Castle Trust Bank

An introduction to

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and our 2025 Environment, Social and Governance (ESG) Plan

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By Chief Executive Officer, Martin Bischoff

Castle Trust Bank is a specialist bank with a simple purpose: to help customers achieve their financial goals. Our purpose is particularly significant because many of our customers are not well served by mainstream financial services.

We are here to help customers by:

- providing property investors and landlords with specialist solutions to match their individual financial needs, including loans to improve and upgrade the quality of rental stock;
- working with retailers and their customers to provide finance that enables both businesses to thrive and people to access valued goods and services; and
- providing a secure home for people's savings.

Developing and delivering our ESG plan

Castle Trust Bank recognises it plays an important role in helping to protect the environment and support social initiatives, whilst making sure our business is well governed. That is why we introduced our ESG plan in 2022, and have published an updated plan each year since. Each year, our plan aims to preserve the measures we have already implemented, and continue to set ambitious targets for the following year and beyond.

All of our ESG plans are reviewed and approved by our Board, and this was again the case for our 2025 ESG Plan, which was approved in spring 2025. Our colleague-led ESG Working Group will help implement and progress the initiatives, the delivery of the ESG plan forms part of the performance agreement for all of our executives, and progress against the plan will be reported to the Board on a regular basis.

Our role as a leader in sustainability

The Winter of 2024 set new, unwelcome records with above-average temperatures and below-average rainfall and this was followed by record-breaking warmth and sunshine in the Spring of 2025. We believe that businesses of all sizes can and should play their part in managing, and reversing this unwelcome trend. Castle Trust Bank does not provide financing to carbon intensive industries such as oil and gas; our lending is concentrated on two areas – property, and consumer finance.

Our property lending is focused on tenanted residential properties, and holiday lets in the UK. Carbon emissions from heating homes is a key contributor to the UK's carbon footprint, and our bridging products help fund refurbishments which include bringing insulation and heating provision up to modern day standards.

Our consumer finance business, Omni, partners with a network of more than 2,000 retailers and healthcare providers to supply goods and services to customers. This includes helping consumers to finance home improvements to upgrade the energy efficiency of their properties. As part of our ongoing commitment to minimise our ESG impact, our Omni business is working on introducing ESG assessments for all retailers we partner with.

We recognise that our operations also impact the environment and continue to progress a range of initiatives to help reduce our footprint, such as reducing the use of paper through internal use and in correspondence with customers, and offsetting the carbon emissions produced from running our websites through the planting of trees.

We belong in Basingstoke

Most of our operations are in Basingstoke, with the majority our c.200 colleagues living and working in the district of Basingstoke and Deane.

We want Castle Trust Bank to be a great place to work and we know colleagues want to live in a vibrant community. As a result, we're proud to partner with a not-for-profit community events company, Destination Basingstoke, who deliver a range of cultural events in Basingstoke. Each year, some of our colleagues take part in the Basingstoke 5k and the Basingstoke Half Marathon, and we are a regular sponsor of the Place to Be Proud Of Awards which recognise individuals who go above and beyond for their community - something we're proud to be doing again this year. We are also a member of Destination Basingstoke's Ambassador Community, which promotes ESG-driven activity across the local business community.

Looking ahead

Having started our ESG journey in 2022, I am pleased with the progress we have made during 2023 and 2024, and the plans we have to continue to advance our achievements in 2025, and beyond. We recognise that there will always be more that we can and must do – and I continue to be committed to meeting the high expectations that our colleagues and customers can rightly expect from us. I know this commitment continues to be shared by everyone at Castle Trust Bank and I look forward to reviewing our progress, and setting further challenging goals in the future.

Martin Bischoff
Chief Executive Officer

Our Heritage

Castle Trust launched in 2012 providing a range of specialist mortgages and investment products.

In 2017, as the business grew, we acquired Omni, a consumer finance business.

In 2018 we were delighted to be invited to pursue an application for a banking licence, and in June 2020 we became Castle Trust Bank – a fully authorised bank.

Ownership

Castle Trust has been backed by its principal shareholder, J.C. Flowers & Co., since it was launched.

Founded in 1998 by J. Christopher Flowers, J.C. Flowers & Co. (JCF) is led by an experienced team of senior professionals noted for their financial services expertise.

Scale

As at 30 September 2024:

- 200 employees
- 166,500 customers
- £648m Property Assets
- £210m Omni consumer finance assets
- £958m savings balances

Purpose

We have a simple and clear purpose: to help customers achieve their financial goals.

Operations

Our main operations are in Basingstoke.

We also have an office in Tower 42, London.

Business Lines

Property: we are a leading specialist UK property lender. Full spectrum of lending covering: bridging, bridge to let exit, buy-to-let.

Omni: we are becoming the first choice point of sale finance provider for the UK's mid-sized retailers. We work with more than 2,000 retailers to provide goods and services to consumers.

Savings: we have a market leading digital proposition. We provide a large range of fixed term savings accounts, ISAs and notice accounts which are accessible via our mobile app and self service portal.

Did you know?

In 2024 Castle Trust Bank:

- Supported more than 2,000 small and medium sized businesses to help them grow, reducing the time to onboard a new retailer from a month to less than five days
- Provided a safe and secure home for the savings of 26,500 customers with approximately £958m being deposited into our e-Saver accounts
- Planted over 25,000 trees since the launch of our plant-a-tree Savings initiative

Values

Our five values were developed by our colleagues.

We put customers first
Customers at the heart of everything we do

We are forward thinking
Investing in our people, our business and our future

We take professional pride
We treat people the way we want to be treated and we take pride in everything we do

We achieve together
One team, making a difference

We are open & transparent
We're approachable, authentic and open-minded

Environment

We take our environmental responsibilities seriously and recognise that we can take action both as a company, and on an individual basis, to help protect our environment.

Initiative	Progress so far, and plans for 2025 and beyond
Electronic Recycling	We divert electronic waste from landfill by recycling it. Over the last three years, we donated over 500 electronic items, such as decommissioned computers, for re-use or recycling and have raised £2,500 for charity by doing so. We will continue to recycle all of our decommissioned electronic devices, using reputable external providers, as well as carrying out our own internal recycling efforts. 
Electric Vehicles	Following the launch of our electric car scheme, there is increasing demand for electric charging points in our Basingstoke office. We have worked with our landlord during 2024 to deliver more charging spaces for electric cars. 
Move towards paperless communications	**Savings** – Our Savings business has pivoted towards products that are paperless. While we retain paper for customers who really need it, we now provide our T&Cs digitally which saved around 500,000 pieces of paper in 2023 and 2024, and will transition all online account statements to paperless by the end of 2025. **Property** – We continued the significant investment in our Property systems during 2024 and the new customer journeys will make the customer experience even better. The new originations platform has electronic signatures (DocuSign) embedded into it, removing the need for customers or their representatives to wet-sign paper documents on cases processed on the new system. **Omni** – Our Omni business has a self-service portal that enables customers to manage their loans digitally. Where we can, we have taken paper out of virtually all of our processes except for some statutory information that is required to be provided in a paper format. We can reduce our use of paper further by providing annual statements digitally, which we target to introduce by the end of 2025.
Office EPC	We have two offices based in London and Basingstoke. Both offices source their electricity from renewable sources, and our London office has, since 2023, benefited from the replacement of the original chillers and gas boiler that served the tower with a combination of air and water sourced heat pumps. The entire office tower no longer uses any natural gas. We will continue working with our landlord in London to raise the EPC of our office from D to C and map out a path to a B rating, and will work with our landlord in Basingstoke to create a plan to get to a B rating before 2030. Our Climate Change Risk Assessment is reviewed by the Board Risk Committee at least annually and considers threats associated with EPC requirements and flooding risk. 

Initiative	Progress so far, and plans for 2025 and beyond
Plant-a-tree initiative	During 2023, we teamed up with an environmental partner, Ecologi, and planted a tree for every reinvestment into our online ISA savings account. We expanded the scheme shortly afterwards, and now plant a tree for every new online e-Saver or Notice e-Saver account that is opened. We surpassed our target of planting 25,000 trees in total by the end of 2024, and have set ourselves an ambitious target of planting 50,000 trees in total by the end of 2025. We also have a partnership with Tree-Nation, who plant trees to offset CO_2 emissions generated by the running of our website. The 324 trees planted by the end of 2024 have offset 41 tonnes of CO_2 emissions. 
Procurement	FSQS is now used for all new suppliers (and existing on renewal) to do a full evaluation of our partners including assessing their ESG credentials, such as adherence to Modern Slavery rules. We continue to assess our supplier's ESG strategies as part of our onboarding process to ensure that their policies align with our own. The data collected generates a scorecard for each supplier which includes insights on areas they can focus on to improve their scores. FSQS REGISTERED
Corporate climate change impact	A representative of Sancroft, external climate change experts, attended our Consumer and Social Responsibility Committee meeting in April 2024 to present on ESG Horizon Scanning. We continue to work with Sancroft as part of our ongoing ESG agenda.
BCorp certification	Our ESG Working Group will carry out a gap analysis between BCorp certification requirements and our current arrangements in 2025, and set out an action plan to move us towards certification over the coming years.
Moving to cloud-based solutions	We will introduce monitoring during 2025 to capture the environmental benefit we have achieved from moving from in-house servers to using cloud-based solutions.

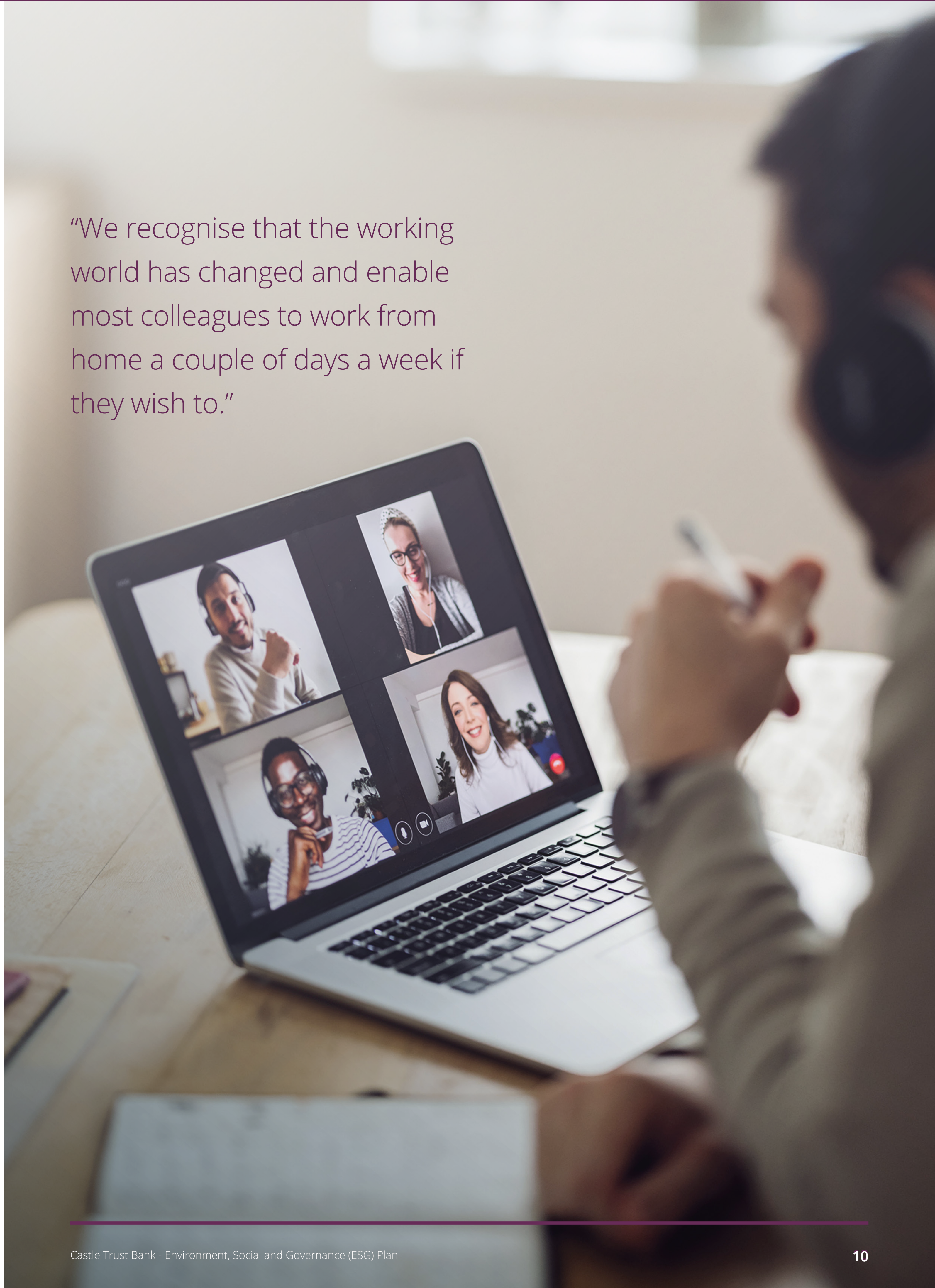
Social

The social wellbeing of our staff, business partners and our local community is a key consideration for Castle Trust Bank. We believe in a fair and supportive society and want to contribute to that where we can do so.

Initiative	Progress so far, and plans for 2025 and beyond
Anti-discrimination	Castle Trust Bank has a zero-tolerance approach to discrimination. This is documented in our equality and diversity procedure. This is also supported by our bullying and harassment procedure which are there to make sure colleagues have enjoyable and dignified working lives. We remain vigilant and ready to address any discrimination that may arise.
Basingstoke Community Partner	In 2022, we became a core partner of a not-for-profit community partner, Destination Basingstoke. We increased our contribution to the local community through our support of community awards and other community events. We are proud to continue working with Destination Basingstoke again during 2025, with many of our colleagues supporting local events such as fun runs and races, and the Basingstoke Pride's march. We are also sponsoring the Above and Beyond award at the Place to Be Proud of Awards for the fourth consecutive year, recognising individuals in the Basingstoke community who go above and beyond.
Charity and Good Causes	Over the last four years, we have donated over £32,000 to charities and good causes. We have supported St Michael's Hospice, Basingstoke Foodbank, Age UK and Shelter From The Storm. Our Property team hosted our third annual charity golf day in July 2025, raising more funds for Just4Children. We introduced a fully paid volunteering day for every colleague in 2023, with 13 days being used locally during 2024. Our HR Team has coordinated a database of local charities and events that require volunteers and we will continue to grow this database during 2025, so that we can continue to expand the support we provide to the local community. 
Colleague development & Apprenticeships	We are very proud of the investment we make in helping our colleagues develop themselves and their careers. Colleagues can study for a range of professional qualifications including, for example, CFA, ACCA, ACT and FEMA. We also have dedicated in house training resource that delivers a wide range of training and coaching each year. We currently have four colleagues studying under an apprenticeship scheme, with three of them expected to graduate in 2025.
Colleague Engagement	We continue to have a vibrant culture where all colleagues join a regular Townhall and can ask the CEO any question they wish. We undertake regular colleague surveys and develop action plans to deliver workplace enhancements for colleagues. We supplement this with seasonal events such as our all-colleague Summer Barbeques, and Annual Staff Conference. Our ESG Working Group has committed to a smaller number of events in 2025, with a focus on full engagement across the organisation. Our colleague engagement score is consistently above the benchmark for a high performing firm.

Initiative	Progress so far, and plans for 2025 and beyond
Diversity and Employer of Choice	Castle Trust Bank continues to develop its Equality, Diversity and Inclusion (EDI) strategy, and we re-launched our LGBTQ+ network at the end of 2024, as 'We Are Proud'. We took part in the first Basingstoke Pride march in 2024. We are a member of Neuro Diversity In Business with the aim to recruit and retain a neuro diverse colleague base. Building on our success in 2023, we completed our training to establish the bank as a Disability Confident Tier 1 workplace in 2024, and having worked towards attaining Tier 2 in early 2025 we are now working towards Tier 3 by the end of the year. We also are a signatory to HM Treasury's Women in Finance Charter, which aims to improve gender balance in senior management. We remain committed to our target to have 35% of our senior management roles filled by women and will continue to work towards this target. Our latest performance can be found on our website.
Enabling purchases	We provide customers an affordable way to spread the cost of items they wish to purchase. Around 70% of our Omni lending is interest free giving consumers access to simple finance without having to pay interest. In addition, Omni only applies a late payment fee to cover the cost of administration and does not apply default interest for those customers who are in arrears. 
Family-friendly Employer	Castle Trust Bank is proud of the family friendly policies it has in place including our enhanced maternity pay and polices relating to adoption / paternity / shared parental leave. We continue to monitor our policies to remain competitive from an employer perspective.
Gender Pay Monitoring	We monitor our gender pay and report it internally. The gender pay gap is the difference between the actual earnings and actual bonus payments of colleagues that identify as men and women, throughout an organisation and across all roles. This is reviewed quarterly in ExCo and annually in RemCo and is reviewed annually by our Board. We will continue to publish this in the interests of transparency, share with ExCo and Board to ensure visibility and we will continue to agree actions to improve the Gender Pay gap over time. 

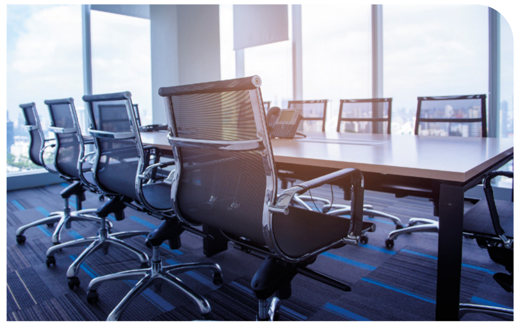
Initiative	Progress so far, and plans for 2025 and beyond
Helping SMEs with Cashflow	We know that many of our suppliers are small and medium enterprises that need invoices to be paid swiftly to help with cashflow. We plan to achieve a minimum of a Silver Award under the Fair Payment Code in 2025, meaning that at least 95% of all invoices are paid within 60 days, and at least 95% invoices to small businesses are paid within 30 days, to help our SME partners with their cashflow. We are proud that our Omni business supports 2,000 SMEs spread across the UK.
Mental Health	We have a dedicated colleague wellbeing programme and mental health first aiders, and have 6 colleagues fully trained as Mental Health First Aiders. Our colleagues also have access to an Employee Assistance Programme, offering a wide range of advice and support 24/7, 365 days a year. We support national and international events that bring awareness to mental health topics. MHFA England
Responsible Lending	Our lending businesses, Omni, and Property, carefully assess the affordability of each loan for each customer's circumstances making sure it is appropriate for their budget. During 2024, we continued to review our affordability criteria in response to the changes in the external economy, but also based on what we saw from the information about our own customers. We are committed to lending responsibly and ensuring customers who need support are aware of the help they can access at the earliest opportunity. For our borrowers, we give our customers breathing space and work with them to restructure their borrowing if they get into difficulty, and the Money Worries page on our Omni website provides help and guidance for customers should they need it. Where we have to take action as a last resort, we only work with reputable agencies and closely monitor their performance against our high standards. Our implementation of the FCA's Consumer Duty requirements has enhanced our ongoing monitoring of customer outcomes, and our assessments of how effective our processes are.
Working from Home	We recognise that the working world has changed and enable most colleagues to work from home a couple of days a week if they wish to. There are some operational roles where colleagues are required to be in the office five days a week in order to best serve our customers. We recognise that providing flexibility is a highly valued benefit for our colleagues and we continue to support hybrid working and ensure our colleagues have appropriate arrangements in place to ensure they are safely working remotely. 
Recruitment	We will introduce a focus on our ESG agenda into the bank's recruitment and attraction strategy during 2025. We have been engaging with Southampton University regarding proposals to set up a campus in Basingstoke, to encourage graduates to consider the area for career opportunities.
Paying a fair wage	We are a National Living Wage and Real Living Wage employer, which helps our colleagues enjoy a normal standard of living. We continue to support colleagues in their financial wellbeing.



"We recognise that the working world has changed and enable most colleagues to work from home a couple of days a week if they wish to."

Governance

We recognise the importance and value of strong governance in all areas of our business, and will continue to ensure that all areas continue to have appropriate controls.

Initiative	Progress so far, and plans for 2025 and beyond
Board Effectiveness	The Board carries out regular effectiveness reviews to make sure that it has the right range of skills and expertise to govern a growing bank. 
Board Oversight of ESG	In 2023, we established a Customer and Social Responsibility Committee, chaired by our consumer Duty Champion. This Board sub-committee meets quarterly and is responsible for overseeing the development and execution of our ESG Plan. Our latest ESG plan was reviewed, challenged and approved by the Board in April 2025.
Consumer Duty	In 2023, the FCA introduced Consumer Duty that requires regulated firms and their employees to act to provide retail customers with good outcomes. We delivered Phase 1 of our programme, led by our Chief Compliance Officer, meeting the FCA's first deadline of 31 July 2023. Phase 2 of our programme of work was delivered in line with the 31 July 2024 deadline, and the first Board Outcomes Assessment was presented to and approved by the Board. We are also continuing to embed the processes that we have introduced to make sure we are monitoring outcomes and taking action where necessary.
Cyber Security	We have adopted the NIST standard and have a clear roadmap and investment plan for strengthening our Cyber Security even further, updating our framework to reflect incremental changes that NIST introduce over time. As part of that work, we successfully achieved Cyber Essentials accreditation and have reviewed against regulatory obligations. We are also working towards achieving Cyber Essentials Plus accreditation by the end of 2025. 
Data Automation and Reporting	We continue to invest in our data management platform and tools to increase automation. This will transform how easily we can access information to make informed decisions about our bank and also make our regulatory reporting more efficient. Three Proof of Concept items were delivered across the bank during 2024, refining the bank's implementation of AI initiatives, and informing the wider AI framework introduced by senior management.
ESG Accounting Disclosures	Our CFO, working with our auditors, is responsible for making sure we meet and exceed the disclosures we must make in our annual accounts.

Initiative	Progress so far, and plans for 2025 and beyond
ESG in Executive Performance Plans	All Executives have ESG deliverables included in their Executive Performance Plans. This provides a strong incentive for senior management to deliver against our ESG plan in 2025. This links to the annual assessments and bonus awards. 
Regulatory Compliance	Our Chief Risk Officer and our Chief Compliance Officer are responsible for making sure we are compliant with all regulations including ESG regulations from the PRA, FCA and other relevant bodies. We continually monitor the regulatory horizon for any changes that we will need to implement.
ESG Working Group	Our ESG Working Group was established in 2022 and is comprised from colleagues from across the business who are passionate about delivering our ESG plan. They have set out their calendar of events for this year, shifting to a smaller number of higher-focus events, and are excited to support the bank's 2025 ESG plan.
Financial Crime Prevention	We have a Money Laundering Reporting Officer and a Deputy who own our financial crime policy. The policy articulates principles and minimum standards for countering the risk that Castle Trust Bank might be used either as a conduit for financial crime or be party to (knowingly or otherwise) fraud or corruption.
Product Governance	As part of our programme to introduce Consumer Duty, we redesigned and reestablished our Product Governance process to ensure that we are putting ourselves in our customers' shoes throughout the whole product lifecycle. All the products Castle Trust Bank offers are carefully assessed against our product governance criteria to make sure they are suitable for the target customer group and deliver good customer outcomes.
Retailer Onboarding	In our Omni business, we are selective about the sectors and retailers we do business with. Currently, this includes reputation, financial soundness, and conduct assessments. As part of our longer-term strategy in Omni and set for delivery in 2025, we plan to introduce ESG assessment on retailers, developing our onboarding criteria to have regard for a retailer's impact on ESG matters.
Whistleblowing Policy	All organisations face the risk of things going wrong from time to time. Our open culture helps to make sure any issues are promptly addressed. Colleagues are encouraged to speak to their Executive Committee member if they have concerns of wrongdoing and also have the ability to escalate concerns to our independent Chair of Audit Committee. We will continue to regularly train colleagues with a key role in our whistleblowing processes.
Vulnerable Customers	Our colleagues receive training on supporting vulnerable customers and we have a dedicated policy detailing how customers with vulnerabilities should be supported. This includes protocols for handling vulnerability disclosure, and contact details for a number of charities and external support organisations.

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