Cambridge & Counties Bank
Built on understanding

OUR IMPACTS

ENVIRONMENTAL, SOCIAL & GOVERNANCE

CONTENTS

AN INTRODUCTION

Chairman

The Bank's core strategy remains servicing the SME real estate and asset finance markets with manually underwritten focused products. We remain strongly committed to a customer centric lending process based on enduring relationships with clients and brokers.

Good environmental, social and governance operating standards and reporting are a central part of our strategy. Securing membership of B Corp was a highlight. Holding ourselves to account against independently set standards is a central part of our ethos, particularly in an area such as ESG where, rightly, our customers, shareholders and colleagues expect high standards.

CEO

Our unique culture is key to the success of Cambridge & Counties Bank. Our people are actively involved in leading initiatives beyond our products and services; including charity engagement, leading green initiatives, and community social events. They underpin our passion to make a positive impact on society and the communities in which we operate, and I was delighted this was recognised in our B Corp certification received last year.

The unwavering commitment, energy, and expertise of our people, coupled with strong relationships and focus on customer service, represent the essence of our culture and purpose, and I extend my enormous thanks to everyone across the Bank for their significant contribution to making positive economic, social and environmental impacts.

OUR PURPOSE

Our founding purpose in 2012 was to bring back all the great elements of a traditional bank, combining these with all the speed, efficiency and innovation of a contemporary lender. Our owners, Trinity Hall, Cambridge, and the Cambridgeshire Local Government Pension Fund, aimed to create a responsible expert-banking specialist that addressed the underserved market segment of small and medium sized enterprises (SMEs).

As a business, we understand the importance of our actions, and that's why we strive to be exemplary in all that we do, whether it's in business, our community, or the environment. We are therefore thrilled, that in 2023, our commitment and efforts have been officially recognised through our B Corp certification.

Our vision is to empower the growth and success of SMEs, while simultaneously fostering positive impacts on our colleagues, customers, and the community. We are committed to delivering value to our shareholders, cultivating strong relationships with regulators, and upholding ethical standards in all aspects of our operations.

To achieve our vision, we integrate our values into our interactions with key stakeholder groups – the customers, colleagues and communities we impact. These values are that:

- We trust each other
- We aim higher
- We are inclusive
- We work together
- We are caring

Underpinning our purpose, business and vision is good governance. We believe this is fundamental to the integrity and accountability of our business, as well as to our sustainability. Recognising the interconnectedness of our actions with the well-being of our stakeholders, we actively assess and mitigate our direct impacts and those stemming from the products and services we finance. Thereby contributing to a more sustainable future for all.

MISSION

Committed to delivering an excellent customer experience and achieving sustainable growth by delivering better together, for all.

VISION

To enable the growth and success of SMEs whilst making a positive difference to our colleagues, customers, and the community, as well as ensuring value for our shareholders and maintaining strong relationships with regulators.

	COLLEAGUES	CUSTOMER	COMMUNITY
PILLARS	COLLEAGUES	CUSTOMER	COMMUNITY
PURPOSE	Attracting and retaining the best talent.	Supporting SMEs to achieve their ambitions.	Committing to sustainable practices across the business.

FOUNDATIONS

IMPACT ON ENVIRONMENT

In conducting our activities on colleagues, customer and community, we remain committed to having a positive impact on the environment without jeopardising the pillars and purpose.

GOVERNANCE

We ensure that the Bank is well managed and that our mission and vision, underpinned by our commitments to colleagues, customers and community, create a sustainable organisation.

WE ARE PROUD TO BE B CORP CERTIFIED

Cambridge & Counties Bank's commitment to achieving B Corp certification, officially attained on 28 April 2023, underscores our dedication not only to financial success but also to making a significant positive impact on society and the environment.

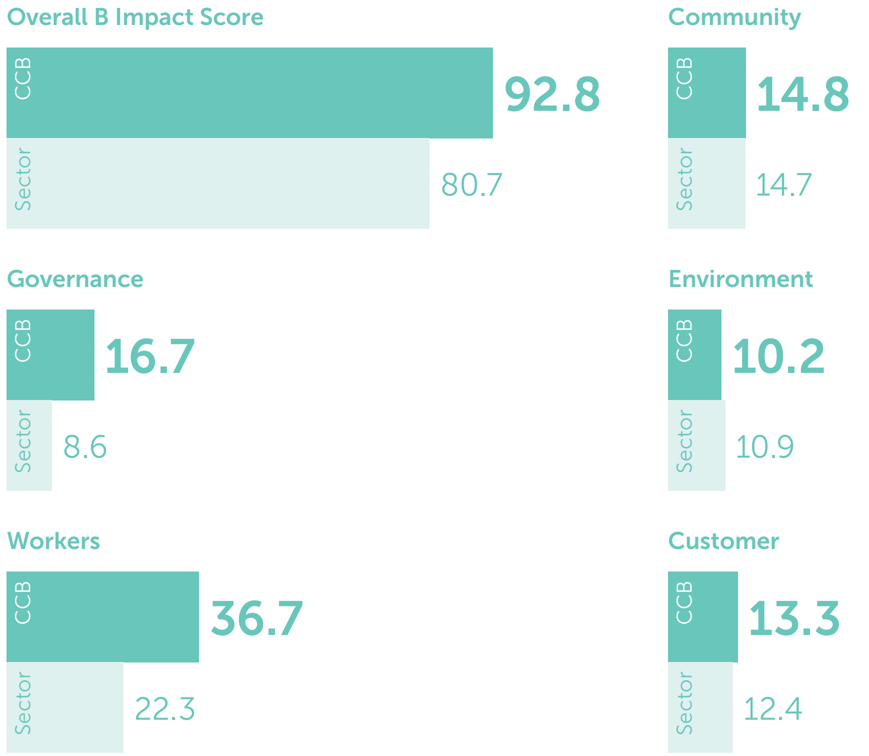
Certified by B Lab Global, B Corps meet rigorous standards in social and environmental performance, transparency, and accountability. We are proud to have achieved an impressive 92.8 Overall B Impact Score, well above the sector average of 80.7 and significantly higher than the average for companies in our size range (50-250 employees), which stands at 77.0. This certification aligns perfectly with our core values and mission, which aim to benefit colleagues, communities, customers, and the planet.

Our journey to becoming a certified B Corp involved a comprehensive evaluation process, where we demonstrated our commitment to high standards of social and environmental responsibility.

This included not only achieving the remarkable score on the B Impact Assessment but also passing a risk review, as well as making a legal commitment to consider the interests of all stakeholders, not just shareholders.

Our B Corp Score

As a B Corp, we are committed to continuous improvement in our societal and environmental impact. Our certification, achieved with an outstanding score, is a testament to our commitment to social, environmental, and economic responsibility. It is a key part of our ongoing efforts to lead in sustainability and create positive outcomes for all our stakeholders.



"B Corp – using business as a force for good"

Overall B Impact Score

92.8

Sector average

80.7

Companies in our size rage (50–250 employees)

77.0

B Corp Certification Date

28 April 2023

Certified B Corporation

IMPACT SUMMARY

We have made significant strides in our commitment to have a positive impact on society and the environment, as highlighted in this Impact Report. Our journey towards sustainability and ethical practices was marked by achieving B Corp certification in April 2023, a testament to our dedication to social and environmental performance, transparency, and accountability.

Customer Impact

We have focused on delivering exceptional customer service, especially during challenging economic times, by introducing products like fixed-rate lending in response to customer demand. Our commitment to SMEs is evident through our continuous service and support, reflected in improved Savings Net Promoter Scores and a decrease in complaints per 1000 customers.

Colleague Impact

We have fostered a supportive and fulfilling work environment, as indicated by a high colleague satisfaction score and low turnover. Efforts to promote diversity and inclusion have been significant, with notable representation across various demographics. Investment in training and development, alongside initiatives like mental health support and flexible working arrangements, underscores our commitment to our colleagues.

Community Impact

We have actively contributed to local causes, with donations and support for charities and community projects. Our engagement with local and smaller charities, alongside initiatives like the East Midlands Chamber Environmental Impact Award sponsorship, demonstrates our commitment to making a positive difference in the community.

Environmental Impact

Despite our naturally minimal direct impact, we have taken steps to reduce our environmental footprint, achieving Green Level certification from Investors in the Environment. We have continued to achieve carbon neutrality through investing in projects like the Zambia Western Province Safe Water Project and are working to develop a Net Zero plan.

Governance Impacts

We have strengthened our governance structure, integrating ESG considerations into decision-making. Achievements like B Corp certification and partnerships with organisations like the Lending Standards Board and the Specialist Vehicle Trade Association reflect our commitment to sustainable and responsible lending.

Further detail on each and our ambitions for 2024 are set out within this report.

CUSTOMER

Proportion of lending to SMEs

97%*

Value (in GBP) of lending to SMEs

£318m*

An award winning year, including **Community Lender of the Year** (NACFB) and **Best Business Fixed Account Provider** (Moneyfacts)

COLLEAGUE

Colleague Satisfaction

76%

Women in Senior Management

40%

2,350
Training Hours

COMMUNITY

Given 2 days to each colleague for volunteering

£37,676
donated to charities in 2023

ENVIRONMENT

Investors In the Environment Green Level

92.84
tonnes of emissions in 2023

0.80
tonnes of CO_2e per £m

Offset
140
tonnes of CO_2
(540 over last 5 years)

GOVERNANCE

B Corp
certification

£20m
investment from BBB

Interim registration with LSB

* To FYE 31 Dec 2023 (based on total lending of £328m)

CUSTOMERS

Ethos

Banking goes beyond a simple transaction. We are continuously exploring ways to deliver exceptional customer service, seeking and evaluating feedback to drive our continuous improvement.

An overriding commitment for the Bank is to do what is right. This includes a continuous service commitment to our customers that was evident during the challenges of the Covid pandemic, and is ongoing in this challenging economic time.

2023 Highlights

As one of our key principles is to support SMEs to achieve their ambitions, we celebrate deals that do exactly that.

Sussex-based care home operator expands portfolio with funding from Cambridge & Counties Bank

Led by Directors Sujith Achuthan Nair, Rajesh Kumar and Asok Nair, Parkside Lodge Health Care Ltd has bought a 22-bedroom facility located in the coastal village of East Wittering, south of Chichester in West Sussex.

The property, rated Good by the Care Quality Commission, is a substantially extended 1930s bungalow, offering 21 single bedrooms and one twin room. The management team at Parkside Lodge was introduced to Cambridge & Counties Bank by Neil Collins at panel broker Christie Finance Ltd. The funding has been provided over a 15-year term at 55% LTV.

Sujith Nair has been a Director at Parkside Lodge since May 2021, acting as the HR and Accounts Manager within the company; he also owns a separate 24-bed home called Maryfield Care Home alongside his wife. Rajesh Kumar, a Director at the company since 2021, is the Health and Safety Co-ordinator and Maintenance Manager. Asok Nair also has previous experience in managing care homes, as well as a background in nursing and healthcare teaching.

Cambridge & Counties Bank has a long track record in supporting businesses and entrepreneurs in the UK care home sector. The bank expanded its Real Estate Finance (REF) team by nearly a third in FY2022 to meet an increased demand for its bespoke solutions from clients, many of which operate in the care home sector.

CUSTOMER

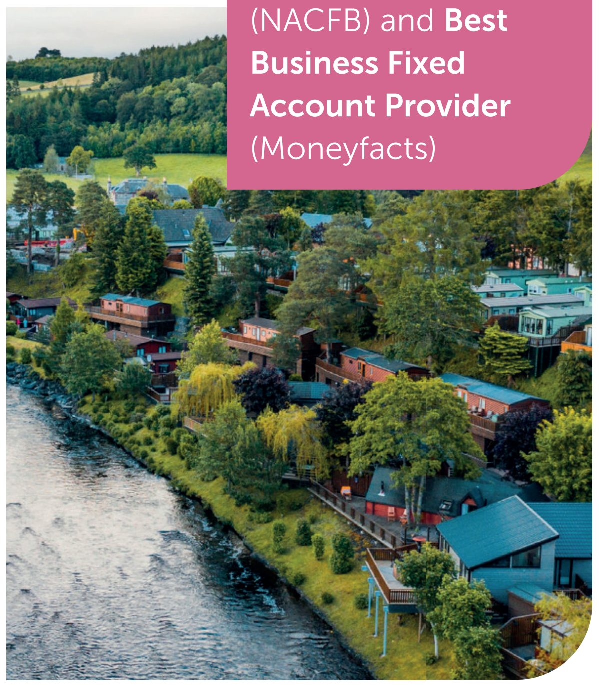
Proportion of lending to SMEs

97%*

Value (in GBP) of lending to SMEs

£318m*

An award winning year, including **Community Lender of the Year** (NACFB) and **Best Business Fixed Account Provider** (Moneyfacts)

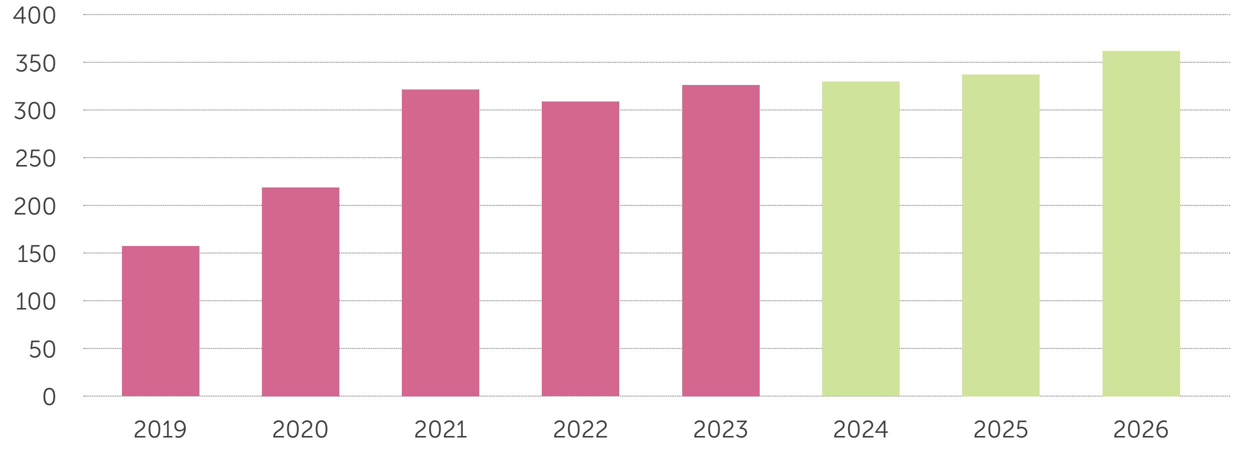


▲ **River Tilt Park secures multi-million refinance from Cambridge & Counties Bank**

Perthshire's River Tilt Park, a family-run holiday site, has received a significant finance package from Cambridge & Counties Bank for redevelopment and debt refinancing. The funding includes a six-figure refurbishment loan, facilitating upgrades to lodges, the leisure centre, and the completion of The Roundhouse Inn's redevelopment. Located in the Cairngorms National Park, River Tilt Park attracts over 1.5 million visitors annually, offering facilities like a leisure club with a swimming pool and restaurant. The NACFB Patron's refurbishment loan supports light redevelopment, offering benefits like no valuation fee until approval and conversion options to a term loan, catering up to £2.5 million for seasoned property investors. The move is part of the Bank's effort to meet the growing demand for real estate finance.

* To FYE 31 Dec 2023 (based on total lending of £328m)

SME lending metrics = lending through the cycle including covid

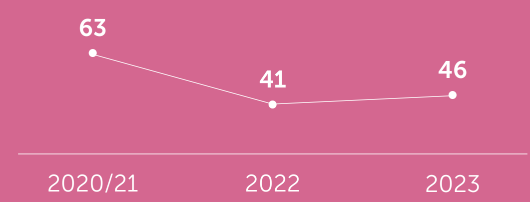


Through a turbulent economic period that has been challenging for our customers we are proud to have provided continuity of lending and saving products through 2023. A fixed rate lending product was also introduced in response to customer demand.

A key element of our SME focus is having an experienced and knowledgeable front line team that understands the customer's need and can tailor a lending facility that is right for them. This is then backed up by a relationship management team to extend the relationship beyond the initial deal, through annual reviews and subsequent deals or at the end of the relationship.

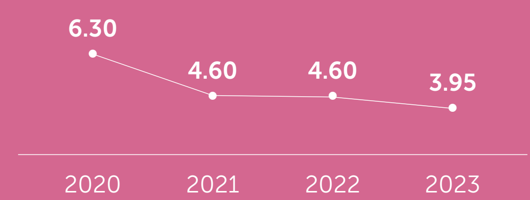
Customer feedback is key to ensuring we meet our customer commitments. We were pleased to receive positive feedback and continue to listen and react positively when there are challenges or dissatisfaction.

Savings Net Promoter Scores*



* Likelihood customers would recommend CCB to a friend or colleague. Third party benchmarking indicated sector average to be 35.

Complaints per 1000 customers:



Aligning ourselves with industry bodies and memberships or registrations that help to ensure the best possible outcomes for customers and the highest possible standards from members.

LSB NACFB HELPING FUND UK BUSINESS FLA

In alignment with our commitment to excellence and customer satisfaction, we have proactively implemented the FCA's Consumer Duty, ensuring our practices not only comply with regulatory standards but the essence of the duty is engrained across the whole organisation.

We also like to celebrate and recognise the achievements for our customers. We are pleased to have been recognised externally for several awards:

Business Moneyfacts Awards 2024
- Commended – Best Business Fixed Account Provider
- Commended – Best Service from a Commercial Mortgage Provider

NACFB Commercial Lender Awards 2023
- Winner – Community Lender of the Year

Business Moneyfacts Awards 2023
- Winner – Best Business Fixed Account Provider
- Highly commended – Best Service from a Commercial Finance Provider

Savings Champion Awards 2023
- Winner – Best Business Fixed Rate Bond Provider
- Finalists – Best Business Notice Account Provider

COLLEAGUES

Ethos

Our colleagues are committed to delivering an excellent customer experience and achieving sustainable growth. We deliver better together for all, our customers, our colleagues and the community. We believe colleague growth is our growth here at Cambridge & Counties Bank.

In 2023 our achievements in colleague engagement were strong and reflected in the high satisfaction score of 76% (with an impressive 83% response rate), showcasing the positive impact of our efforts throughout the employee life cycle. Significantly, we achieved low voluntary attrition and turnover rates of 9.38%, underscoring our commitment to creating a supportive and fulfilling work environment.

COLLEAGUES

Colleague Satisfaction

76%

Women in Senior Management

40%

2,350

Training Hours

Colleague satisfaction score (% responded)

76% (83%)

Voluntary colleague turnover

9.38%

Colleague Insights

At the Bank, we're dedicated to fostering an inclusive culture by valuing diversity and ensuring opportunities for all. We utilise annual and 'pulse' surveys, alongside virtual and quarterly in-person Townhalls, to monitor progress and foster inter-departmental connections. In 2023, we launched a new colleague forum for direct dialogue with our leadership, promoting active involvement in our agenda. Our social, charity, and green teams actively update and involve colleagues in upcoming events.

Living our values and maintaining open dialogue are key to our inclusive and successful workplace.

"The all-colleague town hall has proven to be very successful – it's a great opportunity to gather everyone together and celebrate our people and the great work we do.

I think this boosts morale and supports our continued positive culture as colleagues can put faces to names, meet with colleagues who they may never or rarely see in their day-to-day jobs and take some time to simply chat to one another.

Seeing the Executive in person and interacting with them, hearing their business areas updates and priorities, and encouraging colleagues to be involved by asking questions evidences our great culture.

Finally, allowing colleagues to present really helps break down any barriers that you can often see in other organisations where only very senior individuals present, and I think this provides great development opportunities and exposure for colleagues across our business."

Suzanne Newport, Head of Operational Risk

Diversity & Inclusion

Diversity and inclusion are central to our culture, driving us to create an environment where everyone, regardless of identity and background, can thrive. Our commitment to diversity enhances collaboration and customer experiences, with our workforce reflecting our dedication to gender equality, and racial and cultural diversity. We've expanded our recruitment to include more underrepresented groups in the Financial Services sector, adjusting our job advertisements and recruitment channels to attract a broader range of applicants. By focusing on essential skills over banking experience, we've made our team more diverse and representative of society, with 58% of our roles filled through direct recruitment efforts. Additionally, our social group organises inclusive events that further promote a sense of belonging and community among all employees

Women in Senior Management

40%

Disabled Representation

2.1%

Ethnicity Representation

40%

LGBTQ Representation

3.7%

Total training hours delivered

2,350

Internal promotions and transfers

18

Talent & Development

Our 'grow our own' strategy is at the heart of our ambitions, ensuring every colleague has a development plan tailored to help them succeed and unlock their full potential, crucial for internal succession at the Bank. We've developed a comprehensive learning and development portfolio for the upcoming year, focusing on technical skills, behavioural and managerial growth, colleague development, and health and well-being all aligned with our core values.

Last year, we delivered 2350 training hours, with our Grow our Talent programme leading to 18 internal promotions and transfers, demonstrating our commitment to internal talent development. Additionally, we've introduced an ESG eLearning course for all employees, reflecting our commitment to environmental, social, and governance values.

"I have been a part of CCB for 8 years. At the beginning of my employment, I worked full time at the Bank's headquarters in Leicester in a supporting role in Real Estate finance.

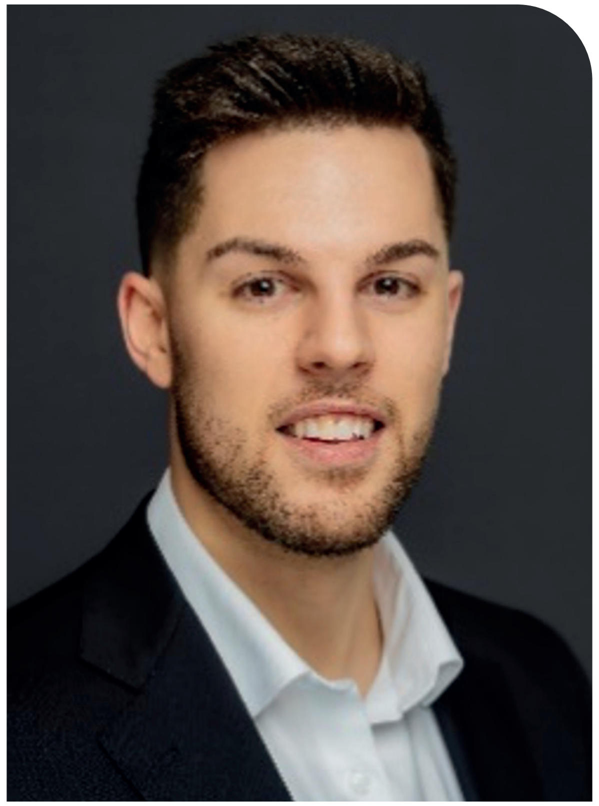
Through the resources and opportunities offered by CCB I subsequently moved to a new role in our Birmingham office followed by a promotion to Relationship Manager.

Continuing a steady growth journey I became a Senior Relationship Manager. This commenced January 2023 with a small team, managing to deliver the desired £35m regional target for book growth.

There was no hesitation when an opportunity arose to strive for further growth in an exciting yet mature organisation, accepting the position to head up the 'Direct' business unit, spearheading a small team to deliver fast, flexible and reliable funding solutions to SMEs nationally in the debt provisioning space less than £500,000.

I have enjoyed my career development at CCB and look forward to continuing to grow with the Bank."

Marco Brice, Senior Relationship Manager



Health & Wellbeing

We recognise that supporting our health and wellbeing of our colleagues, embodying our core values of being caring and aiming higher, ensures that they can give their best.

We have invested in monitoring and supporting mental health, including:

- Mental Health & Wellbeing training courses for line managers
- Training Mental Health First Aiders, with a ratio of 3.2 Mental Health First Aiders per 50 employees, ensuring accessible support across the organisation
- Healthy Working eLearning
- Dealing with Stress at Work eLearning
- Wellbeing forum and resource group
- Multiple Employee Assistance Programmes

Mental health first aiders per 50 employees

3.2

EAP Usage

2

We also bring our values to life through a recognition scheme that encourages colleagues to celebrate each other's efforts, especially where they demonstrate our core values. We firmly believe that a positive environment that embraces strong colleague to colleague recognition significantly enhances both individual performance and overall wellbeing. It is our practice to openly acknowledge personal achievements and to highlight outstanding conduct.

"

8 weeks paternity leave is something I never thought we'd be lucky enough to enjoy as a family, so it's extremely commendable CCB have introduced this. It's helped us tremendously over the last 7 months, allowing me to spend quality time with my new son whilst taking pressure off my wife post childbirth. I've also been able to enjoy doing weekday activities with our toddler I can't normally do, like Swim Classes, Gym Tots and countless playpark visits, which had I been at work she'd likely have missed out on.

The flexibility of being able to take this in 2-week chunks has also been a great benefit. It's meant I could help with later stage activities, whilst also feeling less burdensome to my team at work, appreciating it is a lot of time to take off in one go."

Peter Bradshaw, Financial Risk Analyst

cyclescheme.co.uk

To encourage healthy lifestyles, we are introducing a cycle to work scheme and are pursuing the reintroduction of our internal car share scheme which is driven by the Green Team. Recognising the importance of health and well-being, we offer comprehensive private healthcare to all team members, in addition to DSE assessments at the onset of their journey with us and upon request thereafter.

Embracing the future of work, our hybrid working model has been met with enthusiasm and positive feedback from our team, as evidenced by recent colleague surveys. This model, which promotes a balanced 50:50 split between remote and office-based work, has been seamlessly integrated into our operations. We are committed to continuously enhancing our infrastructure and managerial practices to support this approach, ensuring our team remains connected, productive, and satisfied.

COMMUNITY

COMMUNITY

Given 2 days to each colleague for volunteering

£37,676

donated to charities in 2023

Ethos

Our founding institutions, Trinity Hall, and Cambridgeshire Local Government Pension Fund made being a responsible organisation a key principle for Cambridge & Counties Bank.

Maximising the positive impact, we have on our different communities is, therefore, very important for us. We recognise that we impact many different communities through multiple aspects of our operations. From employment, career development, and procurement to investment of time and resources in community initiatives and causes.

2023 Highlights

Direct contributions of time and resources to local causes are always a highlight for the Bank overall and our teams. In 2023 we donated £37,676 to charities.

We strive to support local and smaller charities in our communities, where the financial support makes a real difference. We are working with the Leicestershire and Rutland Community Foundation to maximise our impacts.

The Conservation Volunteers

Our funding and time support this charity that supports community wellbeing through "Green Gyms", these allow people to meet and interact, learn about growing healthy food and ultimately create healthy food produce.

Soft Touch Arts

Funding supports the New Walk Café to open during weekdays and enables young adults with disabilities to learn how to cook, carry out crafts and sets them up for future work opportunities.

Falcon Centre

Supports funding for homeless people in the shelter, i.e., accommodation, food, clothing, and other needs.

A particular highlight in 2023 was seeing how our support for Ignite benefits local school children. This fantastic initiative sparks curiosity in children, inspiring young minds to explore the wonders of space and STEM.

Giving of time/resource

We support colleagues who play active roles in charities and other roles (school governors, trustees etc). Through Leicestershire Cares we also support school students with career skills and community outreach projects. In 2023, we began recording time our colleagues spent volunteering, recording 53 hours. We hope to be able to accurately report the hours our colleagues spent volunteering in 2024.

Leicestershire Cares Together we Can

Proud to sponsor the East Midlands Chamber Environmental Impact Award

Cambridge & Counties Bank is an active member of the East Midlands Chamber of Commerce. One of the ways we show our support to the wider business community, and promote our sustainable ethos is via sponsorship of the Environmental Impact Award at the annual Chamber Awards. It allows us to encourage a positive environmental impact in the communities where we live and work and celebrate those that are making a difference.

Colleagues are encouraged to follow their passions, and when appropriate we provide matched funding for any work they do, supporting local and personal causes.

MACMILLAN CANCER SUPPORT

A swimming challenge for MacMillan, raising nearly £650, which was matched so £1300 in total.

Knitting for the 'Hogspital' and raising nearly £900, which was matched so £1800 in total.

CANCER RESEARCH UK

A sponsored walk for Cancer Research, raising £700, of which half was match funded.

LAMP, a mental health advocacy charity, The Trussell Trust.

Match funding MediCinema

"Thank you for helping us make a positive difference to hospital patients and their families across the UK."

Age UK

Our colleagues generously donated items to create the most wonderful Christmas hampers. The thoughtful donations were personally delivered to Age UK, where our volunteers shared their festive spirit with residents with games, singing and celebrations over a Christmas lunch.

"Building on our work with schools we were delighted to have 6 apprenticeships in progress in 2023."

ENVIRONMENT

Ethos

The structure of Cambridge & Counties Bank's business model results in operations that have a naturally minimal direct impact. However, they remain important, so we continue measuring and striving to reduce them.

Our indirect impacts, particularly arising from the assets we help customers finance, are more significant and we consider these in the Governance section of this report.

ENVIRONMENT

Investors In the Environment Green Level

92.84
tonnes of emissions in 2023

0.80
tonnes of CO_2e per £m

Offset
140
tonnes of CO_2
(540 over last 5 years)

2023 Highlights

Achieving the Green Level certification from Investors in the Environment with an 80% score was a deserved reward for our team's dedication to enhancing our environmental practices. This recognition highlighted our leadership commitment and progressive plans, while also pointing out opportunities for further advancements in our actions and objectives. Our most significant direct environmental impact is our Greenhouse Gas Emissions.

In 2023, our company's carbon footprint totalled 92.84 tonnes, equating to 0.80. Notably, we operate without gas heating or company vehicles. Consequently, our emissions inventory for the year primarily comprised Scope 2 emissions from our head office operations, along with Scope 3 emissions originating from leased facilities, remote workers, grey fleet activities, and water consumption.

We are currently in the process of incorporating our most significant Scope 3 emissions, notably our financed emissions, into our overall environmental impact assessment. To tackle this challenging task in a meaningful way, we have joined the Partnership for Carbon Accounting Financials (PCAF).

This initiative has prompted us to reevaluate our data collection and quality assurance practices across all Scope 3 categories, with a particular focus on enhancing accuracy and completeness in areas such as business travel, commuting, and remote work arrangements.

An area of emissions that is difficult to assess is our financed emissions. To help us navigate and manage our impacts we have joined the Partnership for Carbon Accounting Financials.

Whilst we have seen a reduction in our emissions per million pound of income, there has been a rise in employee emissions per capita since 2022 (rising from escalating from 0.32 to 0.42 tCO_2e). This increase is due to an improvement in methodology that allows us to capture data for individual employees, rather than making a flat assumption on emissions per employee. Even with this enhancement, we have a 50% error margin (17.82 tonnes of CO_2e) in home-workers. This is due to a 70% response rate from employees (which has been scaled up to 100%) and limitations in the data we collect around energy tariffs. We also have an error margin of 10% (3.69 tonnes of CO_2e) in our grey fleet. This is due to assumptions made over vehicle and fuel type and does not recognise the impact of our introduction of electric car salary sacrifice scheme in 2022. Our challenge for 2024 is to further enhance our data and reduce error margins.

Scope	Activity	2019 tCO_2e	2020 tCO_2e	2021 tCO_2e	2022 tCO_2e	2023 tCO_2e
Scope 2 & 3	Leicester – electricity generation and T&D	14.52	8.83	7.34	8.45	9.54
Scope 2 Sub Total		**14.52**	**8.83**	**7.34**	**8.45**	**9.54**
	Home-workers	n/a	44.05	44.36	15.75	35.63
	Grey Fleet	31.21	3.18	16.67	32.33	36.90
Scope 3	Sheffield site[1]	n/a	2.77	10.97	9.07	8.17
	Bristol site[1]	n/a	0.94	0.31	1.99	2.17
	Water (and wastewater)	n/a	n/a	n/a	0.29	0.43
Scope 3 Sub Total		**31.21**	**50.94**	**72.31**	**59.43**	**83.30**
Total tonnes of CO_2e		45.73	59.77	79.64	67.88	92.84
Tonnes of CO_2e per employee		0.28	0.32	0.40	0.32	0.42
Total Energy Consumption (kWh)*		–	–	–	178,058	253,742

* Total Energy Consumption includes UK Electricity, UK Site Gas, Company Owned Vehicles and Employee-owned vehicles (grey fleet).

We expect to see the positive effects of our reduction initiatives in 2024, notably our employee electric vehicle salary sacrifice scheme launched in November 2022. As we incorporate further components of Scope 3 emissions, we will adjust our reporting accordingly to offer meaningful year-on-year comparisons.

We've proactively invested in reducing atmospheric greenhouse gas levels by participating in the Gold Standard verified Zambia Western Province Safe Water Project (Reference: GS11010 and GS11011). While this technically renders us carbon neutral for the fifth year in a row, our focus has evolved towards developing a Net Zero plan while maintaining our commitment to investing in projects that yield positive environmental outcomes.

Reducing our impact

We have partnered with another B Corp, Treedom to celebrate colleague achievements and show our appreciation with trees planted in their name.

Though our organisational impact on waste is relatively small, we recognise the importance of responsible waste management. Our ongoing efforts include the measurement of all waste produced, distinguishing between landfill-bound waste and recyclables.

We partnered with Octopus Electric Vehicles in 2022 and now 5% of our staff drive electric vehicles under the salary sacrifice scheme.

Part of our drive to increase efficiency and reduce impacts is to print less. We have achieved a 28% reduction in paper use since 2022.

Given the constraints of our business model and the nature of our premises, our direct impact on local biodiversity is limited. However, we actively offset this by supporting biodiversity through charitable activity. Our engagement with TCV (Conservation Volunteers) demonstrates our dedication to enhancing biodiversity within our community.

Community activity

Part of our community support includes active involvement from our colleagues, dedicating time to conservation efforts. This is a great example of how activities in our different focus areas overlap and interact as conservation work has colleague wellbeing, community support and biodiversity benefits.

GOVERNANCE

Ethos

The Bank has a well-established corporate governance structure, and the Board supports the principles of good corporate governance as set out in the UK Corporate Governance Code. We continue to integrate ESG impact considerations into decision making at the Bank as our measurement and understanding of our impacts develops.

GOVERNANCE

B Corp
certification

£20m
investment from BBB

Interim registration with LSB

Our approach to governance is focused on achieving our vision - to enable the growth and success of SMEs whilst making a positive difference to our colleagues, customers, and the community, as well as ensuring value for our shareholders and maintaining strong relationships with regulators.

2023 Highlights

A standout highlight in 2023 was the B Corp certification, aligning with the overarching purpose shared by stakeholders, including Trinity Hall Cambridge and Cambridgeshire Local Government Pension Fund. The mission lock requirement of B Corp certification saw us make a legal commitment to consider the interests of all stakeholders, not just shareholders. This means that a company must embed in its legal structure the obligation to balance profit with purpose, ensuring that decisions benefit workers, communities, customers, and the environment, alongside financial returns. This commitment, wholly supported by our shareholders, reflects our commitment to being a societal enterprise with a clear purpose.

Substantial investment activities with the British Business Bank, targeted at supporting growth in lending to SMEs, further mark a pivotal aspect of our progress. The continuous utilisation of funds drawn from these investments underscored our commitment to fostering economic growth.

" We're pleased to be announcing this additional ENABLE Guarantee facility with Cambridge & Counties Bank, which has shown its ability to help smaller businesses grow and succeed as well as help to reduce regional imbalances across the UK.

" As well as fitting well with the British Business Bank's objective of supporting the UK's transition to a net zero economy, this will also support tenants at a time when their energy bills are a top priority for them."

Reinald de Monchy
Managing Director, Guarantee and Wholesale Solutions, British Business Bank

" At British Business Investments, our mission is to increase the overall supply and diversity of finance for smaller businesses across the UK. This £20m Tier 2 facility to Cambridge and Counties Bank supports that mission and will help more smaller businesses across the UK access the capital they need to grow."

Judith Hartley
CEO, British Business Investments

Managing the Risk

The Bank maintains a robust risk management framework. As a highly regulated business we have strong audit and compliance systems and processes. We require our employees to undertake training in areas over and above that required by the regulators, such as on Modern Slavery and ESG. This training programme is supported by a learning management system that monitors the delivery of this training and ensures all training is completed.

Our Board proactively reviews and assesses their own effectiveness and we have a suite of performance indicators to inform this process. Executive remuneration is linked to a balanced scorecard which includes ESG performance metrics and targets.

At an employee-level, we have a cross functional Green Team, established and led by our colleagues, that works to build a sustainability community across the organisation. A key focus is to work towards reducing the company's impact on the environment, use of natural resources and overall carbon footprint.

In a sustainability context, risks are considered from two perspectives – physical risks and transition risks. We continue to have limited exposure to physical risks.

We actively consider physical and transition risk within our underwriting criteria, seeking to ensure we manage our exposure to these risks as we continue to grow. We also then monitor our exposure to these risks.

Flood Risk

We have partnered with Twinn Risk Analytics to get greater accuracy on flood risk within our real estate loan portfolio.

Overall, we have a low appetite for flood risk and report to our Board and ESG Steering Committee on a quarterly basis.

Value of loans with a flood risk score of 5

£36,642,643

Proportion of loans with a flood risk score of 5

4.11%

Energy Performance Certificates

Supporting customers to transition to a sustainable economy is a natural step for us. The most significant transition risk currently is potential legislation changes relating to the sale or letting of properties in relation to their energy performance certificate (EPC) rating.

Our EPC related loan product is a first step to helping reduce this risk for customers as well as reducing our financed emissions.

Number of property units with an EPC grade E or better:

6,509 (95.5%)

Value of loans with an EPC grade E or better:

£753,966,630

Proportion of loans with an EPC grade E or better:

95.2%

Data Loss

Financial, cyber and data security are essential for the Bank and our stakeholders. There is ongoing investment in our defences and training in this area which will continue to be a top priority for us.

We are pleased to say that we have had no reportable data loss incidents and no risk events relating to data during the year.

Number of reportable data loss incidents

0

Number of material risk events related to data retention/customer

0

How we do business

Being a B Corp we now have a commitment to support a better way of doing business. This includes choosing good partners to work with on challenging issues, and having responsible businesses in our supply chain.

Lending Standards Board

In 2024, we proudly achieved Interim Registration with the Lending Standards Board (LSB), highlighting our commitment to top lending standards. As a SME-focused bank, we prioritise responsible lending and its positive impact. This registration reaffirms our dedication to transparency, fairness, and integrity in all lending activities.

" We are delighted to welcome Cambridge & Counties Bank into our interim registration process. Signing up to both the business Standards and Standards for asset finance at the same time is a landmark moment and testament to the Bank's commitment to best practice. Interim registration sends a clear message to Cambridge & Counties Bank's SME and commercial finance customers about its intention to deliver fair outcomes."

Emma Lovell, Chief Executive of the LSB

Women in Finance Charter

By 2025, we are committed to achieve:

- Increasing the number of women holding senior management roles (including Board) to 40%
- Increasing the number of women in our apprentice, intern and graduate programmes to 75%, enabling more women to start their careers in financial services
- Ensuring female representation on our internal development programme is 50%

Members of the FLA for Asset Finance

We're proud of the way we do things. Our Finance & Leasing Association (FLA) membership shows our commitment to providing a standard of service that's governed by the FLA's Business Finance Code ('the Code').

2024 AMBITIONS

In 2024, we aim to solidify our commitment to ethical and sustainable banking practices with some immediate ambitions being:

1 Developments:

- Launch a proposition tailored for female founders to address their unique challenges.
- Introduce a new product aimed at helping medium-sized charities maximise savings.

2 Supporting Diversity and Inclusion:

- Implement a Diversity, Equity, and Inclusion (DE&I) dashboard to monitor and enhance DE&I efforts.
- Enroll in the Disability Confident Employer scheme to promote inclusivity.

3 Sustainable Practices:

- Focus on making customer engagement environmentally efficient, removing paper wherever possible.
- Commence net zero planning and establish a pathway to achieve net zero status.
- Install solar panels at the Leicester office and enhance waste management practices.
- Continue to support and develop the EPC improvement loan product and promote sustainable commuting and mobility through partnerships and specialised loan products.

4 Employee Engagement and Development:

- Conduct pulse surveys focused on culture and inclusivity.
- Review and enhance training for all staff with a focus on career development, aiming to improve satisfaction, retention, and promotion metrics.
- Refine the recognition program and launch a rebranded internal communications hub.
- Onboard new talent through graduate, apprenticeship, and internship programs.

Lynsey Harrell

" Our colleague culture is our differentiator here at Cambridge & Counties Bank – our approach provides a focus on openness, sustainability, consistency and excellence. We will look to continually innovate and evolve our people proposition and create a truly inclusive and highly regarded place to work for all our current and future employees."

5 Community Engagement:

- Expand community initiatives, allowing colleagues to dedicate more time to volunteering.
- Partner with the Leicester Education Business Company (LEBC) to support skills development in local schools.

6 Supplier Relations:

- Develop and launch a supplier Code of Conduct to balance local engagement with ESG impacts.

7 Governance and Ethical Practices:

- Implement a comprehensive Code of Conduct for colleagues and suppliers.
- Enhance climate change awareness in collaboration with sustainability experts.
- Aim to secure Lenders Standards Board registration and assess ESG risks and opportunities.
- Engage stakeholders in the next materiality assessment to prioritise sustainability issues.

0344 225 3939 0116 254 4637 info@ccbank.co.uk ccbank.co.uk

Cambridge & Counties Bank, Charnwood Court, 5b New Walk, Leicester LE1 6TE