

### **Section 172 Statement**

This statement sets out, in accordance with section 414CZA of the Companies Act 2006, how the Directors have had regard to the matters set out in section 172(1) of the Companies Act 2006 when performing their duties. The Directors consider that they have acted in a way that they believe is most likely to promote the success of the Company for the benefit of its members as a whole, having regard to the stakeholders and matters set out in section 172(1)(a-f) of the Companies Act 2006 in the decisions taken during the year.

As a wholly owned subsidiary within the Skipton Building Society Group and in line with the duty to promote the success of the Company for the benefit of its shareholder, the Company must also have regard to the overall strategy and direction of the Group. Any decisions are considered from the perspective of the Company, ensuring that the decisions are beneficial to its stakeholders as well as having regard to the long-term sustainable success of the Group as a whole.

The Board is responsible for determining the Company's strategy for managing risk and overseeing its systems of internal control. The ongoing effectiveness of these internal controls is reviewed by the Board regularly and where appropriate reviewed by the Group Board Audit Committee. The Board of the Company comprises representatives from the Executive team and two Non-Executive Directors who are employed by the ultimate parent undertaking Skipton Building Society.

Each year the Board reviews and assesses the Company's strategy and identifies changes to future strategic direction as required. In order to achieve its strategic aims the Board must take into account the needs of its stakeholders and the impact the Company may have on them. The Board recognises that effective engagement with stakeholders is important and helps to ensure that the Company continues to provide services and products that its customers need, that effective relationships are developed with business partners and that the successful delivery of the strategic objectives of the Company can only occur through well supported and motivated colleagues.

Recognising the importance of its stakeholders the Company conducts annual client satisfaction and colleague satisfaction surveys, the results of which are used to help inform strategic direction setting. Many of the Company's people policies and practices have been aligned with the ultimate parent undertaking, Skipton Building Society. These policies include but are not limited to a flexible working policy, a career break policy, a carer's leave policy, a health and safety policy, a whistleblowing policy, an anti-bribery and corruption policy and a modern slavery policy. The Company has also aligned its procurement and supplier relationship management policies with those operated by Skipton Building Society.

In monitoring, advising and approving strategy, the Board has had regard to the factors listed in s172 of the Companies Act 2006.