicated Scope 3 emissions back across 2012-2014 for a number of emissions categories, primarily business travel
- we've leased our company vehicle fleet from a third party since 2013 and previously attributed those emissions to Scope 1. However due to changes within our reporting, company car emissions are now allocated to Scope 3, so historic figures have been restated to reflect this change – with the only exception being 2012, as the business owned the company car fleet throughout that reporting year.

Scope 1	Scope 2	Scope 3
Direct emissions from owned sources' such as emissions from the Society's fuel usages.	Indirect emissions from the generation and consumption of purchased electricity.	All other indirect emissions that occur in our value chain' such as emissions from using the National Grid to power our estate.



Our Operational Footprint ¹	2012 ²	2013	2014	2015	2016	2017	2018	2019	2020 ³	2021
	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e	tCO ₂ e
Scope 1	1,662	1,480	1,315	1,290	1,233	1,133	1,235	1,029	1,613 ⁴	1,309
Scope 2	7,868	8,076	8,439	-	-	-	-	-	-	-
Scope 3 ⁵	2,264	2,877	3,009	2,811	2,318	2,367	1,932	1,598	1,094	1,256
Total	11,794	12,433	12,763	4,101	3,551	3,500	3,167	2,627	2,707	2,565

1. The Society uses the market-based methodology to report its carbon emissions. Our location-based carbon footprint can be found on page 74.
 2. To set the carbon reduction benchmark, the pre-2019 carbon footprint figures have been updated to include current modelled Scope 3 data. All previously reported carbon emissions have increased as a result.
 3. Our 2020 carbon footprint has been updated to include actuals figures rather than the estimates for final month/quarter amounts included in the 2020 disclosures.

³²This standard specifies principles and requirements and provides guidance for verifying and validating greenhouse gas (GHG) statements. Further information available here.

Reducing Scope 1 & 2

We're continuing to invest and make changes across the business to reduce our energy consumption.

In 2021 we signed a green gas supply contract, derived from UK farm feedstock, to start the journey to our 100% green energy (gas and electricity) pledge. We appreciate feedstock gas isn't the best viable alternative to natural gas, so we're committed to procuring our next green gas contract from landfill sources.

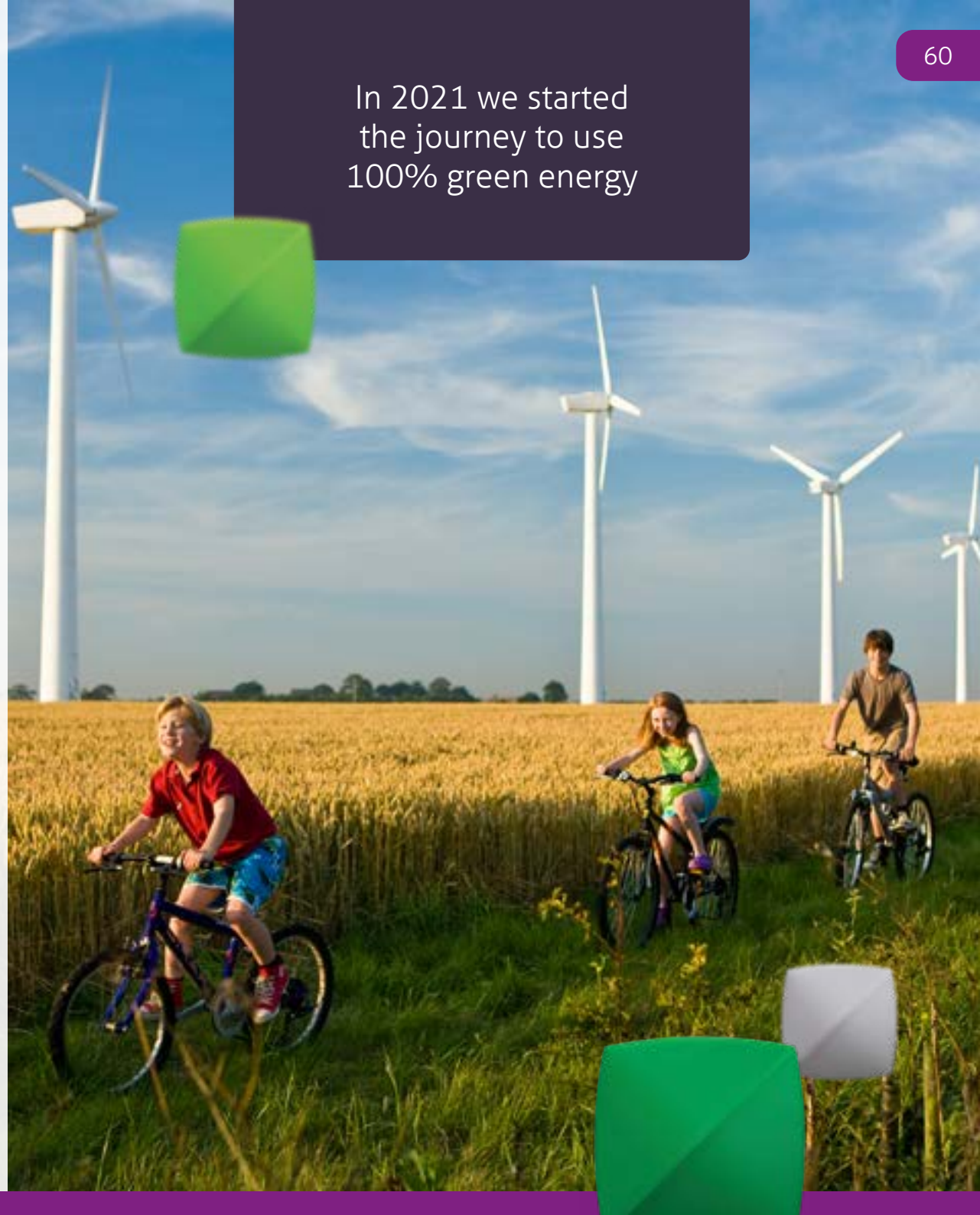
We're implementing, where financially viable and subject to listed-property restrictions, the Department for Business, Energy and Industrial Strategy's (BEIS) recommendation to upgrade all Society-owned properties let out across England and Wales to EPC grade C or above by 2027³³. We'll then work towards the proposed minimum energy efficiency standard requirement for rented non-domestic property to a B or above by 2030.

Below is a list of the energy savings measures we've taken over during 2021:

- Lighting control and building management system upgrades
- Installation of infrastructure and four electric car charging points
- Data Centre power migration
- Sedum roof covering of the west side of our Bradford office
- Solar film to south and east facing elevations of our Bradford office
- Air conditioning replacement for our server room
- Conversion of emergency back-up generator from diesel to biodiesel
- Minimum Energy Efficiency Standard (MEES) review works across all branches, including the relocation and refurbishment of our Manchester branch to a smaller site with more efficient equipment
- Property estate review to assess where heat pump upgrades are feasible.

In 2021 we started the journey to use 100% green energy

³³This will apply to all new tenancies from 1 April 2025 and all existing tenancies by 1 April 2027.



Tackling our Scope 3 emissions

There are significant challenges in data collection and verification for Scope 3 disclosures, particularly when there is a heavy reliance on third party suppliers or EPC data. However, we've put in place a plan to address these challenges and we are pleased to share our scope 3 disclosure gaps and pathway towards as full a scope 3 disclosure as possible by 2025:

2023: Financed Emissions, WFH emissions and Property Refurbishment Waste

2024: Supply Chain

2025: IT waste

The full list of our Scope 3 disclosures gaps can be viewed in the Appendix.

We're committed to achieving Net-Zero on operational Scope 3 emissions by 2050. This currently excludes our financed emissions, as we're working through calculating our commercial lending and residential lending emissions.

Supply chain is an important part of our Scope 3 emissions, but as they are indirect emissions from third parties, understanding and analysing this data can prove very complex.

At the beginning of 2021, we carried out an in-depth review of the environmental credentials of our supply chain. The outputs of this review allowed us to focus on the top 100 critical suppliers and create an input and output model to measure emissions accrued from the outsourcing of systems, people and purchases. We're analysing the results of this model to understand how best to use them to inform future procurement practices.



One of our key areas of focus in 2021 was analysing the flood risk of all our material third parties, to identify the potential risks to the business. We discussed the risks with the third parties and our Supplier Relationship Managers (SRMs) ensured business continuity plans addressed any risks identified. We included a new flood risk question on the Risk Triage Assessment ensuring the same approach was taken for new third parties. Environmental questions were included in the procurement process towards the end of the year.

In 2022 we'll continue to understand the impacts of our third parties on the environment, including reviewing and understanding the different models used for disclosure.

We understand the importance of reducing our Scope 3 financed emissions. We've committed to publishing a Net-Zero customer transition plan on financed emissions, which will include launching our first green mortgage proposition in 2022. We'll report progress on product uptake, the number of customer homes

improved and the amount of financed emission reductions attributed to the plan. But in the short term it's likely financed emissions will grow as the business continues to expand its mortgage book and help more customers into homes.

As we begin to gain a better understanding of the data, it's essential we understand the implications for our customers and the Society. To meet the UK Government's target of Net-Zero by 2050, climate financial risk regulation has progressed rapidly. This has the potential to outpace our customers' ability to improve the energy efficiency of their homes and meet proposed new lending requirements. We anticipate a situation where some of our customers may not be able to afford the necessary improvements which would be required to re-mortgage their home. This risks creating a new set of 'mortgage prisoners' similar to the current cladding crisis that some flat owners are facing, and is an issue to which we're paying close attention.

We've reduced
paper use by **42%**

Waste

In 2021, we generated 325.5 tonnes of waste, representing an annual reduction of 51.0 tonnes. Only 0.5% of our business-generated waste was sent to landfill, meaning 99.5% was either recycled or recovered. We now have an annual target of 97%, which we anticipate will be a challenge due to new waste streams, including IT and Property refurbished waste, being added to our reporting over the next few years.

Going paperless

In 2019, we started tackling the issue of paper by finding ways to make us more efficient and introducing more digital ways of doing things. In 2019 we used more than 16 million sheets of paper, and in the space of two years we've reduced this by 42%, saving us money, reducing emissions, and making us more digital.

Embedding climate into our policies

As part of our commitment to protecting the environment and reducing the impact our business activities have upon the natural world, we've developed a rigorous Environmental and Climate Change Risk Policy. This is reviewed annually at our Executive Risk Committee and explains our approach to environmental and climate change risk, compliance and protection issues, alongside the management framework behind the broader climate strategy. We've further enhanced our Enterprise Risk Management Framework to include climate change risk, with more detail available in the Risk Management Report.

We've also updated our Commercial Lending Policy to reflect our position on lending to sectors that have a heightened climate risk. Our commercial arm

doesn't engage in project finance but instead lends on commercial property, and we're committed to not directly lend to the following:

Oil & Gas, Electric Utilities, Metals & Mining, Chemicals, Quarrying, Landfill, Airlines, Aerospace and Shipping.

This applies to all direct lending, but not to commercial buy-to-let lending, where landlords who borrow from us may potentially be letting their commercial properties to tenants operating in these sectors. We will continue to strengthen our Commercial Lending Policy to help reduce our impact.

Colleague Engagement & Education

As we progress on our journey to reducing our impact on climate change, it's important we engage and educate our colleagues. In 2021 we launched Building a Greener Society Together, an information pack shared with all colleagues to help them understand their environmental impact and how they can reduce it inside and outside of work.

We also have schemes to encourage colleagues to use alternative methods of transport, including a cycle-to-work scheme, 0% interest season ticket transport loans and electric vehicle (EV) leasing opportunities for those colleagues who don't drive a company car.

OPERATING RESPONSIBLY

As a mutual, being a responsible business is key to everything we do. Having the right governance and procedures in place allows us to meet regulatory requirements, and protect customers, colleagues and the Society from potential risks.

³⁴This does not include non-procurable spend, including: Non-procurable Banking Charges (2% of total Banking Charges), Charity/Donations, Inter/Intra Company Payments, Letting/Estate Agency Services, Membership, Regulatory Payments, Rent and Rates, Sponsorship, and Taxes.

³⁵Total tax paid includes UK corporation tax, bank surcharge, irrecoverable VAT, business rates and employer payroll taxes. Payroll taxes collected and paid over on behalf of employees are excluded.

£128.8M
supplier spend³⁴

£104.1M
tax paid³⁵

Lobbying

In 2021 we implemented the [Political and Public Policy Engagement Policy](#), a new Board-owned policy covering lobbying carried out by YBS. This sets a clear standard of governance for the Society, including colleagues and YBS representatives, when engaging with political stakeholders.

We don't engage in lobbying activity unless it's in the legitimate interests of YBS and its members, but the policy supports necessary political engagement in a transparent, responsible, and impartial way. Alongside the policy, we published the [Political Engagement Log](#) to improve our transparency, detailing our engagements with senior external political stakeholders.

In 2022, we'll be considering how we can further enhance and promote this transparency and impartiality with political stakeholders on areas central to the Society's objectives and purpose, like financial resilience and education.

Consistent with our political impartiality, and we don't make political contributions, but we are members of a number of trade associations and industry groups, some of which may engage with political stakeholders on topics relevant to YBS. The list of memberships we have can be found in Section 4 of the Policy.

Data Governance and Protection

As part of our wider Information Management Framework, which is based on the ICO Accountability Framework³⁶, we're committed to complying with data protection laws and recognise our regulatory, ethical and contractual responsibility to protect and safeguard the personal information of our colleagues, customers and suppliers.

Accountability lies at the most senior management level, our Board. They're supported by our Data Protection Officer, who advises and seeks to provide assurance on YBS's compliance with data protection laws. Our dedicated Data Protection Team works in partnership with other areas of the business to maintain compliance with all our Data Protection obligations. However, all colleagues, irrespective of their role, are accountable for data and responsible for upholding its confidentiality and security.

The privacy and data protection impacts on our customers, colleagues and suppliers are considered from the design stage of any system, service, product or process we consider. Our Data Protection Framework, offers a strategic overview of data protection management across YBS. It references the principles, rights and obligations that applies to all stakeholders and is made up of a Data Privacy Policy, supporting policy guides, processes, standards, procedures and records to evidence our compliance.

All colleagues complete data privacy and protection training when they join, followed by annual refreshers. Our training covers the Framework's key principles and obligations, as well as reflecting impacts on our day to day activities. This means colleagues are aware of how to spot and report a data protection breach, or how to recognise a customer's request to exercise their rights. Bespoke training is tailored to colleagues in specialised roles, alongside lots of useful colleague resources on our intranet.

Our network of Data Stewards and Data Champions play a pivotal role in empowering colleagues to manage data and information, data privacy and protection. This is done through knowledge sharing, raising awareness and supporting their own business areas in embedding relevant processes.

The implementation and ongoing development of a software privacy tool in 2021 is already helping YBS streamline compliance with key privacy requirements with 24/7 coverage to allow us to support our customers, colleagues and suppliers around the clock. Our Data Breach Management Standard details acceptable practices and behaviours for colleagues when dealing with an actual or suspected personal data breach. This ensures the Society's compliance with applicable laws and protects individuals, customers and the business from any harm. This applies to all colleagues, including contractors, temporary colleagues, consultants as well as subsidiaries and affiliates.

The latter part of 2021 saw major developments in data protection, which is likely to have a significant impact on data privacy and protection in 2022 and beyond. The Department for Digital, Culture, Media & Sport (DCMS) issued a consultation document, 'Data: A new direction'³⁷, signalling an overhaul of the UK's data protection regime and the removal of some of the alignment with the EU GDPR.

The reforms aim to boost trade and reduce barriers to data flows, reduce administrative burdens and reform of the supervisory body. The potential implications could be far reaching to the UK's data protection laws, so we'll continue to monitor any changes, and update our framework, policies and procedures as and when required.

Further details on our approach to managing and protecting data can be found in our [Information Management Policy](#).

Supply Chain

The Supply Chain function competitively purchases goods and services on behalf of YBS, ensuring unnecessary costs are avoided, value for money solutions are delivered and support for wider strategic objectives is given.



Specifically, our Supply Chain function is responsible for:

- sourcing and purchasing goods and services through sustainable procurement best practise
- the YBS Procurement, Outsourcing and Third-Party Risk Management policy
- third party risk management
- oversight of the management of the Societies most critical suppliers.

We're committed to the highest standards of integrity and social responsibility. We expect our suppliers to comply with all legal and regulatory requirements and demonstrate the highest levels of honesty and integrity. Our [Standards for Suppliers document](#) details these expectations.

Human Rights

The way we conduct our business, including how we interact with our customers, colleagues and communities, and manage our supply chain, should not negatively impact the human rights of others. This is lies at the heart of our purpose to provide Real Help with Real Life.

Our [Modern Slavery Act Transparency Statement](#) describes the steps put in place to prevent slavery and human trafficking in our supply chain, or any part of our business. In 2022 will we be:

- reviewing and re-organising governance of Modern Slavery and Human Trafficking (MSHT)
- formalising KPIs and improve Management Information (MI)
- designing and delivering bespoke training to higher-risk business areas, including non-customer facing teams, like Property and Treasury
- enhancing supplier due diligence process to incorporate fourth parties in line with the Know Your Customer's Customer (KYCC) principle
- establishing and extending procedures for non-customer related incident reporting
- collaborating across the Society to embed awareness of MSHT.

Cybersecurity

As we rely more and more on digital services, we'll inevitably see increased cybersecurity events and attacks, particularly across financial services organisations. Protecting our organisation and our members from the consequences of a cyberattack or of cybercrime is very important to us, so maintaining robust cybersecurity defences and incident response processes is a top priority.

Our aim is to minimise the risk by keeping our controls in line with emerging threats. As set out in our [Information & Cyber Security Policy](#), we take a proportional and risk-based approach, and implement up-to-date, robust and effective security controls.

To help to mitigate these threats, we started our Security Improvement Programme in 2021, with an investment of £14 million up to 2024. The programme will deliver control and capability improvements across five key workstreams:

- Security Monitoring
- Identity and Access Management
- Vulnerability Management
- Network Segregation
- Encryption.

Every colleague is regularly trained on cybersecurity, as we're all responsible for protecting YBS and our members. We encourage our customers to remain vigilant and protect themselves by keeping their details safe, regularly checking their accounts and reporting any suspicious transactions as quickly as possible.

Financial Crime

YBS operates in a constantly evolving financial crime threat environment. Our policies and procedures are set to ensure compliance with legal and regulatory obligations, including Fraud, Anti-Money Laundering, Counter Terrorist Financing, Sanctions, Anti-Tax-Evasion facilitation and Anti-Bribery and Corruption. We aim to operate a hostile environment for those seeking to abuse our products or services for criminal purposes, by having the necessary systems and controls in place to protect our colleagues, members, the Society and the sector from the impacts of financial crime.

As an industry, we've seen unprecedented changes in regulatory reform, with evolving crime threats showing no signs of slowing down. The UK's Economic Crime Plan, and various related reforms, aim to strengthen the UK's defences and ensure UK financial services continue to keep pace.

Businesses and individuals remain the targets of fraudsters, who exploit through various scams. The Society works in partnership with industry bodies, upskilling colleagues through mandatory and targeted training, and sharing cross-industry intelligence to help protect our members and the wider industry.

We communicate our [Financial Crime Policy](#) to colleagues via channels set out in the policy, and provide summaries of key changes to wider stakeholders where necessary. The Financial Crime Standards are designed to set out the requirements for different areas of the business, supported by risk assessments which identify systems and controls requiring further enhancements, to ensure compliance with the YBS Board approved risk appetite.

We continuously review our approach to financial crime and invest in improvements to our capabilities, service provision and protection. Our Financial Crime Vision and Strategy will support the protection of customers and the Society, and provide further investment into solutions.

Our Financial Crime Vision and Strategy will support the protection of customers and the Society

Whistleblowing

We advocate a culture of openness, accountability and integrity so individuals feel confident to report and raise genuine concerns through our Whistleblowing process. We're committed to making sure our colleagues can be confident any concerns raised will be taken seriously and treated confidentially. Whatever the outcome, nobody will be victimised, subsequently discriminated or disadvantaged for reporting a concern. We have clear processes in our [Whistleblowing Policy](#) which is approved by our Board annually.

In 2022 we'll continue to publicise the availability of whistleblowing channels to colleagues, to encourage awareness and a culture of speaking up more generally.

Risk, audit and internal controls

We recognise effective risk management is essential for YBS to grow and achieve our commercial aspirations. We operate under our Enterprise Risk Management Framework (ERMF), which provides a consistent and effective way of managing risk across the Society. The key elements of risk management include the assessment, control, monitoring and reporting of risk. The ERMF is reviewed and approved annually by the Group Risk Committee.

We operate a three lines of defence approach toward risk management, which seeks to differentiate between those:

- with direct responsibility for the management and control of risk
- with responsibility for defining the ERMF, communicating requirements and independently monitoring adherence through oversight activity, on behalf of the Board
- providing an independent and objective opinion to the Board on the adequacy and functioning of the system of internal control.

You can find further information on our risk and audit functions with our [2021 Annual Report Accounts](#).

Executive remuneration

Last year we introduced a new bonus scheme titled *Leading for Value*, which runs alongside the core *Building Together* bonus scheme for all colleagues, and will remain the same this year. The scheme supports the retention of a skilled and committed Senior Leadership Team and includes stretch performance objectives set against our longer-term objectives. The primarily focuses on the delivery of long-term member value, but also protects the Society's financial strength.

The core *Building Together* bonus scheme is linked to financial performance, customer experience and risk management. All colleagues are invited to participate in the scheme, with the 2021 scheme measuring:

- financial performance (profit before tax)
- customer experience (Net Promoter Score)
- financial sustainability review (assessment of the level of capital held and the Society's cost management)
- individual performance for senior managers.

Members of the Senior Leadership Team are also eligible for the *Leading for Value* bonus scheme. This scheme is measured by the delivery of key strategic milestones, measurable and targeted financial value for members, and ESG performance based on colleague engagement, inclusion and diversity and social impact, with the 2021 scheme measuring:

- our transformation roadmap, which includes environmental efficiencies, high-street presence, account opening times, and improvements to mortgages and savings propositions and products.

- member value (savings returns for customers)
- ESG (improving female representation at manager level and above; developing digital employment skills; financial education and increase awareness in local communities).

Each year specific metrics will be proposed by the CEO and Executive Committee, with ESG indicators accounting for 30% of the *Leading for Value* bonus scheme. The Remuneration Committee and Board are responsible for approving these targets and for assessing performance against each metric to determine the bonus outturn.

You can find out further information regarding our remuneration schemes in the [2021 Directors Remuneration Report](#).

Tax

Tax contribution

As a mutual and a UK commercial organisation, we take our responsibility to contribute to the local and national economy through the collection and payment of taxes seriously. We understand taxes contribute to the nation's schools, universities, transport, health, welfare and social services, which in turn helps us deliver our purpose of providing real help with real life.

Corporation tax and banking surcharge taxes of over £67.3m have been paid on the profits of our business for the year to 31 December 2021 (2020: £39.8m). In addition, £4.4m of business rates was paid in respect of the national branch network (2020: £4.8m) and irrecoverable VAT of £20.8m (2020: £19.4m) was incurred.

As a significant employer of over 3,200 people nationally, we also collected and paid to Treasury over £37m of payroll related taxes and levies (£11.5m of which were employer related and £26.1m were employee related) (2020: £38.6m) on behalf of our colleagues.

Tax transparency

It's a key principle that YBS maintains complete transparency with our stakeholders on our [Tax Strategy](#). Tax planning is only undertaken, where appropriate, to support commercial activity and in pursuit of business opportunities for the Society. We've adopted the Code of Practice on Taxation for Banks ('the Code'), which means we seek to minimise tax risk, in line with the Code, and tax planning is only proposed when tax, accounting, regulatory and legal implications have been evaluated and found to be in accordance with the Code.

We maintain a pro-active, open and professional working relationship with HMRC and are willing to co-operate with HMRC on any reasonable enquiry into any activity relevant to our tax liabilities. In addition, we'll approach our HMRC Customer Compliance Manager in real time in relation to any significant areas of tax risk and will constructively discuss them in an open manner.



Global Reporting Initiative Index

Statement of use

Yorkshire Building Society has reported in the information cited in this GRI context index for the reporting period 1 January 2021 to 31 December 2021 with reference to the GRI standards. This report is in alignment with the reporting in our [Annual Report and Accounts](#).

The Global Reporting Initiative provides a comprehensive set of standards that enable us to report on all key activities against a universally recognised framework. We will continue to expand our disclosures to further improve our transparency and meet stakeholder expectations.

GRI Standards Used

- GRI 1: Foundation 2021
- GRI 2: General Disclosures 2021
- GRI 3: Material Topics 2021:
 - GRI 201: Economic Performance 2016
 - GRI 205: Anti-Corruption 2016
 - GRI 207: Tax 2019
 - GRI 302: Energy 2016
 - GRI 305: Emissions 2016
 - GRI 306: Waste 2020
 - GRI 401: Employment 2016
 - GRI 402: Labour 2016
 - GRI 403: Occupational Health and Safety 2018
 - GRI 404: Training and Education 2016
 - GRI 405: Diversity and Equal Opportunity 2016
 - GRI 406: Non-discrimination 2016
 - GRI 407: Freedom of Association and Collective Bargaining 2016
 - GRI 415: Public Policy 2016

We are working to be able to report on the following material topics in future:

- GRI 204: Procurement Practices 2016
- GRI 308: Supplier Environmental Assessment 2016
- GRI 414: Supplier Social Assessment 2016
- GRI 417: Marketing and Labelling 2016
- GRI 418: Customer Privacy 2016

Although we acknowledge all of the following topics are important, they fall outside of our materiality assessment:

- GRI 202: Market Presence 2016
- GRI 203: Indirect Economic Impacts 2016
- GRI 206: Anti-competitive Behaviour 2016
- GRI 301: Materials 2016
- GRI 303: Water and Effluents 2018
- GRI 304: Biodiversity 2016
- GRI 306: Effluents and Waste 2016
- GRI 408: Child Labour 2016
- GRI 409: Forced or Compulsory Labour 2016
- GRI 410: Security Practices 2016
- GRI 411: Rights of Indigenous Peoples 2016
- GRI 413: Local Communities 2016
- GRI 416: Customer Health and Safety 2016

The following table demonstrates our full or partial alignment to the GRI standards 2021 and the material topics we have identified. We will continually seek to improve our disclosures and align further in future reports, to provide stakeholders with comprehensive relevant information. Alongside the ESG report, information can be found in the [2021 Annual Report and Accounts](#) and the [Policy Page](#) of our website.

GRI standard	Disclosure	Location
General disclosures		
GRI 2: General Disclosures 2021	2-1 Organizational details	Legal name: Yorkshire Building Society Location: Bradford, United Kingdom ARA, p243
	2-2 Entities included in the organisation's sustainability reporting	ARA, p171
	2-3 Reporting period, frequency and contact point	ESG Report, Welcome to our ESG report
	2-4 Restatements of information	N/A – first ESG report
	2-5 External assurance	ESG Report, Welcome to our ESG report
2. Activities and workers	2-6 Activities, value chain and other business relationships	ESG Report, Our Strategy and purpose: Creating value ESG Report, Operating Responsibly, Supply Chain
	2-7 Employees	ESG Data Table, People Data
	2-8 Workers who are not employees	ESG Data Table, People Data
3. Governance	2-9 Governance structure and composition	ESG Report, Our Strategy and purpose: ESG governance ARA, p73
	2-10 Nomination and selection of the highest governance body	ARA, p82
	2-11 Chair of the highest governance body	ARA, p80
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Report, Our Strategy and purpose: ESG governance ARA, p76
	2-13 Delegation of responsibility for managing impacts	ESG Report, Our Strategy and purpose: ESG governance ARA, p76
	2-14 Role of the highest governance body in sustainability reporting	ESG Report, Our Strategy and purpose: ESG governance
	2-15 Conflicts of interest	ARA, p80
	2-16 Communication of critical concerns	ARA, p79 Policy Page - Whistleblowing Policy ESG Data Table, Whistleblowing Reports
	2-17 Collective knowledge of the highest governance body	ESG Report, Our Strategy and purpose: ESG governance
	2-18 Evaluation of the performance of the highest governance body	ARA, p83
	2-19 Remuneration policies	ARA, p112 ESG Report, Operating Responsibly: Executive remuneration
2-20 Process to determine remuneration	ARA, p112 AGM voting results	
2-21 Annual total compensation ratio	ARA, p120 ESG Data Table, People Data	

GRI standard	Disclosure	Location
General disclosures		
4. Strategy, policies and practices	2-22 Statement on sustainable development strategy	ESG Report, Welcome from Alasdair Lenman
	2-23 Policy commitments	Policy Page - Ethics Policy
	2-24 Embedding policy commitments	Policy Page - Ethics Policy
	2-25 Processes to remediate negative impacts	ESG Report: Operating Responsibly: Whistleblowing ESG Report, Member Value: Complaints Policy Page - Complaints Policy Overview
	2-26 Mechanisms for seeking advice and raising concerns	ESG Report: Operating Responsibly: Whistleblowing
	2-27 Compliance with laws and regulations	ARA, p142
	2-28 Membership associations	ESG Report, Awards and memberships Policy Page - Political and Public Policy Engagement Policy Overview
	5. Stakeholder engagement	2-29 Approach to stakeholder engagement
2-30 Collective bargaining agreements		ESG Data Table, People Data ESG Report, Investing in Our People: Collective Bargaining
Material topic disclosures		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	ESG Report, Our Strategy and Purpose: Our ESG Strategy
	3-2 List of material topics	ESG Report, Our Strategy and Purpose: Our ESG Strategy
201 Economic Performance	201-1 Direct economic value generated and distributed	ARA, p152-3
	201-2 Financial implications and other risks and opportunities due to climate change	ARA, p108
	201-3 Defined benefit plan obligations and other retirement plans	ARA, p183
205 Anti-corruption	205-1 Operations assessed for risks related to corruption	Policy Page - Financial Crime Policy Overview
	205-2 Communication and training about anti-corruption policies and procedures	ESG Report, Operating Responsibly: Financial Crime Policy Page - Financial Crime Policy Overview
207 Tax	207-1 Approach to tax	Tax Strategy ESG Report, Operating Responsibly: Tax
	207-2 Tax governance, control, and risk management	Tax Strategy ESG Report, Operating Responsibly: Whistleblowing ESG Report, Operating Responsibly: Tax
	207-3 Stakeholder engagement and management of concerns related to tax	ESG Report, Operating Responsibly: Tax Policy Page - Political and Public Policy Engagement Policy Overview
	207-4 Country-by-country reporting	ESG Report, Operating Responsibly: Tax ARA, p172, 181, 243

GRI standard	Disclosure	Location
Material topic disclosures		
302 Energy	302-1 Energy consumption within the organization	ESG Appendix, Climate Change, Carbon Footprint Table & Energy Use and Emissions
	302-3 Energy intensity	ESG Appendix, Climate Change, Intensity Ratios
	302-4 Reduction of energy consumption	ESG Appendix, Climate Change, Carbon Footprint Table & Energy Use and Emissions Report
305 Emissions	305-1 Direct (Scope 1) GHG emissions	ESG Appendix, Climate Change, Carbon Footprint Table
	305-2 Energy indirect (Scope 2) GHG emissions	ESG Appendix, Climate Change, Carbon Footprint Table
	305-3 Other indirect (Scope 3) GHG emissions	ARA, p57 ESG Appendix, Climate Change, Carbon Footprint Table
	305-4 GHG emissions intensity	ESG Appendix, Climate Change, Intensity Ratios
	305-5 Reduction of GHG emissions	ESG Appendix, Climate Change, Carbon Footprint Table
306 Waste	306-1 Waste generation and significant waste-related impacts	ESG Report, Building a Greener Society: Waste
	306-2 Management of significant waste-related impacts	ESG Appendix, Climate Change, Waste
	306-3 Waste generated	ESG Appendix, Climate Change, Waste
	306-4 Waste diverted from disposal	ESG Appendix, Climate Change, Waste
	306-5 Waste directed to disposal	ESG Appendix, Climate Change, Waste
401 Employment	401-1 New employee hires and employee turnover	ESG Data Table, People Data
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	ESG Report, Investing in Our People: Reward and recognition
	401-3 Parental leave	ESG Report, Investing in Our People: Reward and recognition
402 Labour	402-1 Minimum notice periods regarding operational changes	ESG Report, Investing in Our People: Collective bargaining
403 Occupational Health and Safety	403-1 Occupational health and safety management system	Policy Page - Fire, Health and Safety Policy Overview
	403-2 Hazard identification, risk assessment, and incident investigation	Policy Page - Fire, Health and Safety Policy Overview Policy Page - Health & Safety Reporting
	403-3 Occupational health services	Policy Page - Fire, Health and Safety Policy Overview Policy Page - Health & Safety Reporting
	403-4 Worker participation, consultation, and communication on occupational health and safety	Policy Page - Fire, Health and Safety Policy Overview Policy Page - Health & Safety Reporting
	403-5 Worker training on occupational health and safety	Policy Page - Fire, Health and Safety Policy Overview Policy Page - Health & Safety Reporting
	403-6 Promotion of worker health	Policy Page - Fire, Health and Safety Policy Overview
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Policy Page - Fire, Health and Safety Policy Overview
	403-8 Workers covered by an occupational health and safety management system	Policy Page - Fire, Health and Safety Policy Overview
	403-9 Work-related injuries	Policy Page - Health & Safety Reporting
	403-10 Work-related ill health	Policy Page - Health & Safety Reporting

GRI standard	Disclosure	Location
Material topic disclosures		
404 Training and Education	404-2 Programs for upgrading employee skills and transition assistance programs	ESG Report, Investing in Our People: Learning and development & talent management Policy Page – Redeployment Colleague Guide Policy Page – Secondment Policy Statement
	405-1 Diversity of governance bodies and employees	ESG Data Table, Diversity Data
405 Diversity and Equal Opportunity	405-2 Ratio of basic salary and remuneration of women to men	ESG Data Table, Diversity Data
	406-1 Incidents of discrimination and corrective actions taken	ESG Data Table, Diversity Data
406 Non-discrimination	406-1 Incidents of discrimination and corrective actions taken	ESG Data Table, Diversity Data
407 Freedom of Association and Collective Bargaining	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	ESG Report, Investing in Our People: Collective bargaining Policy Page – Standards for Suppliers
415 Public Policy	415-1 Political contributions	ESG Report, Operating Responsibly: Lobbying

We aim to build on this first ESG report, by further increasing our disclosures and procuring external assurance in future reports.

ESG Data Table

GRI	2021	2020	2019	2018
Place To Call Home				
No. first time buyers	41,594	26,362	18,710	16,677
No. house buyers (excl. re-mortgages)	36,950	22,788	25,584	26,938
No. people into buy to let / social housing	5,880	4,897	5,569	2,695
No. homeless young people into a home	144	171	206	125
No. accounts in arrears onto active repayment plans	144	171	-	-
No. homes reposessed	50	26	-	-
Financial Wellbeing				
No. new access account savers	47,994	89,030	56,627	36,516
No. new Shareplan, Salary Finance and Workplace Savers	15,622	15,501	18,805	29,966
Average savings rate differential	0.32%	0.18%	0.34%	0.37%
No. people receiving financial capability & employability support	63,391	2,897	8,576	8,410
Member Value				
Average savings rate paid	0.60%	0.58%	1.08%	1.09%
Net promoter score (NPS) ³⁸	54	53	51	41
Online NPS	8	13	11	30
Complaints per thousand - banking and credit cards (H1 / H2)	0.55 / 0.39	0.66 / 0.65	0.99 / 0.85	1.48 / 1.37
Complaints per thousand - home finance (H1 / H2)	6.70 / 6.80	5.95 / 9.05	8.79 / 7.01	13.49 / 10.88
Complaints per thousand - insurance and pure protection (H1 / H2)	0.46 / 0.17	0.69 / 2.96	96.74 / 209.54	80 / 56.77
Customer retention rates (savings & mortgages)	90%	89%	82%	84%
Branch and agency footprint	231	243	243	245
AGM voting	8.79%	8.81%	10.2%	10.22%
No. of vulnerable customer flags	12,527	10,847	22,487	25,395
No. of app users	131,605	64,031	-	-
Community Data				
Total community investment	1,873,824	-	-	-
No. volunteering hours	2,737	2,200	14,535	16,923
Value of volunteering hours donated	£50,443	£40,176	£265,462	£283,968

GRI	2021	2020	2019	2018	
People Data					
2-7	Employees (on a full-time equivalent basis) at 31 December	3,204	3,388	3,533	3,863
2-7	No. female employees	1,993	2,147	2,207	2,427
2-7	Percentage of full-time colleagues	73.51	70.42	70.31	73.48
2-7	Percentage of part-time colleagues	26.49	29.58	29.69	26.52
2-7	No. of employees by employment contract (permanent)	3,057	3,224	3,305	3,602
2-7	No. of employees by employment contract (permanent) by gender - female	1,918	2,078	2,156	2,348
2-7	No. of employees by employment contract (permanent) by gender - male	1,139	1,146	1,149	1,254
2-7	No. of employees by employment contract (temporary)	122	99	77	115
2-7	No. of employees by employment contract (temporary) by gender - female	75	69	51	70
2-7	No. of employees by employment contract (temporary) by gender - male	47	30	26	45
2-7	No. of employees by employment type (full-time)	2,337	2,340	2,378	2,735
2-7	No. of employees by employment type (full-time), by gender - female	1,222	1,242	1,271	1,494
2-7	No. of employees by employment type (full-time), by gender - male	1,115	1,098	1,107	1,241
2-7	No. of employees by employment type (part-time)	842	983	1,004	982
2-7	No. of employees by employment type (part-time), by gender - female	771	905	936	924
2-7	No. of employees by employment type (part-time), by gender - male	71	78	68	58
	Percentage of colleagues split by level - A-C	76.5%	78.4%	79.1%	77.7%
	Percentage of colleagues split by level - D-E	22.7%	20.8%	20.1%	21.6%
	Percentage of colleagues split by level - F+	0.76%	0.84%	0.8%	0.75%
2-21	Ratio of annual total compensation for CEO (highest paid) to the median annual total compensation for all employees (excl the highest-paid individual) - 25th percentile	29:1	39:1	40:1	-
2-21	Ratio of annual total compensation for CEO (highest paid) to the median annual total compensation for all employees (excl the highest-paid individual) - 50th percentile	21:1	28:1	35:1	-

³⁸Net Promoter Score and NPS are trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc. Data period January – December 2021, based on 24,305 responses.

ESG Data Table

GRI		2021	2020	2019	2018
People Data					
2-21	Ratio of annual total compensation for CEO (highest paid) to the median annual total compensation for all employees (excl the highest-paid individual) - 75th percentile	14:1	20:1	22:1	-
2-30	Percentage of total employees covered by collective bargaining agreements	43.60%	46.40%	-	-
	Percentage of internal hires	34.2%	27.1%	18.8%	-
401.1	No. of new hires	942	539	733	-
	No. of apprentices	21	29	7	19
401-1	Employee turnover rate (per headcount)	17.9	10.2	21.1	19.3
404.1	Amount of money spent per colleague on training	£340	£400	£418	£361
	Overall amount spent on colleague training	£1,088,067	£1,354,521	£1,475,834	£1,394,210
	Employee growth score (I feel that I'm growing professionally at YBS - out of 10)	8.3	7.8	6.8	-
	Employee engagement score (out of 10)	8.5	8.3	7.4	-
	eNPS Employee Engagement Index	64	54	20	-
	Employee behaviour score (I experience this behaviour in my day to day interactions with colleagues at work – average of the 4 behaviours – out of 10)	8.9	-	-	-
	Feel fairly rewarded score (I am fairly rewarded (e.g. pay, bonus, benefits) for my contributions to YBS – out of 10)	8.0	7.9	6.9	-
	Absentee rate	5.01%	7.51%	3.94%	3.57%
	Absentee target - green	<=3.6%	<=3.6%	<=3.2%	<=3.2%
	Absentee target - amber	>3.6%	>3.6%	>3.2%	>3.2%
	Absentee target - red	>4.0%	>4.0%	>3.6%	>3.6%
	Accident frequency rate (includes near misses)	8.9	7.3	12	16

GRI		2021	2020	2019	2018
Diversity Data					
	Percentage of females at level E and above	50%	45%	-	-
405-1	Percentage of colleagues who identify as Black, Asian and Minority Ethnic	14.34%	13.03%	11.86%	9.37%
	Percentage of colleagues who identify as Black, Asian and Minority Ethnic at level E and above	14.3%	13%	-	-
	No. of males in Customer Services Customer facing roles (grade A, B & C)	32.5%	32%	-	-
	No. of males in Branch (grade A, B & C)	17.1%	17.1%	-	-
	Percentage of females in IT roles	30.1%	31%	-	-
405-1	Percentage of colleagues split by age - <25	8.05	8.64	9.82	10.68
405-1	Percentage of colleagues split by age - >26-30	14.16	15.02	15.73	14.76
405-1	Percentage of colleagues split by age - >31-35	16.92	17.06	17.15	17.34
405-1	Percentage of colleagues split by age - >35-40	15.89	15.50	15.17	15.03
405-1	Percentage of colleagues split by age - >41-45	12.80	13.09	12.12	12.02
405-1	Percentage of colleagues split by age - >46-50	12.24	12.01	12.12	11.92
405-1	Percentage of colleagues split by age - >51-55	9.69	9.54	8.99	9.55
405-1	Percentage of colleagues split by age - >55+	10.25	9.15	8.90	8.70
405-1	Percentage of employees who are female	62.69	64.61	65.26	62.14
405-1	No. of female managers (C-D)	838	840	813	807
405-1	No. of female senior managers (E-F)	80	70	59	124
405-1	Percentage of female Board members	16.70%	25%	22.20%	0
405-1	Percentage of colleagues who disclose they have a disability	1.70%	1.50%	1.40%	0.30%
405-2	Ratio of basic salary and remuneration of women to men	4.2	3.5	2.5	2.2

ESG Data Table

GRI		2021	2020	2019	2018
People Data					
406-1	No. of incidents of discrimination reported and reviewed	14	14	-	-
406-1	No. of incidents of discrimination – withdrawn or not upheld	6	4	-	-
406-1	No. of incidents of discrimination – upheld, partially upheld, resolved	7	10	-	-
406-1	No. of incidents of discrimination – investigation underway	1	0	-	-
	Mean gender pay gap	28.1	32.9	30.5	29.7
	Median gender pay gap	24.5	29	27.9	26.6
	Mean gender bonus gap	46.2	48.3	47.9	44.9
	Median gender bonus gap	31.7	33.3	34.1	36.1
Governance Data					
	No. of whistleblowing reports	9	14	17	25
	Total amount paid to suppliers ³⁹	£128.8m	£143.8m	£149.7m	£183.2m

Community Contribution

To enhance our disclosures in 2021, we have updated the methodology we use to calculate our total community contribution, using three distinct categories:

- YBS donations – includes cash contributions (the monetary amount donated to charities and good causes and the money spent to fund community projects with partners), employee time (the cost of the time that an employee spends on volunteering) and in-kind giving (contributions of products, equipment and services and other non-cash items to charities and good causes) directly paid by YBS.
- Customer and colleague donations (leverage) – includes cash contributions (the monetary amount donated to charities and good causes) and in-kind giving (contributions of products, equipment and services and other non-cash items to charities and good causes) from colleagues and customers, facilitated by YBS.
- YBS costs – includes the costs incurred by the Society to facilitate our community programmes, including staff costs and other management overheads.

Community Contributions	2021					2020			
	YBS Donations		Customer Colleague	YBS Costs	Total	YBS Donations		Customer Colleague	Total
	Charitable	Community				Charitable	Community		
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Age UK	344	-	134	14	492	10	-	21	31
End Youth Homelessness	-	-	-	-	-	272	-	47	319
The Foundation	100	-	297	4	401	130	-	307	437
Other charity	10	-	19	-	29	2	-	15	17
Financial resilience*	94	176	-	21	291	-	-	-	-
In kind donations	-	92	10	-	102	-	99	5	104
Bradford employability /digital skills**	67	7	-	2	76	-	-	-	-
Volunteering time	-	50	-	4	54	-	40	-	40
Other	-	-	-	429	429	-	-	-	-
Total	615	325	460	474	1,874	414	139	395	948

³⁹This does not include non-procurable spend, including: Non-procurable Banking Charges (2% of total Banking Charges), Charity/Donations, Inter/Intra Company Payments, Letting/Estate Agency Services, Membership, Regulatory Payments, Rent and Rates, Sponsorship, and Taxes.

*Charitable donations paid to Citizens Advice **Charitable donations paid to MyBnk and Good Things Foundation

Climate Change

Carbon Footprint Table (Location based)

Carbon Footprint		2021		2020	
		Location	Market	Location	Market
		tCO2e	tCO2e	tCO2e	tCO2e
Scope 1	Generation of heat (gas consumption)	1,766	1,286	1,582	1,582
	Diesel (back-up generators)	3	3	28	28
	Vehicles used on Society business	18	18	72	72
	Refrigerant gases	2	2	2	2
	Total	1,789	1,309	1,684	1,684
Scope 2	Electricity consumption	2,378	-	2,819	-
	Total	2,378	-	2,819	-
Scope 3	Well-to-tank – Electricity	675	675	422	422
	Well-to-tank – Fuels	303	284	245	245
	Transmission and distribution – Electricity consumption	210	210	242	242
	Business travel – Transport	65	65	62	62
	Business travel – Hotel	2	2	13	13
	Water supply and treatment	11	11	29	29
	Waste disposal	9	9	9	9
	Total	1,275	1,256	1,022	1,022
Total Carbon Footprint		5,442	2,565	5,525	2,706

In addition to the scopes 1-3t, the following 'Out of Scope' emissions are from the combustion of renewable energy (new for 2021):

Electricity – Biomass	-	1,197		
Gas – Feedstock	-	522		
Total 'out of scope'	-	1,719		

Carbon Footprint Table (Market based)

GRI	2012	2013	2014	2015	2016	2017	2018	2019	2020
	tCO2e								
Scope 1	1,662	1,703	1,660	1,731	1,755	1,577	1,638	1,290	1,630
Scope 2	7,868	8,076	8,439	0	0	0	0	0	0
Scope 3	650	730	777	941	1,011	788	655	653	738
Total	10,180	10,509	10,876	2,672	2,766	2,365	2,293	1,943	2,368

Intensity Ratios

	2021			2020*		
Income intensity ratio	£m	tCO2e	tCO2e/£m	£m	tCO2e	tCO2e/£m
Location	577.6	5,442	9.4	454.0	5,525	12.2
Market		2,565	4.4		2,706	6.0
Colleague intensity ratio	Colleagues	tCO2e	tCO2e/person	Colleagues	tCO2e	tCO2e/person
Location	4,534	5,442	1.2	4,623	5,525	1.2
Market		2,565	0.6		2,706	0.6

*2020's Intensity Ratio's have been updated to include actuals figures rather than the estimates for final month/quarter amounts included in the 2020 disclosures.

Energy Use and Emissions Report

Per the GHG Protocol, energy usage and emissions from our business activities are classified as follows:

Internal Energy Usage	2021	2020
	kWh	kWh
Heating and emergency fuel usage	9,654,526	8,718,223
Company owned vehicle transport	6,825	431,187
Scope 1	9,661,351	9,149,410
Electricity consumed	11,199,210	12,092,007
Electric cars	156,060	91
Scope 2	11,355,270	12,092,097
Leased/hired business transport	202,588	-
Scope 3	202,588	-
Total	21,219,209	21,241,507
	tCO2e	
Total emissions from internal energy usage (new for 2021)	4,167	



Climate Change

Scope 3 Remaining Disclosures Status

Scope 3 category	Sub-category	Status
Business Travel	All	Externally published
Upstream transportation and distribution	Transmission and distribution	Externally published
	Supplier delivery emissions	Not yet started
Fuel and energy related activities	All	Externally published
Waste generated in operations	Waste disposal	Externally published
	Capital project waste	Initial understanding
	End of life customer communications	Initial understanding
Supply chain	All	Initial understanding
Investments and lending (financed emissions)	Listed equity and bonds	Initial understanding
	Residential and commercial mortgages	Initial understanding
	Project finance/automotive industry loans	Not applicable
Colleague/employee	Working from home (WFH) emissions	Initial understanding
	Employee commuting	Not yet started

Waste


Waste Totals – Head Office and Branch	Weight		Landfill Diversion	
	Tonnes	%		
Landfill	1.5	0.5%		
Recycling	129.0	39.6%		
Recovery	183.8	56.5%		
Food*	11.2	3.4%		
Total	325.5	100.0%		

Year	Pages Used	Change	Change	Emissions	Change
	Total	Total	%	tCO2e	%
2021	9,412,871	(2,217,216)	(19.1)	38	-19.1
2020	11,630,087	(4,706,390)	(28.8)	47	-30.9
2019	16,336,477	-	-	68	-

*The Society anaerobically digests its food waste

Non-Financial Ratings

Non-financial ratings agencies consistently rate our ESG performance amongst top performers in our industry, and we have made significant progress in 2021. Our ratings are available below.

	Scale	Rating	Trend versus 2020
Sustainalytics ¹	Low Risk 0 to 100 High Risk	15.2	Lower risk
S&P Global	0 to 100	50	First disclosure
ISS	D- to A+	C	This is the 2020 rating as we were not reviewed in 2021. Our next review is due July 2022.
MSCI ²	CCC to AAA		Our rating has improved
Carbon Disclosure Project	F to A	B-	First disclosure

¹Score date: May 2021. Copyright ©2022 Sustainalytics. All rights reserved. This report contains information developed by Sustainalytics (www.sustainalytics.com). Such information and data are proprietary of Sustainalytics and/or its third-party suppliers (Third Party Data) and are provided for informational purposes only. They do not constitute an endorsement of any product or project, nor an investment advice and are not warranted to be complete, timely, accurate or suitable for a particular purpose. Their use is subject to conditions available at <https://www.sustainalytics.com/legal-disclaimers>.

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