

Putting ESG into your BAU

Our ambitions, beliefs, and commitment
to Environmental, Social and
Governance action.

Here's where we're at on the road to 2050.

MONEY



Our ESG ambitions

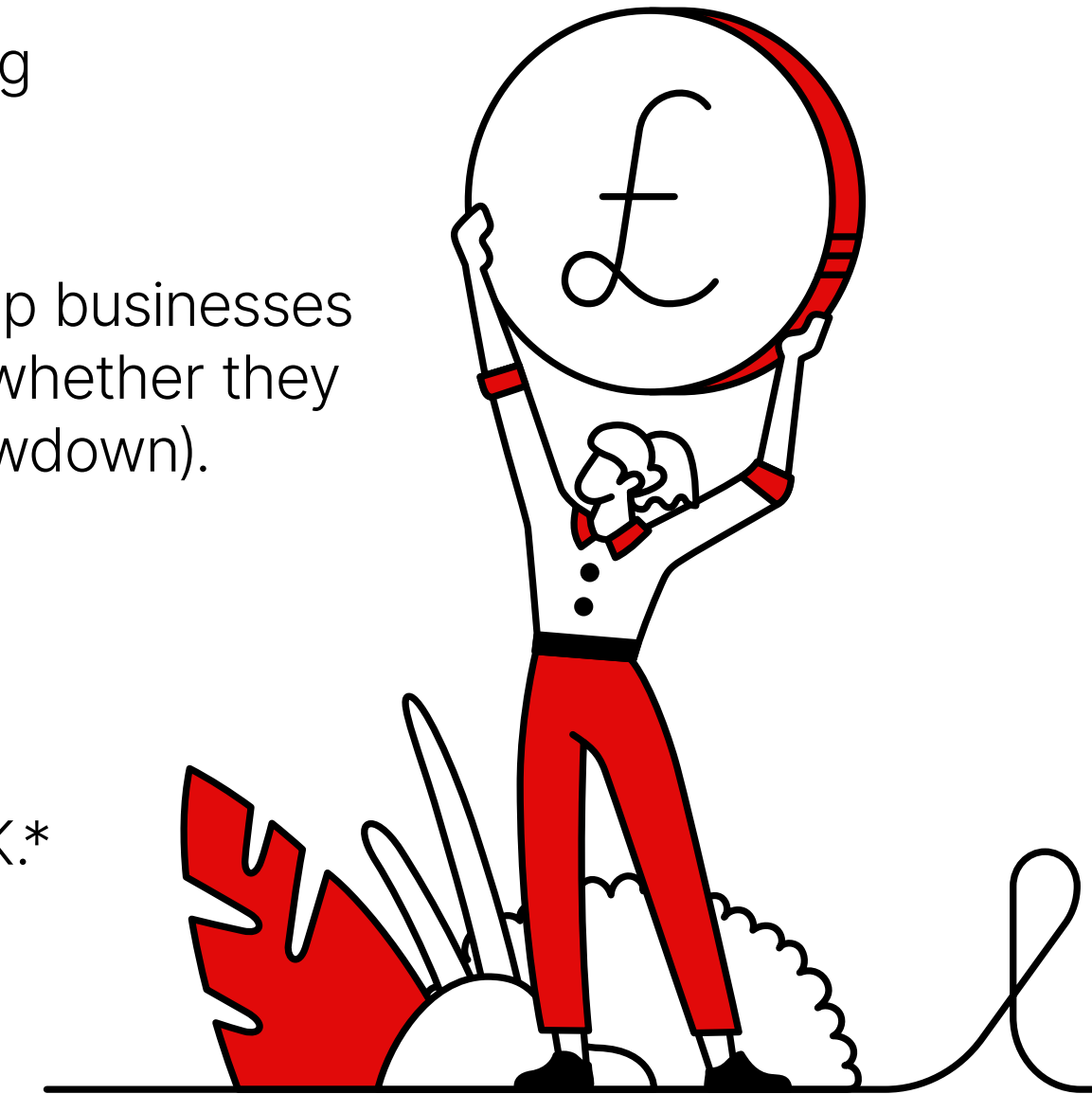
We're doing the red thing

ESG is in our DNA. We're committed to driving positive social and environmental change through everything we do. That's why we've made ESG a key part of our Purpose: making you happier about money.



Here's what we've done already:

- ✓ **Committed to net zero by 2050** – across our own business, as well as everything we finance, including our customers' and suppliers' emissions.
- ✓ **Launched our Sustainable Business Coach** – to help businesses of any size assess and improve their sustainability, whether they bank with us, or not (see **Our ESG Coach** for the lowdown).
- ✓ **Fee-free lending** – for farmers who invest in net zero initiatives and measure their carbon emissions, and for businesses whose main revenue streams accelerate social or environmental change in the UK.*



We're going beyond green

We aim to have £500m of lending to advance sustainable development of energy and environment projects and companies by 2025.

And by 2027, our ambition is that 10% of all our business lending will go to Sustainability Changemakers, whose core goods or services drive social or environmental change.

We also measure the ESG score of our portfolio, through completion of the Sustainable Business Coach product, helping us understand where additional help is needed.

*Arrangement fee reduction capped at 1.5%

Our ESG beliefs

Build a brighter future

ESG creates new opportunities, and a sustainable future for everyone. Soon, embedding ESG into your BAU won't just be nice to have, it will be a must-have.

3 reasons to start now:

- ✔ **It's the right thing to do** – for your employees, for your customers, and for society.
- ✔ **It's good for your business** – improving reputation and potentially increasing its value.
- ✔ **It's coming your way** – with pressure from across the supply chain and regulatory landscape, now's the time to act.



Our ESG coach

A powerful tool for businesses

We've launched a free ESG coach for any business – to help build resilience. It's called **Sustainable Business Coach**, a smart digital coach which uses methodology developed by non-profit organisation Future-Fit Foundation. It'll help you set targets, and measure progress against your sustainability goals.

In a nutshell, our Sustainable Business Coach:

- ✔ **Gets you started with ESG** by helping you identify your high-priority goals across your inputs, operations, employees, customers, products and society.
- ✔ **Scores your progress against your high-priority goals** and compares them against your sector.
- ✔ **Helps you increase your score** with guidance and checklists to set an action plan.
- ✔ **Keeps up the momentum** by enabling you to update your performance and watch your scores improve.
- ✔ **Records and stores your scores** so you can download and share them with interested stakeholders.



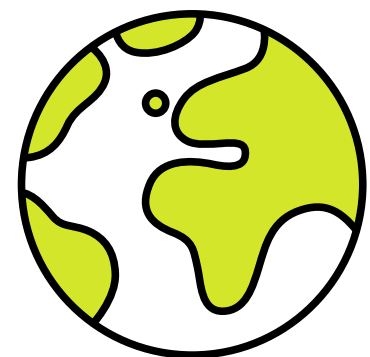
Businesses are already using stats generated by our Sustainable Business Coach when deciding which goals to set, such as:



Environmental – 11% of businesses power more than 75% of their operations through renewable energy, but 37% don't use renewable energy at all.



Social – 12% of businesses fully engage their local communities in their decisions, but 35% are still yet to engage with communities.



Governance – 20% of respondents have already mapped their supply chain for social and environmental issues.

*Stats are analysed using 1078 Sustainable Business Coach completions during FY23.

Search **Sustainable Business Coach** in your app store, or head to www.sbt.virginmoney.com

Sustainable Business Coach testimonials



We are delighted that thousands of businesses have already used the Sustainable Business Coach and found it so helpful for guiding their journey toward true sustainability, or “future-fitness” as we call it. By co-developing this tool with our partners at Virgin Money and Life Moments we have developed an approach that is both straightforward to engage with and yet offers deep, actionable insights to business leaders – a rare combination! This collaborative approach also means we’ve been able to increase the accessibility of meaningful sustainability assessment tools within the underserved SME marketplace. Looking ahead, we will be distributing the Sustainable Business Coach via our ever-growing global network of Future-Fit Accredited Advisors to help guide even more businesses on their transformative journey to a better future for us all.

Martin Rich, Co-founder & Executive Director, Future-Fit Foundation



We’ve taken some strong steps on climate action in recent years with ESG and the drive to Net Zero integral to our business strategy. Where the Sustainable Business Coach really helped was to ensure we had considered the social aspects of progress, with the coach validating some of the initiatives we had taken to improve conditions for our employees and other stakeholders.

Ritchie Clark, Finance Director, Keenan Recycling



Working with the team at Virgin Money, we were able to probe into some of the findings and discuss ways to validate the work we’ve done; this provided us with further understanding of actions we’ve taken in line with the Future-Fit methodology, confidence in the work we’ve taken to become a sustainable business, as well as eligibility for Virgin Money’s Sustainability-Linked Loan.

Roydon Recycling UK

Sustainable Business Coach testimonials



We feel we have made lots of progressive steps towards being a more sustainable business. So, for us, completing the Sustainable Business Coach was an interesting and worthwhile exercise as we wanted to see if our approach was as effective as we thought it was. We performed incredibly strongly, which is heartening given we pride ourselves on pioneering sustainability. It has helped identify high-priority goals for our business to focus on and we can start to consider these as we move forward. It's really valuable to have this kind of insight created from a credible third party in Future-Fit.

Ove Thu, CEO, Blue Resource Group



It's brilliant to see Virgin Money investing in sustainability initiatives and developing a tool for businesses to quantify their impact on people and planet; especially one aligned to the Future-Fit Foundation's methodologies and the UN Sustainable Development Goals. While being thorough, the coach allows businesses to obtain a simple yet detailed and quantified summary of their sustainability position, enabling them to prioritise their efforts. The Sustainable Business Coach provides transparency and reliable data for managing risks and reporting on ESG performance; with the option to engage Future-Fit Accredited Advisors a strong proof point in bettering ESG performance. Making the coach available to any business is testament to Virgin Money's true commitment to be an engine for sustainability in the business world.

Muryel Boulay, CEO and Founder B Other Wise

We're already on the road to 2050, and we'd love you to join us on our journey.

Let's get to work.

Search **Sustainable Business Coach** in your app store, or head to **www.sbt.virginmoney.com**

