

The background of the cover is a photograph of a coastal landscape at dusk or dawn, with a purple and blue color palette. The foreground shows a sandy beach with some driftwood. In the middle ground, there is a body of water reflecting the sky. In the background, there are hills or mountains under a cloudy sky. Overlaid on the left side of the image are several white, concentric, wavy lines that resemble a fingerprint or a stylized map. On the right side, there is a white silhouette of a person's head and shoulders, facing right. The text "ESG Report 2022" is centered on the left side of the image.

ESG

Report
2022



Conister Bank

Hello

WELCOME TO THE FIRST EDITION OF THE CONISTER BANK ESG REPORT.

This report encapsulates a year of resilience and change for Conister Bank and demonstrates the Bank's strength and devotion to supporting the Isle of Man financially and its wider community.

Climate change and carbon emissions remain a primary focus for our business and community. The Bank has committed to becoming a net zero business, striving to continually reduce its impact by signing up to ambitions, such as, the Science Based Targets Initiative on carbon reduction.

Conister Bank's ESG (Environmental, Social and Governance) initiative has seen its colleagues rise to the challenge of

reducing its carbon footprint and focusing on sustainability. The carbon footprint report for December 2021 is included on page 14 of this report.

As a business, we have focused our efforts on fighting climate change by extending the services we provide. Through our Green Lending Portal, the Bank is offering its lowest borrowing rates and beneficial terms to encourage green and sustainable investment practices to consumers and business customers.

Sustainable Highlights include:



One of the first local companies to be presented with a Sustainable Mann accreditation by the UNESCO Biosphere Isle of Man



Became supporters of the Task Force on Climate-Related Financial Disclosures [TCFD]



Adopted the UN Principles for Responsible Banking [UNPRB]



Aligned our strategy to address the most relevant UN Sustainable Development Goals [UNSDG]

We have also continued to engage with and support the communities we serve, which is at the heart of Conister Bank's ethos.

Community Highlights include:



Working with Olympic cyclist Chris Boardman to promote 'Active Travel' as the route to healthier and more productive lifestyles



Providing BPA-free reusable water bottles to Ramsey Grammar High School, removing the necessity for single-use water bottles



Supporting Island wide kerbside recycling through our work with RecycleCollect.im

Details of which follow in this report.

Our story

CONISTER BANK IS AN INDEPENDENT BANK BASED IN THE ISLE OF MAN.

Since Conister Bank was established in 1935, we have had a clear social purpose and we have grown into a market leader in the lending and deposit sector on the Island. Our growth has seen our lending branch out to the UK markets providing funding solutions for Asset Finance and Structure Finance products.

We exist to create value for our customers and the communities in which we operate

and can only achieve this by operating a successful business. We champion a better way of doing business for our local community, by offering a range of products and services which create value for people and businesses, benefitting the wider society.

We know what we have to do, but we also know we will not get there in a day or even a year. Sustainability is a journey.





*“We choose
to stand up
& stand fast”*

DOUGLAS GRANT, MANAGING DIRECTOR

Our pledge

We aim to operate a business that acts responsibly, is sustainable and which promotes sustainability in what it does. This is not new; it is part of our vision. We believe that the best long-term results will be created with the essential balance between customers, employees, shareholders and the people and institutions outside of the organisation.

The financial sector has taken on a new role and is focusing more on how financial services companies, including the Bank, can promote sustainability through business activities such as lending and deposit taking.

Conister Bank's work on sustainability is built on a commercial foundation and we have responded to the role that we as a financial services company can and should play. For us, it makes sense to base our work on the view that 'all progress counts'. This means focusing on supporting customer progress and facilitating our customers' options for making sustainable choices and decisions.

At present, the focus is concentrated on on the use of carbon and the climate. From a commercial perspective, we want to offer funding solutions that support sustainable development and simplify sustainable investment, at the same time as increasing knowledge about and more widespread adoption of sustainability.

DOUGLAS GRANT, MANAGING DIRECTOR, CONISTER BANK



Our culture

OUR PEOPLE AND OUR VALUES SHAPE WHO WE ARE, WHAT WE STAND FOR AND WHAT WE DO.

Customer Focused

Our customers come first.

We pride ourselves on building long-term relationships and delivering excellent customer service.

Working Together

Our people are at the heart of everything we do.

We treat one another with respect, fostering an innovative and collaborative environment for our people to flourish.

Integrity

Image is what people think we are: integrity is what we really are.

We value our independence and ability to adapt to people's needs quickly, fairly, and ethically.

Sustainable Future

Sustainability is not a cultural trend or another tick box exercise. It is a duty.

We embrace change by using our drive, skills, resources, and the best available technologies to deliver sustainable results.



OUR GENDERS

MALE	51%
FEMALE	49%

OUR AGES

16 – 25	5.8%
26 – 35	28.8%
36 – 45	32.1%
45+	35.7%

Our people as of 31.12.21.

There is nothing more important than ensuring our people are given every opportunity to be the best version of themselves. We believe in building a culture that supports and motivates our Conister community to be innovative and to believe that you can truly make a difference.

We believe the greatest investment any company can make is in its people, providing them with the opportunities to grow and excel.

Our promise

OUR PROMISE TO THE ISLE OF MAN AND ITS COMMUNITY IS TO HELP PREPARE OUR ISLAND FOR TOMORROW.

Conister Bank wants to make a difference. The momentum towards greater sustainability in the financial services sector has grown significantly in recent years.

The transition to cleaner, more resilient, and sustainable growth is reshaping the global economy, as countries, industries and institutions seek to mitigate and adapt to the effects of climate change and environmental degradation. This social and economic transition is having significant and far-reaching implications for the financial sector as the financial risks and opportunities become more apparent.

The approach to sustainability needs to be dynamic to embrace and champion the development in the sustainability agenda

as a key differentiator in what we do. Our targets and initiatives will need to be updated from time to time to reflect better methods and data. Any weakness in current data within the area must not prevent us from acting and gathering experience. We are becoming wiser as we go, and we are taking our stakeholders on this journey with us by being transparent about our strategy and approach.

We will support our local community for as long as we exist. Our responsibility as the Islands community bank sits at the heart of what we do. During the year we have continued to engage with and support the communities we serve.



Give Back Days

Every Conister Bank employee has the opportunity to take one day's paid leave per year to volunteer or fundraise for an organisation or event they hold close to their heart.

Through aspiring to continually serve and support the community in which we live, exploring new avenues of charity and sponsorship, we are continually looking to extend our helping hand. While people still need help, there will always be more to come from us.

Our journey

The sustainability agenda has grown at pace over recent years and the climate change agenda and response to Covid 19 has only hastened this. Sustainability response is a mainstream business requirement and increasingly our regulators and legislators are requiring evidence of how we play our part.

2021 was our inaugural year of integrating our ESG and Sustainability strategy within the business and the immense progress we have made reflects the strength of the Bank and its people.

OUR ENVIRONMENTAL ACHIEVEMENTS



Green Initiative Launched

Reducing our carbon footprint and increase our sustainability.

This has included avoiding unnecessary island and off-island travel and using virtual meetings wherever is possible.



Drive Sustainable Finance

Through targeted green lending, sustainability screening and due diligence.



Isle of Man UNESCO Biosphere Accreditation

Being accredited by UNESCO Biosphere Isle of Man under their pilot Sustainable Mann project.



Sustainable Purchasing Policy

Amending our purchasing policies toward buying sustainable office products and consumables that can be recycled rather than go to landfills or incineration.



Encourage Recycling

Providing centralised waste collection that encourages recycling and managing our water consumption more carefully.



Green Travel Options

Providing green commuting options across our offices with the introduction of 5 free to use electric bikes and 2 electric vehicle charging points.



Reusable Water Bottles

Since 2019, we have been making strides to reduce single use plastic from our offices and community.

OUR SOCIAL ACHIEVEMENTS



Pandemic Support

Setting aside £10m of new funding to support customers affected by the Covid-19 pandemic and receiving accreditation for Government backed funding.



Active Travel

Promoting healthier and more productive lifestyles in the community by providing support to local bike shops and speaking out about how active travel is possible on the Isle of Man.



Community Outreach

Continuing to sponsor and engage in a wide range of community events such as the Royal Manx Agricultural Show, the Electric Vehicle Exhibition, the Isle of Man Young Farmers Concert, Le Dans 24 hour Cycle Race and the Southern Agricultural Show.



Workplace Wellbeing

Finding new ways to promote good health and wellbeing in our workplace with our 'Wellbeing' and 'Mental Health Awareness' weeks and ensuring we encompass and respect equality, diversity and inclusiveness in the workplace.



Community Welfare

Supporting local charities, such as, Isle Listen and Sight Matters who provide vital work within the community and support our colleagues.



Digital Transformation

Providing new digital and online banking platforms to our customers to improve their access to our products.

OUR GOVERNANCE ACHIEVEMENTS



Materiality

Identifying the sustainability issues that are material to the Bank and approving our first sustainability strategic plan. For the material issues see page 22.



Global Frameworks

Adopting five of the United Nations Sustainable Development Goals where the Bank can help make the biggest impact. For our five goals see page 23.



Internal Voice

Establishing our ESG Committee to provide a voice from within Conister Bank to allow our colleagues to have a voice and input into how the Bank's ESG and Sustainability strategy can evolve.



International & Sector Specific Ambitions

Becoming a supporter of the Task Force on Climate-Related Financial Disclosures (TCFD) and the UN Principles for Responsible Banking (UNPRB).



Local Recognition

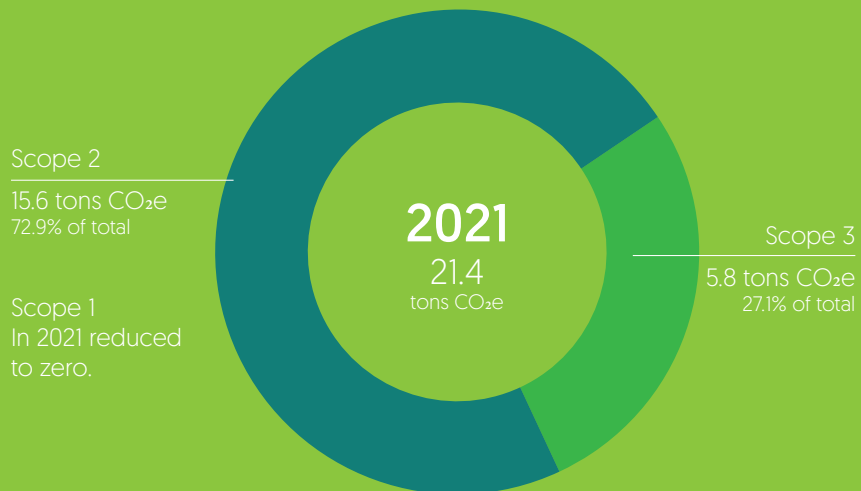
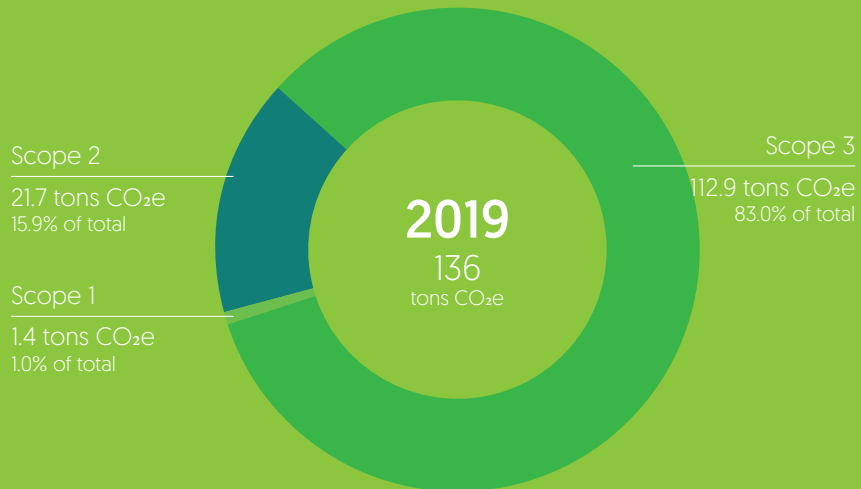
Managing Director, Douglas Grant, receiving the Institute of Directors 'Director of the Year Award' for Corporate Social Responsibility which included his work in driving the Bank's sustainability response.



Staff Upskilling

Incorporating sustainability in our team member onboarding and regular skills training and reflecting on the diversity and skills needs of our board.

CONISTER BANK'S CARBON FOOTPRINT



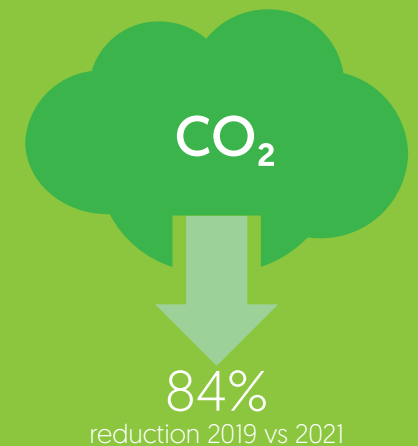
Carbon Reduction Targets

	Base year [2019]	Target year [2029]	Target year reduction [%]	2021 Footprint	2021 reduction against base year [%]	2021 reduction against target year [%]
Scope 1 emissions (CO ₂ e)	1.4	0.8	42.9%	0.0	100.0%	100.0%
Scope 2 emissions (CO ₂ e)	21.7	12.6	42.0%	15.6	28.1%	-23.9%
Company scope 3 emissions (CO ₂ e)	112.9	65.5	42.0%	5.8	94.9%	91.1%
Total	136	78.9	42.0%	21.4	84.3%	72.8%

2021 Carbon Emissions Intensities (includes scope 1-3 emissions):

Tonnes of CO ₂ e per employee [FTE] per year	Tonnes of CO ₂ e per m ² office space per year	Tonnes of CO ₂ e per £M revenue per year*
0.69	0.04	0.99

*Based on 2021 revenue £21.66M and 31 FTEs



Community voice

We understand the importance of developing strong and meaningful relationships. We know how to bring people together, how to give people a voice. But we also know that we can not fix everything by ourselves and that working with others is key.

Conister strongly believes that the local business community on the Isle of Man have a shared goal to tackle the transition to net zero and together can achieve better results through collaboration by sharing and

developing new ideas to advance the transition to a green economy. Therefore, we engaged with the Isle of Man Chamber of Commerce to create a task force for change, the IOM Business Sustainability Group.

The IOM Business Sustainability Group is a subsidiary of the Chamber of Commerce Climate Change Programme [COCCCP] to assist local businesses in achieving net zero emissions.

Employee wellbeing

The wellbeing of Conister Bank's employees and fostering a positive working environment is integral to allowing us to thrive.

Conister Bank believes that a fully integrated wellbeing approach is the foundation of any successful business by prioritising the cultivation of a healthy workplace.

Employee wellbeing has grown beyond just physical wellbeing, it must have a more holistic approach through the seven pillars of employee wellbeing:

Health

- Mental Health Awareness Weeks
- Wellbeing Week
- Encouraging physical activities
- Mental Health first aiders
- Annual flu jabs

Good work

- Improving physical working environment
- Appraisals
- Rewarding staff

Values & Principles

- Corporate Governance
- Ethics
- Equality, Diversity and Inclusion Training
- Community sustainability

Collective & Social

- Employee voices – voice box

Personal growth

- On-going training
- Career progression

Good lifestyle choices

- E-bike scheme
- Hybrid working
- Flexible working

Financial wellbeing

- Fair pay
- Access to independent financial advisers
- Pension & Life Assurance
- Private Medical Insurance
- Annual bonus scheme
- Preferential staff loans

Our future

HERE ARE OUR NEXT STEPS FOR 2022 AND BEYOND...

Goal Setting

The sustainability landscape is dynamic and has seen the evolution and expansion of new global frameworks, standards, and ratings. Conister Bank has chosen to align its ESG strategy with the following organisations:

- Nations Sustainable Development Goals [UN SDGs]
- United Nations Principles for Responsible Banking [UN PRB]
- Taskforce for Climate-Related Financial Disclosures [TCFD].

In combination, these three frameworks provide Conister Bank's ESG strategy with global ambition and international credibility [UN SDG], alignment to a financial reporting structure [TCFD] and a sector-specific framework [UN PRB].

Offset the rest

Removing our carbon emissions entirely will always be the goal we chase, but we understand that, right now, we don't have all the answers to get there. Until we do, starting from 2023, we will offset all remaining carbon emissions that we're unable to remove ourselves.

“Conister Bank wants to promote clean energy on the Isle of Man. We want to actively make a difference to the environmental impact to our community and reduce its carbon footprint.”

Our targets

Conister Bank's carbon reduction targets are based on Science-Based Targets (SBTs) – a globally recognised system that uses science to guide annual reduction targets to limit global warming to 2 degrees, below 2 degrees, or below 1.5 degrees [Conister Bank is using the target of below 1.5 degrees – the most ambitious of the three].

The sustainability agenda has grown at pace over recent years and the climate

change agenda and response to Covid-19 has only hastened this. Sustainability response is a mainstream business requirement and increasingly our regulators and legislators are requiring evidence of how we play our part. The Bank monitors the changing sustainability agenda and is well placed to respond to it.

“The most significant contribution we can make to tackling climate change is financing the transition to net zero”

DOUGLAS GRANT
MANAGING DIRECTOR
CONISTER BANK

OUR SIGNATORIES & FRAMEWORKS



ENVIRONMENTAL GOALS



Collaboration

Continue to work and collaborate with the Isle of Man Government and non-governmental organisations to inform and support the Island's sustainability agenda and response.



Product Development

Continue to refine our products and services to promote sustainable practices and discourage those that are not.



Green Finance

Increase our exposure in the green finance market to enable our customers to fund the transition to Net Zero.



SBTi Targets

Aim to meet our carbon footprint target for 2022. That is generating no more than 98.7 tonnes of CO2 equivalent to be in accordance with the Science-Based Targets Initiative and Paris Climate Agreement 1.5-degree objectives.



Waste Management

To increase our recycling of products and consumables and to quantify the volumes and weights of waste that is or is not recycled.



Transport

To build on our work in providing sustainable transport options for our team members in commuting to work.

SOCIAL & GOVERNANCE GOALS



Stewardship

Through our stewardship continue to share our sustainability knowledge and promote best practices with our customers and stakeholders.



Community Support

Continue to engage with and support the communities we serve where we are best placed to do so and where we can add the most value.



ED&I

Incorporate our equality, diversity and inclusiveness values in our social and team member policies, the workplace, and ensure that our management and board reflect the diversity of the communities we serve.



Group Wide Ambition

Continue to incorporate our sustainability strategy within our wider corporate strategy.



Upskilling

Increase our sustainability related skills training throughout the year and in the induction of new team members.



Disclosure

Disclose our performance against TCFD and UNPRB metrics.

Material issues

We belong to a diverse group of stakeholders which means our impacts are extensive and varied. We understand that we cannot address every issue impacting our people, planet, and prosperity, therefore, we chose to focus on our most significant social, environmental, and economic impacts and the issues that matter most to our stakeholders and team.

Our material issues are:



Green Finance Strategy

As part of our commitment to Green Finance, we provide funding options that support:

- Renewables and energy efficiency
- Electric vehicles
- Sustainable food production
- Biodiversity, agriculture, forestry
- Sustainable waste management



Carbon Reduction, Footprint & Net Zero Pathway

Our net zero pathway is the timeline, targets, and steps we take as a business to be net zero. We have aligned our targets to the Science-Based Targets Initiative, which is to limit the effects of global warming to less than 1.5 degrees in line with the Paris Climate Agreement. Page 14 in this report sets out our carbon-reduction performance.



Engagement & Communications with Stakeholders

Our customers and stakeholders are central to what we do. We proactively engage with customers on our products and services through face to face and virtual meetings, seminars, and surveys. We regularly engage with key stakeholders through scheduled, regular meetings; in our community work, and through our stewardship.



Stewardship

Through careful stewardship of our investments, interactions, and business relationships, we maximise long-term value and returns for the business. We use our business's influence and sustainability knowledge in those relationships to encourage responsible and sustainable behaviour and practices and discourage those that are not.



Transparency & Accountability

Being accountable for our performance and being open and honest in sharing that with ourselves and our stakeholders is critical to our success. It informs the decision-making of ourselves and our stakeholders.



Engagement & Communications with Employees

We operate with an open and transparent team structure that respects the equality and diversity of each team member in an inclusive environment that respects our unique differences. We monitor our performance and employee engagement through regular surveys.



Sustainability Benchmark Alignment & Disclosure

The Bank has aligned with 5 United Nations Sustainable Development Goals, the Task Force for Climate-related Financial Disclosures and the UN Principles for Responsible Banking and is measuring its performance against each of these.



Sustainability Governance

Our governance is the framework of rules, practices, and processes by which we direct and manage the Bank and fulfil its objectives, including values, customs, and ethics. Our Sustainability response is integrated into the broader governance framework in the goals we set ourselves and how we manage and direct the business.



Snap the code to visit: conisterbank.co.im/esg-and-sustainability/

BELOW IS A SUMMARY OF OUR PROGRESS AGAINST THE UN SUSTAINABILITY GOALS* WHICH ARE PARTICULARLY SIGNIFICANT TO OUR BUSINESS.



Good health & Well-being

Through our interactions internally, team incentives, health and wellbeing days; through our community engagements; and through our stakeholder interactions we finance and support a broad range of undertakings that are focused on continually improving the health and wellbeing of those around us.



Affordable & Clean Energy

Through our Green Initiative, Green Lending Portal and sector targeted green lending and sustainable finance service offerings we are funding and incentivising the adoption and provision of renewable, clean and affordable energy sources on the Island and further afield.



Decent Work & Economic Growth

We are investing in our local communities and the customers we serve. The Bank has served the Island since 1935 and continues to play a leading role in funding Island businesses so that they may continue to grow, make a positive contribution and providing long term and rewarding work.



Sustainable Cities & Communities

We are the Island's community bank. Our Green Finance offering supports sustainable investment and growth. Our lending facilities help facilitate an active local property and commercial real estate market and access to safe and affordable housing and places to work and relax. Specifically, these help those looking to upsize or decrease their home to meet their needs and upgrade it to be more energy efficient and sustainable.



Climate Action

The Bank is taking a proactive approach to reducing its climate impact and is on a pathway to being net zero carbon by adopting the recommendations of the SBTi. See page 14 for our latest carbon footprint report. Our Green Finance incentivise and support our customers' climate action by offering low interest rates and flexible terms and are being used to fund energy efficient upgrades, renewable energy installations and electric vehicle purchase amongst others.

**The UN SDGs are comprised of 17 interlinked global goals that provide a blueprint for a sustainable future. We recognise our role in supporting the global transition to sustainable living as envisioned by the goals and took the decision early on to align our business with five goals where the bank can make the biggest impact.*



Conister Bank

Conister Bank, Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN

Telephone: +44 (0) 1624 694694 Website: www.conisterbank.co.im Email: ESG@conisterbank.co.im

The Information and opinions contained in this ESG Report are not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be and there is no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act on or rely on such information without appropriate professional advice after a thorough examination of the particular circumstances in any particular case.

Conister Bank Limited. Registered in the Isle of Man No. 000738C. Registered Office: Clarendon House, Victoria Street, Douglas, Isle of Man, IM1 2LN. Conister Bank Limited is licensed by the Isle of Man Financial Services Authority for its deposit taking activities and is authorised and regulated in the United Kingdom by the Financial Conduct Authority for its consumer credit activities and mortgage lending administration, firm registration number 619002.