



Cambridge &
Counties Bank

Built on understanding

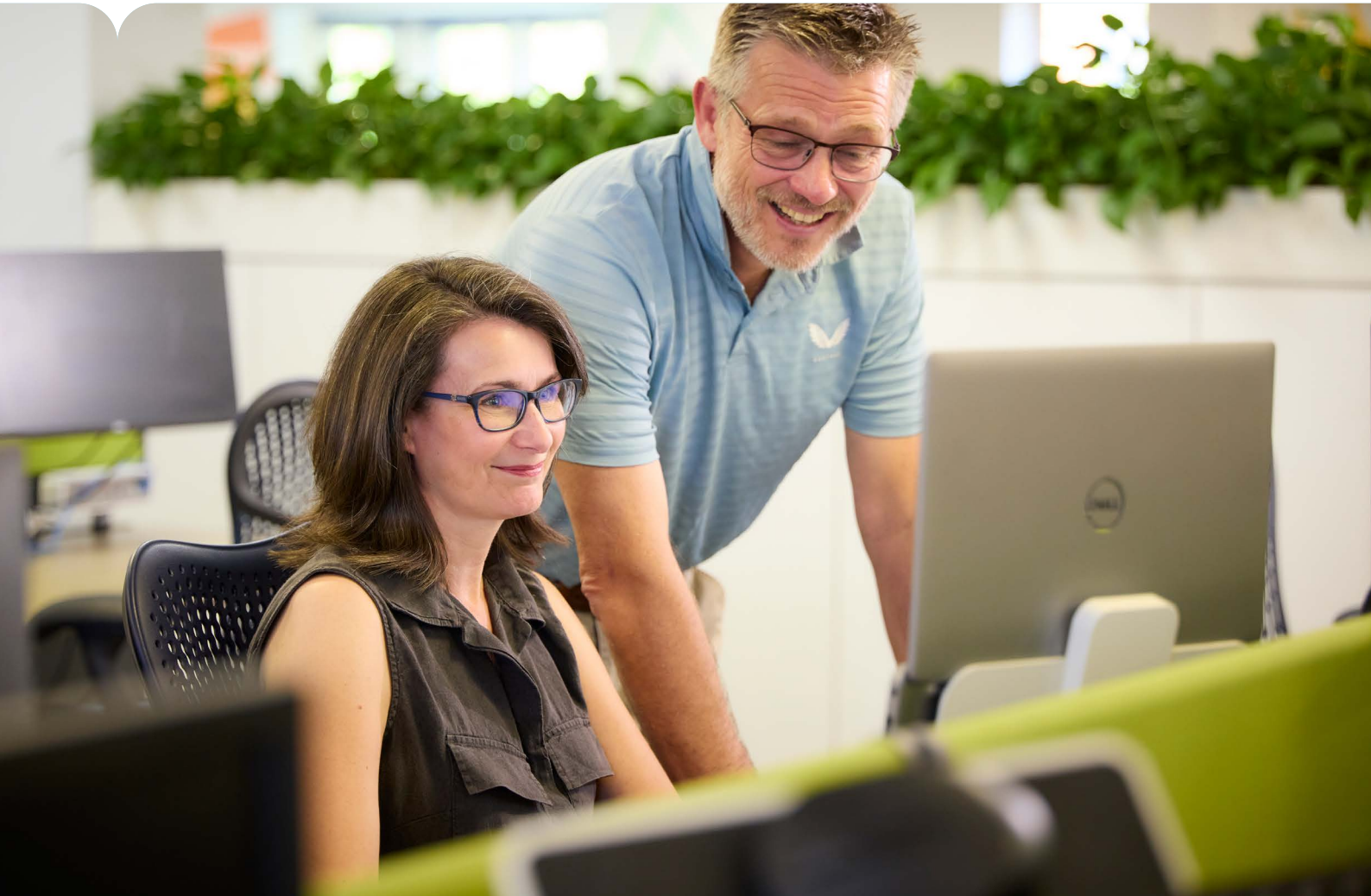


OUR IMPACTS

ENVIRONMENTAL, SOCIAL AND GOVERNANCE

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AN INTRODUCTION



Chairman

As we enter our second year as a B Corp, Cambridge & Counties Bank (CCB) continues to uphold its commitment to environmental, social, and governance (ESG) principles. Our focus during 2024 has remained becoming the 'specialist SME bank of choice' – a goal that will be achieved by delivering optimal outcomes for all our stakeholders, including customers, colleagues, and our community.

Creating a sustainable business and contributing positively to all stakeholders is an essential component of both our ethos and our commitment as a B Corp. This Impact Report showcases the positive impact that we have achieved and I extend my heartfelt thanks to our team for their dedication and for embodying our values of trusting each other, working together and inclusivity. Together, we will continue to drive positive change and create lasting value.



CEO

Our B Corp certification remains a cornerstone of our approach to ESG, helping us to have a positive impact on our customers, colleagues and the community.

In line with our B Corp certification, we worked throughout 2024 to obtain membership with the Lending Standards Board, ensuring that our lending practices are transparent, fair, and supportive of our customers. We also continued our proud participation in the Women in Finance Charter, which underscores our commitment to gender diversity and inclusion within our organisation.

These achievements highlight our continuous progress in integrating ESG principles into every aspect of our business, ensuring that we meet the expectations of our customers, shareholders, and the broader community.

I hope that this Impact Report – our second report of its kind – exemplifies our continuing progress on our sustainability journey.

OUR PURPOSE

Founded in 2012, Cambridge & Counties Bank was established with the vision of combining the best aspects of traditional banking with the speed, efficiency, and innovation of a modern lender. Our owners, Trinity Hall, Cambridge, and the Cambridgeshire Local Government Pension Fund, aimed to create a responsible banking specialist that addresses the needs of small and medium-sized enterprises (SMEs).

We understand the significance of our actions and strive to excel in all areas, whether in business, our community, or the environment. Our commitment to these principles was officially recognised in 2023 with our B Corp certification, a testament to our dedication to social and environmental responsibility.

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

To achieve this vision, we integrate our core values into our interactions with key stakeholders – colleagues, customers, and the community. These values are:

We trust each other

We aim higher

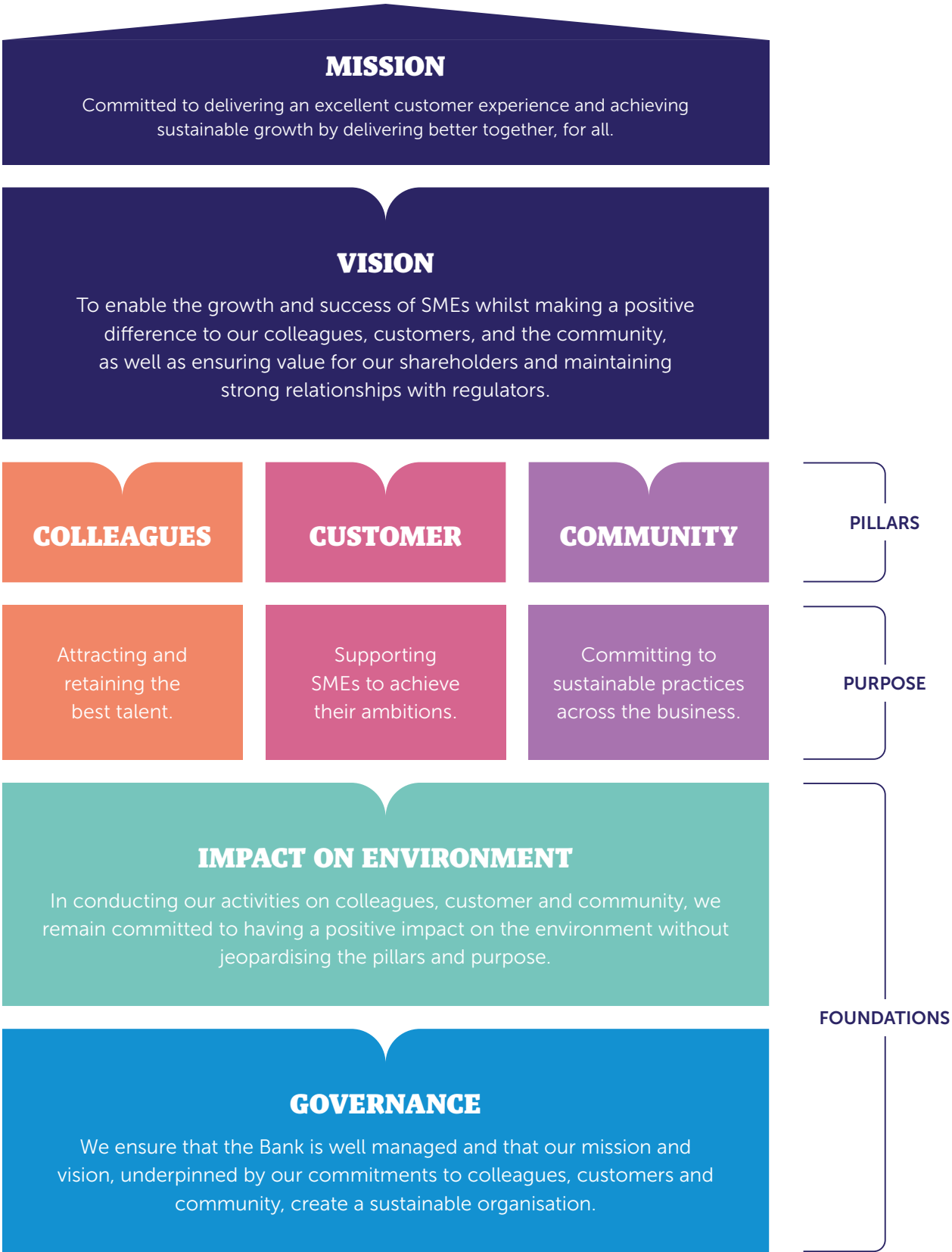
We are inclusive

We work together

We are caring

Good governance underpins our purpose, business, and vision. We believe that integrity and accountability are fundamental 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, contributing to a more sustainable future for all.





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.

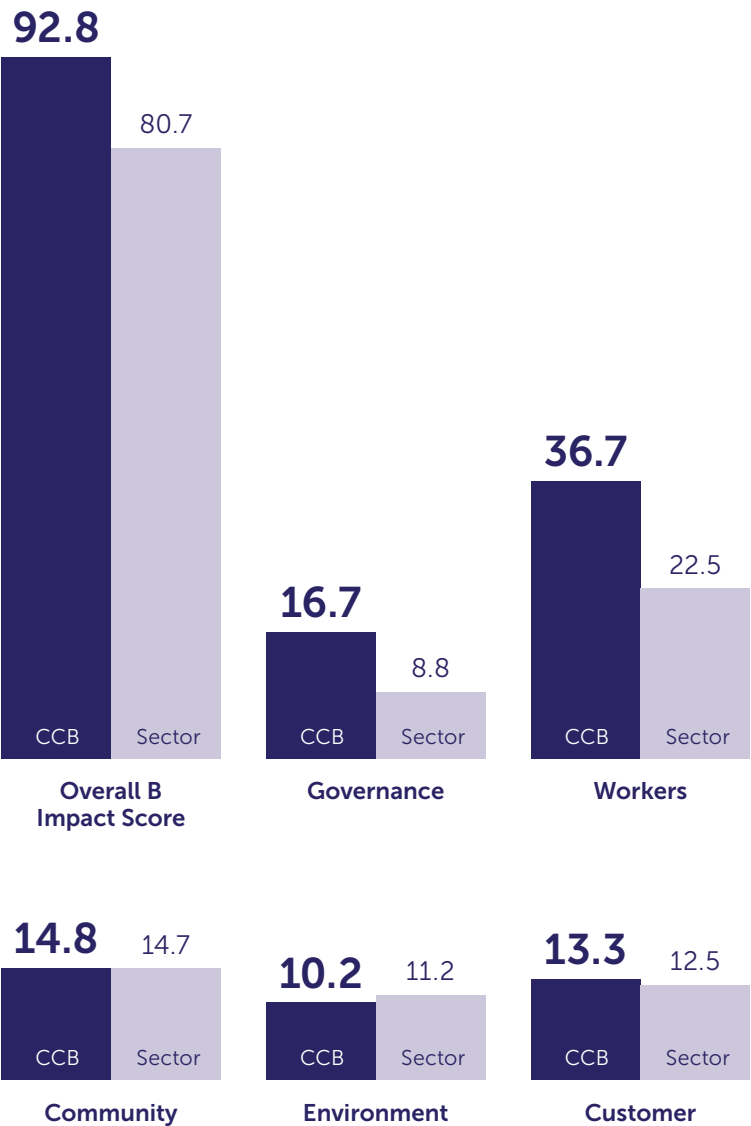
Certified by B Lab Global, B Corps must meet rigorous standards in social and environmental performance, transparency, and accountability. We are proud to have achieved a score of 92.8 Overall B Impact Score, well above the sector average of 80.7 and significantly higher than the average for similarly sized companies (50-250 employees), which stands at 77.4. B Corp certification aligns perfectly with our core values and mission; benefitting 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.

As well as achieving an excellent score on the B Impact Assessment, we also passed a risk review and made 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’s a key part of our ongoing efforts to lead in sustainability and create positive outcomes for all our stakeholders.



SustainableX Partnership

As part of our B Corp commitment, we have proudly partnered with SustainableX, an award-winning sustainability consultancy, to further support us on our journey to becoming as sustainable as possible.

B Corp – using business as a force for good

As we continue our journey as a B Corp, we are committed to meeting the evolving standards set by B Lab. The new B Corp standards, which will be published in April 2025, introduce tougher green and social rules to ensure that certified companies like ours lead the way in sustainability and social responsibility

We are preparing for our recertification, which will be based on these new standards, with submissions opening in the second half of 2026

This transition period allows us to thoroughly assess and align our practices with the updated requirements, ensuring that we continue to uphold the highest standards of environmental and social governance. Our ongoing commitment to these principles reflects our dedication to maintaining our B Corp status.

Overall B
Impact Score

92.8

Sector average:

80.7

Companies in our size range
(50–250 employees):

77.4

CUSTOMERS

Ethos

Our mission is to build long-lasting meaningful partnerships by putting our customers and our brokers at the heart of everything we do. We believe good banking goes beyond financial transactions, which is why we're committed to banking with a human touch, and why our business is built on real human support and guidance.

We listen; we understand our customers' goals, anticipate their needs, and support them through every stage of their financial journey as we deliver tailored financial solutions for them.

It's this approach that continues to set us apart from our competitors. Don't just take our word for it: here are some testimonials from the customers we've supported over the last year:

Brian Snape

Mighty Oak Business Finance,
Company Owner

"Recently I finally completed on a semi-commercial mortgage with Cambridge & Counties Bank for an existing customer of mine.

"I'm not one for sharing details of deals, but this one warrants some commentary on how, in my opinion, Cambridge & Counties Bank differentiated themselves from the rest of the market.

"Special thanks in particular go to Simon Steer, who made every effort to make sure we completed last week. Had we not done so, my client would have been 'hit' with some significant penalty fees by their existing investors.

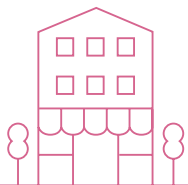
"Cambridge & Counties Bank work to MV as opposed to VP. Even at 70% MV, the maximum loan amount was higher than other lenders might have offered. The differential in this instance was over £25k.

"There were several o/s Planning Conditions which the customer and architect had applied to have discharged. Cambridge & Counties Bank reviewed this condition in detail and given I provided tangible evidence of the customer's resolution attempts they took a pragmatic view and allowed satisfaction or discharge of the condition to be a post-drawdown condition.

"This pragmatism was evident and effective throughout the project. The tenant is a newly formed comp with a strike off notice lodged against them on Companies House due to some errors the tenant made when incorporating the business. Rather than issue an immediate rejection, Cambridge & Counties Bank reviewed the evidence and were happy to proceed.

"Thanks to the Bank's pragmatism, understanding and 'story book' lending approach, we finally got it over the line. Huge thanks to Simon Steer for always being available to take a call and submitting detailed and timely rationale to his Underwriting team as to why they should support. I cannot recommend Simon and Cambridge & Counties Bank enough."

2024 HIGHLIGHTS



Property Finance

Emma Harris

Relationship Manager.

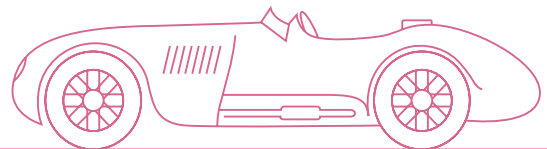
Securing the future of abandoned Chelfham Mill Boarding School in North Devon.

We recently completed a loan to support the purchase of the former Chelfham School site in North Devon. Spearheaded by former pupils of the school, this community initiative, undertaken by The Growforward Project, will look to transform the derelict site into a thriving community hub. Plans include a residential wellbeing retreat centre, a large café, and a heritage centre.

The site's complexity didn't deter us. With the expertise of Alex Churchill at Real Property Finance, and our experienced team to support, we provided the necessary funding. We're excited to support this initiative and contribute to the development of affordable housing and community facilities in Devon.



Specialist Car Finance



Classic car finance represents a niche component of Cambridge & Counties Bank's loan portfolio. These vehicles are typically low-usage, collector-owned assets, resulting in a minimal operational carbon footprint.

Preserving and maintaining existing vehicles is often more environmentally sustainable than manufacturing new ones. Classic cars avoid the embedded emissions associated with new vehicle production, aligning with circular economy principles.

This segment constitutes a small proportion of the Bank's overall lending activity, as the Bank's core portfolio is focused on property and SME finance.

Tom Senior

Director of Specialist Car Finance

A classic case of building the right deal

"Earlier this year we worked with a new customer who needed our assistance to allow them to invest in and expand their rental property portfolio. This was a complex deal that aligned very well with our expertise and product offer, and we successfully created an appropriate deal using their collection of classic cars that included a 1963 Aston Martin DB4 GT and a 1973 Jensen Interceptor as assets to secure an interest-only loan of £2million over 2 years. After meeting at an event a month later, the customer expressed their delight at completing the deal and pleasure with our service."

COLLEAGUES

Ethos

We continue to cultivate a supportive and rewarding workplace, reflected in consistently strong colleague satisfaction.

Our commitment to diversity and inclusion remains a priority, with meaningful representation at senior levels. We also invest significantly in professional development, providing extensive training opportunities to empower our colleagues and support their growth.

In 2024 our achievements in colleague engagement continued to strengthen, reflected in the high engagement score of 80%, with an impressive 86% response rate, awarding us with the ‘2024 Happiest Place to work’ and Star ‘Excellent Employee Experience’ accolade from our colleague engagement partner Work L.

Significantly, we achieved low voluntary attrition of 7% – 2.3% lower than 2023, which is further testament to the environment we’ve created. These efforts, alongside initiatives such as mental health support and flexible working, highlight our dedication to creating an inclusive and thriving environment.

Diversity & Inclusion

Diversity and inclusion is at the heart of our culture, shaping an environment where everyone – regardless of background or identity – can thrive. Embracing diversity strengthens collaboration and helps us deliver better experiences for our customers, and our workforce reflects a strong commitment to gender, racial, and cultural equality.

This commitment to diversity and inclusion can be seen in the webinars we have hosted on topics such as Neurodiversity and Allyship, women leaders, and becoming a Disability Confident organisation.

To ensure we maintain this focus on inclusivity, we’re continually gathering and sharing insights in our quarterly DE&I dashboard – data which represents our colleagues’ and our applicants’ diversity.

Our colleague D&I self-disclosure rate increased from 80% to 91% in 2024, highlighting the trust our colleagues have in our diverse and inclusive workplace. In 2024, we began tracking applicant diversity, giving us valuable insights that continue to inform and evolve our inclusive hiring practices.

We’ve broadened our recruitment efforts to reach underrepresented groups

3,120

Training hours

Ethnicity representation

25.2%

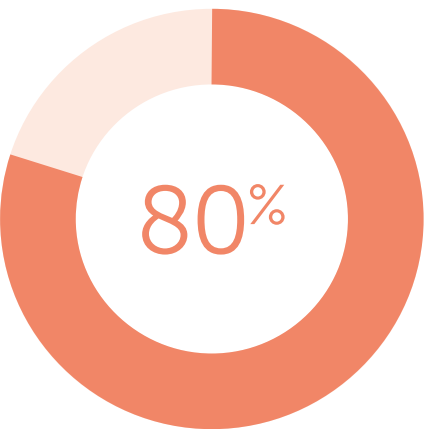
Disabled representation

1.2%

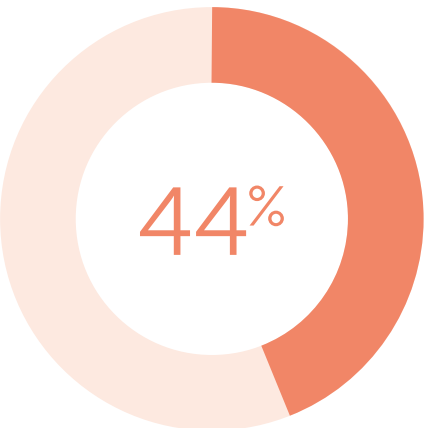
LGBTQ+ representation

4.5%

Colleague Satisfaction
(86% responded)



Women in Senior Management



within the Financial Services sector, refining job adverts and exploring new recruitment channels to attract a wider range of talent.

By prioritising essential skills over traditional banking experience, we’ve built a bank that better represents the diversity of the colleagues we work with and the customers we serve – filling 42% of roles through direct recruitment. Beyond hiring, our employee-led social group hosts inclusive events that foster connection, celebrate diversity, and create a stronger sense of belonging across the organisation.



Talent & Development

Our 'grow our own' strategy continues to sit at the heart of our ambitions, ensuring every colleague has a development plan tailored to help them succeed and unlock their full potential. The effects of this training are clear: in 2024, 22% of our recruitment was filled with internal applicants.

We delivered a comprehensive learning and development plan, which focused on five facets, each aligned to our core values. The facets are:

- Technical
- Behavioural
- Managerial growth
- Colleague development
- Health and wellbeing

Colleagues spent 3,120 hours training across 40 training interventions, enjoying unique learning experiences. In 2024, colleagues rated these interventions 8 out of ten or above.

"I have been a part of Cambridge & Counties Bank for 3 years. At the beginning of my employment, I worked full time, joining in our level 3 apprenticeship scheme in business administration for 18 months. I moved through various departments which allowed me to apply my learning in practical scenarios, resulting in a distinction.

"Upon completing my first apprenticeship, I was given the opportunity to further my work experience within the Bank, which resulted in another apprenticeship in Level 4 associate project management. This was an 18-month apprenticeship, and the programme was built in line with the lifecycle of a project which meant aligning it with my day-to-day activities was easy. My peers and line managers supported me through my learning and created opportunities to test my practical knowledge. As a result, I passed my 2nd apprenticeship and commenced my role at the Bank as a Junior Project Manager."

Arran Rabheru
Junior Project Manager

Health & Wellbeing

The wellbeing of our colleagues is a year-round priority for us. Last year, we created and provided a range of activities and resources to promote relaxation and mindfulness. Creative sessions such as painting and crafting give colleagues an opportunity to step away from their busy schedules and engage in activities that offer a change of pace.

Colleagues took part in breathing exercises in quiet spaces, alongside discussions on de-stressing and having fun, which not only helped to foster good mental health, but also strengthened connection throughout the Bank.

One of the highlights of the year was taking part in Cancer Research's Shine Walk at Leicester, which was the perfect way to combine wellbeing support with fundraising for charity. Through these efforts and Cambridge & Counties Bank's generous 'match funding' policy, we raised £5,000 for Cancer Research.

In 2024, we continued to prioritise health awareness through initiatives such as Mental Health Awareness week. We have invested in initiatives, programmes and resources to strengthen mental health support, including:

- Webinars covering the menopause and men's physical and mental health
- 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
- Employee Assistance Programmes

"I joined the Bank in October 2022 as a Marketing Communications Executive. I initially interviewed in July 2022 and was due to begin in September; however, due to unforeseen family circumstances, I was unable to start at that time. Cambridge & Counties Bank were incredibly supportive and accommodating, offering flexibility with my start date to meet with my family's needs, ultimately leading to a start date in October 2022. This early demonstration of empathy and support reflected the strong organisational culture even before I officially joined.

In November 2024, the organisation created a new role: Broker Communications Manager. At first, I did not see this role as directly aligned with my career aspirations or skillset. However, with encouragement from both my line manager and executive leadership, I explored the opportunity further and gained a deeper understanding of the role and its responsibilities. I applied for the role and was successful. This experience is a clear example of the Bank's commitment to its 'Growing Our Own' – without that encouragement, I may not have considered the role.



Jas Dosanjh-Sidhu
Broker Communications Manager

COLLEAGUES

(continued)

“We’re lucky to have colleagues who routinely demonstrate our core values, and our colleague recognition scheme is designed to celebrate them. In 2024, we had over 700 instances of recognition for people demonstrating our values; this is just a small part of our recognition-rich working environment.

“Celebrating personal achievements and spotlighting exceptional behaviour is a core part of our culture, and we’re always proud to highlight the hard work of our colleagues.

“Being recognised on Perkbox is really powerful as it provides a sense of accomplishment and confirms that you have helped a colleague. Seeing the recognition emails, as well as the recognition reels at the town halls is a brilliant way to showcase our colleagues embodying our values.

Aimee Fastnedge
Customer Operations Officer

“I really enjoyed the opportunity to do something different, and it allowed me to get to know colleagues better that I wouldn’t normally have the opportunity to talk to.

“This session gave me a new perspective on how to view life aspects... It was very relaxing and mindful.”

Anonymous Feedback on Health & Wellbeing activities

COMMUNITY

Ethos

At Cambridge and Counties Bank, we believe in doing business responsibly and that banking can be used to make a positive impact across society and the economy. We care about the communities that we operate in, and we strive to make a positive impact where it matters most.

This approach has seen us become one of only a few B Corp-certified business banks. Our focus has always been on local support, whether through the time of our caring colleagues or through donations to charities which we know have a meaningful impact in our communities.

We give our colleagues two days to volunteer each year, which we’re using to drive greater engagement in communities, and we’ve continued with established partnerships, recognising the tailored, direct impact they have in our local communities, as well as building some new relationships.

2024 HIGHLIGHTS

- We’ve continued with established partnerships, recognising the tailored, direct impact they have in our local communities, as well as building some new relationships.
- Continued to match funds raised by colleagues, enhancing the impact they make, the ways they want to raise funds, and how they support charities they care about.

We nurtured established partnerships and built new relationships, expanding our reach and enhancing our ability to support diverse initiatives. We are immensely grateful for the passion and enthusiasm of our colleagues in helping make where we live and work a better place for all.

£75,000

donated to charity in 2024

276

hours of volunteering in 2024 and aim to do even better in 2025





Belgrave Community Housing Association

Another new partnership for 2024 which enabled Cambridge & Counties Bank colleagues to spend volunteer hours creating a welcoming garden space at the hub for use by the local community and to support and serve the Food Hub both financially and with giving of time. A regular schedule of Food Hub volunteering is in place and will continue into 2025.

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.

Overall Summary

A 2024 volunteering schedule was created for Cambridge & Counties Bank colleagues which enabled consistent volunteering across a variety of activities throughout the year seeing hours spent reach 276 of working hours. Activities included; Schools, Food Banks, Gardening, Arts & Crafts as well as a number of Christmas initiatives (wrapping toys and donating food bags for the community). Many staff also received match funding donations for their charitable efforts.



Leicester Education Business Company (LEBC)

Leicester Education Business Company (LEBC) is a partnership created in 2024 which gives Cambridge & Counties Bank colleagues the opportunity to volunteer at a variety of school learning sessions with children aged 12 to 16 years. The sessions include themes like; Guess My Job, Mock Interviews and Career Days. These sessions enabled school children to consider the career options available to them and understand what steps they could take to explore them. The Bank's funding also helps LEBC support the work with school children at the risk of SEND and NEET.

Stepladder Plus

"The donation of £3,000 from Cambridge & Counties Bank, along with donations from other organisations, have allowed us to introduce the Stepladder Plus financial education programme UK-wide, meaning 1,600 young people have registered for the programme.

"We continue to evaluate the outcomes for participants on the programme and show that Stepladder Plus is making a real and practical difference to their lives. A key objective is to demonstrate how the programme is reducing the risk of adult care leavers becoming NEET (not in Education, Employment or Training). Survey results are already confirming that the Stepladder Plus course is working very effectively in this regard, reducing the average 38% rate for adult care leavers at 19 years-old to 24%, and thus more than halving the excess over the 12% national average.

"We are grateful for the ongoing commitment from Cambridge & Counties Bank."

ENVIRONMENT

Ethos

We have maintained our Green Level certification from Investors in the Environment (IiE) and continue to support high-quality offsetting initiatives, such as nature-based projects in the UK. We are actively progressing toward a comprehensive Net Zero strategy, reinforcing our dedication to environmental responsibility.

2024 HIGHLIGHTS

Maintaining the Green Level certification from Investors in the Environment with a score of 72% was a deserved reward for our team's dedication to enhancing our environmental practices. It highlighted our leadership commitment and progressive plans, while also pointing out opportunities for further improvements in our actions and objectives.

Our most significant direct environmental impact is our Greenhouse Gas Emissions. In 2024, our company's carbon footprint totalled 107.79 tonnes, equating to 0.83 tonnes per £1m revenue.

As we operate without company vehicles or gas heating at the Head Office in Leicester, our emissions inventory for the year was primarily made up of Scope 2 emissions from our Head Office operations. Scope 3 emissions were an additional component, originating from leased facilities, remote workers, grey fleet activities, and water consumption.

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 re-evaluate 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. In 2025, we plan to work with a consultancy firm to help calculate our Scope 3 financed emissions.

We have seen an increase in our emissions per million pounds of income,

Investors in the Environment Green Level

—
In 2024, our company's carbon footprint totalled

107.79 tonnes

equating to 0.83 tonnes per £1m revenue.

Offset

140 tonnes

of CO₂ using Beyond Zero's Lowther Estate scheme in the Lake District

and there has been a rise in employee emissions per capita since 2022 (rising from escalating from 0.32 to 0.44 tCO₂e). While we have achieved reductions with our printing volume, our grey fleet and home-working emissions have increased. This is due to a change in methodology to reflect the increased assumptions that are required by calculating homeworking emissions. The previous methodology assumed that 66% of all homeworkers were in a single occupancy location, whereas the updated methodology assumes that 100% of homeworkers are in a single occupancy location. This update is in line with the GHG protocol and calculates the worst-case scenario when all relevant data points are unknown.

The increase within our grey fleet emissions is driven by increased business activity; we opened two new sites in Manchester and Reading during the assessment period. Furthermore, due to a significant reduction (26.9%) in consumption at our Sheffield site, total emissions related to site consumption have decreased by 9.4%. Even with this methodology change, we have a 50% error margin (34.87 tonnes of CO₂e) in home-workers.

We also have an error margin of 5% (2.06 tonnes of CO₂e) 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 2025 is to further enhance our data and reduce error margins.

Scope	Activity	2019 tCO ₂ e ¹	2020 tCO ₂ e ¹	2021 tCO ₂ e ¹	2022 tCO ₂ e	2023 tCO ₂ e	2024 tCO ₂ e
Scope 1 & 2	Leicester – electricity generation and transmission & distribution ²	14.52	8.83	7.34	8.45	9.54	9.40
Scope 2 Sub Total		14.52	8.83	7.34	8.45	9.54	9.40
	Home-workers	n/a	44.05	44.36	15.75	35.63	47.94
	Grey Fleet	31.21	3.18	16.67	32.33	36.90	41.18
Scope 3	Regional offices	n/a	3.71	11.28	11.06	10.34	8.81
	Water (and wastewater)	n/a	n/a	n/a	0.29	0.43	0.42
	Waste	n/a	n/a	n/a	n/a	n/a	0.04
Scope 3 Sub Total		31.21	50.94	72.31	59.43	83.30	98.39
Total emissions as tonnes of CO ₂ e		45.73	59.77	79.65	67.88	92.84	107.79
Tonnes of CO ₂ e per employee ³		0.28	0.32	0.40	0.32	0.42	0.44
Tonnes of CO ₂ e per £m				1.61	0.89	0.80	0.83
Total Energy Consumption (kWh) ⁴		n/a	n/a	96,507	178,058	253,742	252,702

1 Tonnes of carbon dioxide equivalent

2 This includes a small amount of Scope 3 emissions from transmission and distribution.

3 This assumes homes are solely occupied by colleagues 66% of the time, with the remaining 33% multi-occupancy. There is a high (50%) error margin with this category of emissions.

4 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. As we incorporate further components of Scope 3 emissions, we'll adjust our reporting accordingly to offer meaningful year-on-year comparisons.

This year, we're choosing to obtain our carbon offset through Lowther Estate regenerative agriculture, a project located in Cumbria, UK, managed by Beyond Zero and aligned with Carbon standard UKCCC. 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 environmentally positive projects.

We've partnered with another B Corp, Freedom, to celebrate colleague achievements by planting trees in their name.

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

Reduced printing is a key part of our drive to increase efficiency and lessen our impact, and we've cut our paper use by 28% since 2022.

How we're reducing our impact

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.

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

Community activity

Our colleagues actively dedicate their time to conservation efforts. This is a great example of how activities in our different focus areas overlap; conservation work can have a positive impact on colleague wellbeing, the community, and biodiversity.

GOVERNANCE

Ethos

We have established a robust corporate governance structure and we adhere to the principles of good corporate governance as outlined in the UK Corporate Governance Code. Although the Bank is exempt from certain provisions due to its non-listed status and overall size, it ensures that its governance processes align with best practices. Our current governance procedures are suitable for our size and structure.

Our ongoing B Corp certification reflects our dedication to responsible business practices, and we are proud to have continued to be B Corp certified throughout 2024. This year, we maintained strong data governance, with no reportable risk events related to data retention or customer information. We also made further progress in aligning our lending portfolio with environmental performance standards, including increasing the proportion of loans with an EPC grade E or better.

We continuously integrate ESG impact considerations into our decision-making framework as we enhance our measurement and understanding of these impacts. Our commitment to ESG principles is reflected in our efforts to uphold high standards of social and environmental responsibility.

Our governance approach is aligned with our vision: to facilitate the growth and success of SMEs while positively impacting our colleagues, customers, and community. We strive to deliver value to our shareholders, foster strong relationships with regulators, and maintain ethical standards across all operations.

Our comprehensive Enterprise Risk Management Framework ensures effective identification, assessment, control, management, reporting, and escalation of risks.

Asset Finance businesses. This is further proof of our dedication to ensuring positive impact and outcomes for our customers through sustainable lending.

Managing the Risk

We maintain 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 regulatory requirements, such as on Modern Slavery and ESG. This programme is supported by a learning management system that monitors the delivery of all training and ensures it's completed satisfactorily.

Our Board proactively reviews and assesses their own effectiveness against a suite of performance indicators. An external effectiveness assessment has been conducted annually through 2023 – 2025. Our directors are highly engaged, with a meeting attendance of 97.3%, reflecting their engagement and focus.

Executive remuneration is linked to a balanced scorecard which includes ESG performance metrics and targets.

At an employee-level, our colleague-led, cross-functional Green Team works to improve sustainability through community across the organisation. A key focus of the team is reducing our impact on the environment, use of natural resources and overall carbon footprint.

Sustainability 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 continually manage our exposure to these risks as we grow.

2024 HIGHLIGHTS

Building on our B Corp certification in 2023, we collaborated with SustainableX, a specialist sustainability consultancy, to help us evolve our ESG governance and oversight. Through this partnership we conducted our first ESG materiality assessment and created a suite of metrics and targets aligned to our ESG ambition.

SustainableX's expertise also helped us prepare our first ever Impact Report, demonstrating our commitment to having a positive impact as a sustainable business.

As part of our commitment to delivering the highest standards for our customers, we worked to meet the accreditation requirements of the Lending Standards Board for our Real Estate and

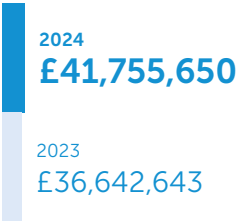
We continued to
be B Corp-certified

Flood Risk

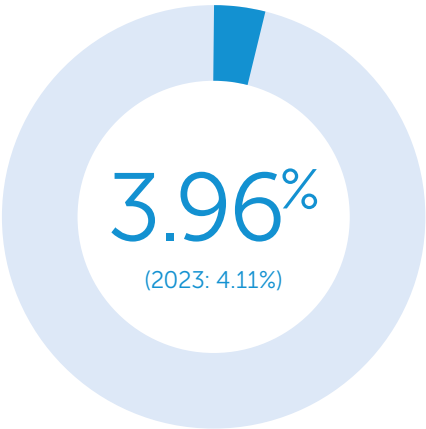
We partner with Twinn Risk Analytics to get greater accuracy on flood risk within our real estate loan portfolio. Overall, we have a low appetite for flood risk and report to our Board and ESG Steering Committee on a quarterly basis.

During 2024, we have seen a decrease in the proportion of loans with a high flood risk.

Value of loans with a flood risk score of 5



Proportion of loans with a flood risk score of 5



Energy Performance Certificates

Supporting customers in the 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.

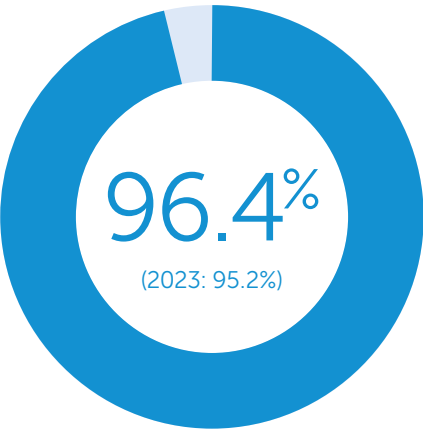
Our EPC-related loan product is a first step to reducing this risk for customers and reducing our financed emissions.

During 2024, we saw an increase in the number, value and proportion of loans with an EPC Grade E or better, showing a gradual improvement.

Value of loans with an EPC grade E or better:



Proportion of loans with an EPC grade E or better



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

7,116
(2023: 6,509)

Data Loss

Financial, cyber and data security is essential for the Bank and our stakeholders. This will continue to be a top priority; we're committed to ongoing investment in security measures and training.

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

We are delighted, and very proud, to be accredited by Investors in the Environment (iE). 2025 marked our 11th year as an iE-accredited organisation, which is a testament to our ongoing commitment to sustainability throughout everything we do.

Women in Finance

Since signing the Women in Finance Charter in 2017, we have continued to strengthen our commitment to gender balance across our organisation and the wider industry. As of the end of 2024, 44% of our Senior Management team and 50% of our Board members are women.

2024 also saw the launch of our Female Founders initiative, which is designed to help female SME owners grow their businesses through networking sessions, mentoring from industry experts, and dedicated female relationship managers.

We are proud to have met our commitment to increasing the number of women in senior management roles to 40%. We are continuing to work towards a number of other pledges, including increasing the number of women in our apprentice, intern, and graduate schemes to 75%, and ensuring female representation on our internal development programme is at least 50%.

The Lending Standards Board

In January 2024, we became the first financial services firm to simultaneously register for both the Lending Standards Board's (LSB) Business Standards and Business Standards for Asset Finance. By achieving this industry first, we demonstrated our dedication to best practice, transparency, and fair customer outcomes. We worked diligently with the LSB through 2024 to achieve accreditation by February 2025, to ensure we deliver the highest standards in customer treatment. Following the LSB's announcement of its decision to wind down operations, with closure planned for the end of October 2025, we will no longer continue to be accredited, however we recognise the



significance of the work undertaken to become an accredited member, as well as the values that motivated our decision to pursue accreditation.

We remain firmly committed to upholding the spirit of the LSB's principles, fairness, transparency, and independent assurance, which continue to guide the way we do business.

Disability Confident

This year, we proudly became Disability Confident Committed, which is one of three tiers of the UK Government's Disability Confident scheme, designed to encourage businesses to be more inclusive.

As a Disability Confident Committed business, we've pledged to:

- Ensure our recruitment process is inclusive and accessible
- Communicating and promoting vacancies
- Offering an interview to disabled people who meet the minimum criteria for the job
- Anticipating and providing reasonable adjustments as required
- Supporting any existing employee who acquires a disability or long term health condition, enabling them to stay in work
- At least one activity that will make a difference for disabled people

WorkL

According to WorkL's 'Happy at Work Test', we have achieved a 'Workplace Happiness Score' of 82%, which is higher than the global and industry average. These scores are based on factors such as 'reward and recognition', 'empowerment', 'job satisfaction', and 'well-being'.

This score is testament to our commitment to creating a happy and healthy workplace for all of our colleagues, as we continue to build an organisation where people can thrive.

2025 AMBITIONS

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.

Supporting Diversity and Inclusion:

- Continue to maintain the Diversity, Equity, and Inclusion (DE&I) dashboard to monitor and enhance DE&I efforts.
- To achieve Disability Confident Employer Level 2 to continue to promote inclusivity.

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.
- Complete our calculation of Scope 3, financed emissions, and create a decarbonisation plan.
- Enhance waste management practices.
- Install UV reflective film on south-facing windows at the Leicester office to increase energy efficiency.
- Continue to support and develop the EPC improvement loan product and promote sustainable commuting and mobility through partnerships and specialised loan products.

Employee Engagement and Development:

- 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 entry level talent through graduate, apprenticeship, and internship programs.
- Grow our own talent through business and technical training activities, on-the-job training and cross-functional knowledge sharing.

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.

Supplier Relations:

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

Governance and Ethical Practices:

- Embed the feedback and learnings from the Lending Standards Board registration
- Define our North Star for ESG and build towards the B Corp reaccreditation in 2026

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