

Impact Report 2023

C. Hoare & Co.
PRIVATE BANKERS SINCE 1672

A message from our chairman

Welcome to our third annual impact report. While the report is a relatively new thing, the strategy that it expresses has served C. Hoare & Co. well over the past 350 years. We focus on the UK. We prioritise customer service and long-term relationships. We invest for the future; we stay small and avoid the exotic. Above all, we seek to be good bankers and good citizens.

In September 2022, C. Hoare & Co. certified as a B-Corporation (B-Corp), after being assessed against and meeting B-Lab's high standards for social and environmental performance, transparency, and accountability. We see the B-Corp certification as an important part of challenging ourselves to be more effective as good bankers and good citizens. This report highlights some of the ways we're meeting that ambition.

Delivering better outcomes for the bank through harnessing diverse thinking was given more focus this year through the formation of an Equity, Diversity, and Inclusion (ED&I) Forum. This Forum has organised a number of colleague events to promote diversity and is leading a project to encourage colleagues to share their ED&I data with the bank.

We seek to operate our business in a manner that is sustainable for the long term. Effective management of our carbon footprint is a core part of this strategy. This year the bank conducted extensive audits of its physical estate to identify ways to reduce its footprint. It is also working with Positive Planet to calculate its complete carbon footprint.

C. Hoare & Co. was founded by Sir Richard Hoare in 1672 and has been owned by the Hoare family for 12 generations. The current shareholders, or partners, are fully engaged in all aspects of our business and meet with colleagues and customers on a daily basis. The partners' deep understanding of the needs of private banking customers, developed over 12 generations, ensures the continuation of the bank's culture, values, and purpose.

The strong financial position of the bank, coupled with its ownership structure, allows the Board to set and maintain a long-term perspective when making decisions and careful stewardship over three-and-a-half centuries has allowed the bank to weather more turbulent times.



In the year ahead we will continue our efforts to demonstrate the 'Good Bankers and Good Citizens' principle in everything that we do. This will naturally involve the participation of our customers, colleagues, and community – which is as it should be. It is our firm belief that we can have a positive impact on the world around us, and that our impact is magnified many times over when we work collectively, alongside others.

A handwritten signature in black ink, reading "Nick Macpherson". The signature is written in a cursive, slightly stylized font.

Lord Macpherson of Earl's Court GCB



“B Corp certification is an important validation; it evidences that we are being both good bankers and good citizens.”

- Rennie Hoare, Partner and Head of Philanthropy

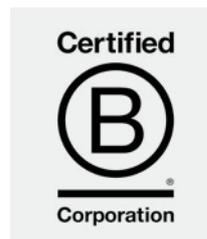
Our B Corp Certification

Last year, we began a comprehensive assessment of the business, making use of the B Corporation (‘B Corp’) framework. We believe that B Corp is a good way of measuring our performance; we see it as a tool we can use to challenge ourselves to be more effective, both as good bankers and as good citizens.

A wide range of colleagues worked together on this initiative to gather data and evidence to demonstrate how we operate as a business. We were pleased that, with no changes to our usual business practices, we were certified as a B Corp with a score of 97.7 (well above the minimum certification score of 80).

This is a helpful, independent validation of our purpose.

Now that certification is in place, the bank’s Purpose Leaders will work alongside a new committee – the Innovation Team – to find ways to build on that score and improve our performance in the years to come. This impact report highlights some of the activities that supported our B Corp score and that demonstrate our commitment to being good bankers and good citizens.



Our score
97.7

The B Corp framework is used to assess a company’s impact on its customers, colleagues, community and environment. It is also used to assess governance.

Focus on customers

This evaluates a company’s stewardship of its customers through the quality of its products and services, ethical marketing, data privacy and security, and feedback channels.

Focus on colleagues

This evaluates a company’s contributions to its employees’ financial security, health and safety, wellness, career development, and engagement and satisfaction.

Focus on community

This evaluates a company’s engagement with, and impact on, the communities in which it operates, hires from, and sources from. Topics include diversity, equity and inclusion, economic impact, civic engagement, charitable giving, and supply chain management.

Focus on environment

This evaluates a company’s overall environmental management practices, as well as its impact on the air, climate, water, land, and biodiversity.

Focus on governance

This evaluates a company’s overall mission, engagement around its social/environmental impact, ethics, and transparency.



95% of our customers say they are 'very satisfied' or 'satisfied' with the bank.

- Net Promoter Score Survey, January 2023

Customers

C. Hoare & Co. is the oldest privately owned bank in the UK. For centuries, we have been working hard to meet the complex needs of our customers.

All bank customers have a personal relationship manager who knows them well and looks after their individual banking needs. Though the bank is, and has always been, based in London, we have regional relationship managers in the East, North East, North West and South West of England and we are happy to work alongside our customers' advisers.

Good listeners

The bank continually strives to ensure that its services are best-in-class. Our annual Net Promoter Score (NPS) customer survey is an important measure of our success, and we listen carefully to feedback in order to gain better understanding of customers' evolving requirements. Considerable progress has been made in this regard over the past twelve months. Customers are now able to view, freeze/unfreeze and report lost and stolen cards within the mobile app. Our new online currency conversion service, enabling real-time settlement over currency accounts, has also proved popular.

Easy to reach

80% of customer calls are now resolved at first point of contact. Averaged throughout the year, calls were picked up in under five seconds (three seconds in the final quarter of the year).

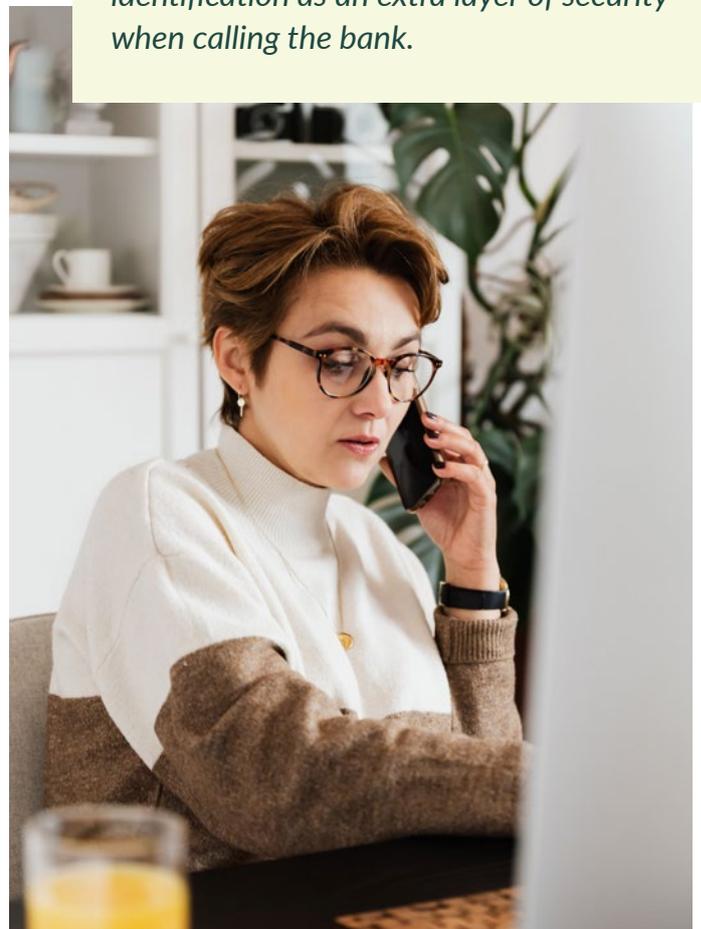
Specialists in complex lending

Relationship managers work with our lending and mortgage teams to determine the arrangement that suits each customer best. Borrowing opportunities are assessed on a case-by-case basis. We take full account of all cashflows (capital and income) and are prepared to consider complex security arrangements.

On hand to help prevent fraud

Fraud prevention remains a priority for the bank. We continue to bolster defences in this fast-moving area through a combination of fraud-detection technology and detailed customer information. This year, we instigated a running programme of fraud-awareness events to help protect customers. Hosted by Bella Hoare and our Head of Fraud Prevention, these have been very well received.

60% of customers now use voice identification as an extra layer of security when calling the bank.



Events

It was a great pleasure to welcome customers back to events in Fleet Street this year. The hybrid technology developed during the pandemic continues to expand the reach of many of our talks. As ever, these covered a range of interesting and timely issues, sparking spirited conversations within the bank community.

However, the biggest event of the year was undoubtedly our Service of Thanksgiving at St Paul's Cathedral in March, where we celebrated the 350th anniversary of the bank with more than 1,000 customers.

In total, 70 events for customers, prospective customers and professional advisers were hosted throughout the year in London and the regions. We enjoy meeting our customers socially, and we know they set great value on opportunity to connect with like-minded individuals and organisations.

91% of our customers trust us to do the right thing for them, and 81% of customers trust us to do the right thing for society.

- Net Promoter Score Survey, January 2023



The Master Charitable Trust

Philanthropy is important to many of our customers. Our Master Charitable Trust (MCT) allows them to donate quickly and effectively to causes important to them without the administrative burden of running their own charity or personal foundation. This past year, customers used MCT to make 1,684 donations, totalling £67m, to 1,287 different charities.

Top 3 areas of focus for MCT customers' charitable giving:



Education



Health



Poverty

“Our customers tell us they value the strong relationship they have with their relationship manager, as well as our flexibility, speed of decision making and understanding of complex situations. Nothing pleases us more than knowing we have played a part in helping our customers achieve the things that are important to them in life.”

- Shaun Phillips, Head of Private Banking



95% of colleagues feel their day-to-day activities contribute to our purpose.

- Net Promoter Score Survey, November 2022

Colleagues

We continue to pursue our purpose as 'Good Bankers and Good Citizens'. Our colleagues live our purpose by providing exceptional support to our customers and by volunteering, fundraising, and championing causes important to them.

Mental health

This year, we hosted an event to mark World Mental Health Day. We invited a charity called United for Global Mental Health to talk to colleagues about the state of mental-health support across the world. We then took the opportunity to remind colleagues of the support available to them in the bank. This includes dedicated well-being champions, trained mental health first-aiders, and access to Amplify – a team of psychologists with whom we have recently partnered. Amplify provides colleagues with free and immediate support, helps set in place ongoing support, and raises awareness of mental and emotional health issues.



88% of colleagues find their role at the bank engaging.

- Net Promoter Score Survey, November 2022

A green workplace

We have introduced more plants to our workspaces, supplied and maintained by a social enterprise called 'The Glasshouse', who offer second chances through horticultural training in the disused glasshouses of UK prisons.

Training

We recognise the importance of supporting colleagues to grow and develop at the bank. Following cross-bank feedback, the Talent and Development team established 'Your Way', a new learning programme for all colleagues. This provides an opportunity to join up to 15 sessions on topics such as Self Awareness, Decision Making and Building Relationships, with a view to developing and refining core skills.

Cost-of-living support

This year, we have focused on the personal financial well-being of colleagues and set in place a range of new initiatives. These include access to individual financial coaching, the introduction of a new financial well-being tool and mortgage advice from external providers.

We recognised this was a challenging time for many, and therefore brought forward our 2023 annual pay review to January 2023 – six months earlier than usual. Additionally, in September 2022 we provided all colleagues with a one-off cost-of-living support payment of £2,000.

Sports, Social and Volunteering

The Sports, Social and Volunteering (SSV) network was formed at the start of the year and aims to break down silos between colleagues – especially as hybrid working becomes the 'new normal'.

Treasure hunts and quiz nights, the creation of new sports teams, and volunteering days have helped us achieve this goal.

Gender pay gap

In 2022, our gender pay mean gap stood at 8%; the average gap in UK banks is 34%.



Equal opportunities

The bank is an equal opportunities employer. When we hire, we insist on a diverse shortlist of candidates. We support flexible work patterns for colleagues in all roles, and we encourage open conversations that foster a more inclusive bank.

In the course of 2022, the bank recruited 15 graduates and apprentices from a range of backgrounds. Around 10% of our colleagues have formal flexible working schedules and all colleagues continue to benefit from the bank's hybrid working policy.

How many women hold senior roles at C. Hoare & Co.?

50%

of four non-executive directors

43%

of seven Hoare family shareholders

22%

of nine Management Team members

Equity, Diversity & Inclusion Committee

We have launched a colleague-led Equity, Diversity, and Inclusion (ED&I) Committee.



This year, the committee has:

- Proposed collection, on a voluntary basis, of more ED&I data, so that the bank has greater visibility of points of weakness and can actively work to improve diversity in the workforce.
- Driven greater focus on important areas such as Black History Month, World Mental Health Day, International Women's Day, and International Day of the Disabled Person.
- Serves as an umbrella committee for four colleague-led networks: the Women's Network, the Disability Equity Committee, the Family & Carers' Network and the Well-being Champions.



Women's Network



Disability Equity Committee



Family & Carers' Network



Well-being Champions

Community

Social responsibility is one of the bank's core values. We understand we have a responsibility to give back to our community, and to mitigate our environmental impact.

Payroll giving

Many colleagues donate to charity through our Give as You Earn scheme. Every contribution is double matched, thereby tripling the impact of a donation. This year, over 50% of our colleagues are signed up to use the scheme. Since 2012 we have donated £2.5m through this scheme.

| Year | Colleagues donating | % of employees |
|------|---------------------|----------------|
| 2019 | 173 | 40% |
| 2020 | 209 | 47% |
| 2021 | 221 | 48% |
| 2022 | 208 | 44% |
| 2023 | 290 | 53% |

Philanthropy circle

This year, we brought in a new initiative, the Philanthropy Circle, to help colleagues become effective practitioners in philanthropy. Colleagues learn best practice and collectively agree funding for a project of their choosing in the local community. In the process, they become more familiar with the challenges and opportunities faced by donors in their philanthropic giving.

The Golden Bottle Trust

The partners of the bank donate up to 10% of profits each year to the Hoare family's charitable trust, the Golden Bottle Trust (GBT). Grants made by the GBT reflect the interests of family members, while the UN's Sustainable Development Goals (SDGs) are used to help identify areas for strategic giving.

This year, the GBT focused on SDG 3: Good Health and Wellbeing, SDG 10: Reduced Inequalities; SDG 13: Climate Action, and SDG 17 Partnerships for the Goals.

You can read more about the GBT's activities in the [2021/22 Golden Bottle Trust Annual Report](#).



Yorkshire 3 peaks fundraising challenge

The bank's annual charity challenge returned, after a two-year enforced hiatus, in September 2022. 38 colleagues undertook a grueling 26-mile walk over the three highest peaks in Yorkshire, collectively walking the equivalent of London to Sarajevo. Travelling up by train on the Friday night, colleagues stayed in the 3 Peaks bunk rooms and set off at 7am on Saturday. The task was to complete the route before nightfall, and the whole team was successful (some intrepid souls crossed the line in under 9 hours!). More than £31,500 was raised for the bank's charity of the year, ThinkForward.



This year, the bank donated

£6.5m

to the Golden Bottle Trust

Our charity of the year: ThinkForward

We continue to support ThinkForward and have made it our Charity of the Year for 2022/23. ThinkForward supports young people at risk of being NEET (not in education, employment, or training) after they leave school. The charity provides long-term coaching to prepare these young people for the world of work.

We supported ThinkForward through:

- In-school skills sessions
- Insight days
- Colleague fundraising
- Work experience

25+

students supported

30+

colleagues volunteered

£35k+

fundraised by colleagues



Volunteering days

Last year, we launched a new volunteering policy designed to encourage and enable all colleagues to get involved in volunteering. This year, we have seen momentum start to build, with 81 colleagues collectively donating more than 500 hours of volunteer work to a range of charities, including:

- Sal's Shoes, which provides shoes to children whose families are struggling, and aims to reduce the waste of outgrown children's shoes.
- City Harvest, which re-distributes food that would otherwise be wasted, making businesses more sustainable and more impactful.
- The Tree Council, which brings people together with a shared mission to care for trees and our planet's future. It runs corporate tree-planting days, with the aim of inspiring and empowering organisations to create positive, lasting change at a local level.



500+ hours'

volunteering time given by bank staff

Suppliers

Strong, long-term relationships

Working effectively with the bank's suppliers is integral to excellent service. We are committed to acting ethically and with integrity in our supplier relationships. We seek to build long-term relationships with our third-party vendors, working together to achieve our goals. Proactive and positive relationships with our suppliers are as important as they have ever been.

The bank considers strategic partnerships to be key to positive delivery. We take pride in ensuring that organisations with whom we partner understand our purpose, and so are able to operate in a manner aligned to the bank's core values.

We speak. We listen. We deliver together.

Rigorous governance

Governance and oversight of the supplier network is of paramount importance. The Supplier Management Council (chaired by the Chief Technology & Transformation Officer) provides oversight of the business-as-usual activities of the supplier network.

The Council reviews, discusses and supports decision making related to the bank's suppliers and the associated risk profile.

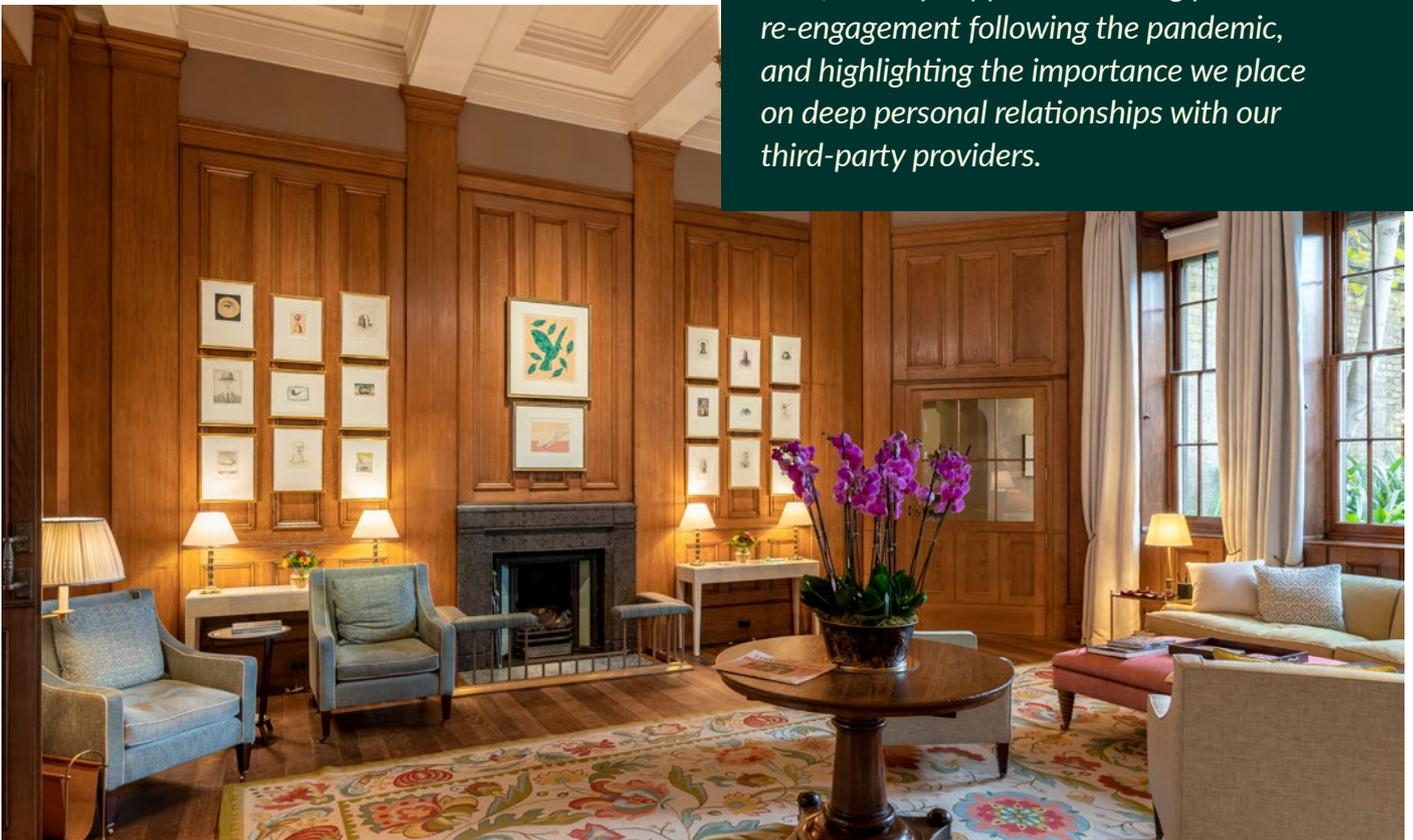
The Council supplements a defined Supplier Management function at the bank to support ongoing partnerships and supplier relationships at all levels. We engage for a 'full contract lifecycle'. Value for money is not defined simply by cost.

Collaboration is key

The success of our external partnerships is founded on honest, open relationships with suppliers, and on the provision of the requisite evidence to support oversight. Standards are reinforced via regular service review meetings.

The strong relationships that we have built with our suppliers provide a foundation for success by helping us prevent disruption of the bank's operations in the event of major external events such as the recent pandemic.

The bank hosted a face-to-face event with 80 of our key suppliers, enabling positive re-engagement following the pandemic, and highlighting the importance we place on deep personal relationships with our third-party providers.

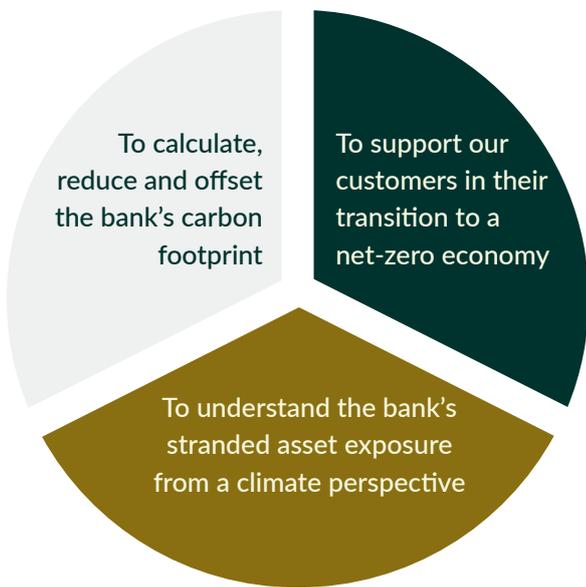


Environment

We are mindful that our activities have an impact on the environment, and we seek to operate our business in a manner that is sustainable. As a certified B Corporation, we are committed to ensuring that we have a positive impact on the environment through our business and our operations.

Climate strategy

The bank's climate strategy is presented to the Board annually. The strategy has three key elements:



This year our focus in respect of our carbon footprint has been on calculating and reducing our emissions. We are also working with Positive Planet to calculate our complete carbon footprint, including our Scope 3 emissions.

Carbon reduction plan

At the start of the financial year, we undertook enhanced audits of our entire physical estate. The purpose was to understand how the bank could significantly reduce its carbon emissions through a combination of short-term measures and plant/system building upgrades. The reports identified a potential estimated saving of 105 tCO₂e across the estate.

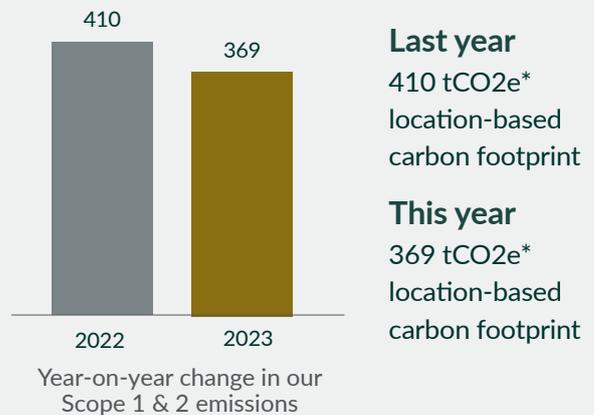
The savings identified can be attributed to a combination of short-term and long-term measures. A carbon-reduction action plan has been put in place to realise those savings. A key finding of the audit was that electricity and gas loads were higher than expected outside business hours.

11% of the bank's energy usage was saved by changing running hours.

The bank carried out extensive testing of its heating and air conditioning systems to pinpoint the systems at issue. In some cases, given the bank's 24/7 operating model and the listed status of our building, the projected savings were not achievable. However, the exercise yielded an 11% saving on our energy usage as a result of changes made to running hours.

Our Carbon Footprint

The bank publishes its Scope 1 & 2 Emissions in accordance with the Streamlined Energy and Carbon Reporting Regulations. Last year, we recorded an increase in our Scope 1 & 2 Emissions. This was primarily due to an upsurge in energy usage as the bank reopened after lockdown. Since then, we have made several changes, and this year we have reduced our footprint by around 10%. This is a result of better managing our out-of-hours loads, alongside upgrades to LED lighting with additional motion sensors.



* Tonnes of carbon dioxide equivalent; [click here](#) for the World Resources Institute's explanation of market-based and location-based methods.

Recycled materials

Recycling remains a priority: 78% of our waste is recycled.





New hybrid-working office space

Our ongoing commitment to a hybrid operating model means our colleagues continue to have the opportunity to work flexibly. An increasing number of colleagues are choosing to come into the bank, and we are investing in both our office space and our technology to ensure it is optimised for hybrid working. All colleague areas are being upgraded and refreshed, and new laptops are being provided to all colleagues. When refurbishing our office space, we placed huge importance on environmental considerations, and assessed potential suppliers based on their commitment to the environment.

Supporting our customers

To support our customers in their transition to a net-zero economy, we have continued to promote and encourage natural capital, biodiversity loss reversal, and regenerative farming projects. This frequently involves staging talks and other events where we can bring together individuals who may have common cause or overlapping interests. This past year, talks have covered topics such as the preservation of marine vegetation and the survival of the red squirrel.

Donating our old equipment

Donating old technology and equipment to the Turing Trust enabled 1,100 students to learn vital IT skills. We also donated some of our old furniture to local schools.

Making recycling a priority

97% of our new furniture is recyclable. 100% of scrap metal produced during the production of the furniture is recycled.

Choosing our suppliers carefully

Our furniture supplier has an ISO 14001 accreditation, meaning they have an effective environmental management system in place, and is a member of the Furniture Industry Sustainability Programme.

Supporting healthy seas

All nylon used in our new carpets is 100% recycled. The supplier is linked to the Healthy Seas Network, who recover fishing nets with volunteer divers and re-use the nylon in fashion and interior design products.

The Golden Bottle Trust

The Golden Bottle Trust (GBT) aims to be a leading learner in this space, supporting a number of environmental projects, ranging from the protection of eels (via the Sustainable Eel Trust) to peatland conservation (via Moors for the Future).

The GBT also has several investments which aim to have positive environmental impact; these include a rhino-conservation bond and an environmental technology bond.

You can find out more about the activities of the Golden Bottle Trust in the [2021/22 Golden Bottle Trust Annual Report](#).



Governance

Good governance is central to impact, because governance is what provides the will, and sets the direction, of the bank. The seven partners of the bank, all members of the Hoare family, are joint owners of the bank and hold unlimited liability for the business; this means that, as a body, they are keenly aware of the consequences of their actions and deeply invested in each decision they make.

The Board delegates day-to-day executive management of the bank to the Chief Executive Officer (CEO) who directs the Management Team (MT) to deliver in line with the bank's strategy. Each MT member is regulated under the Senior Managers and Certification Regime (SMCR) and as such operates within a framework of regulatory approval, individual accountability and fitness and propriety.

The bank's philosophy is to focus on multi-generational impact, not just on short-term financial returns. This requires constant new thinking and new practice. As a registered B-Corporation, we have a constitutional requirement embedded in our articles of association to ensure we have a material positive impact on society and the environment.

Accordingly, the Board manages the bank in a holistic way that takes into account economic, social, and environmental matters. By writing stakeholder governance into the bank's foundation document, the partners have, in effect, taken on a legal obligation to be good citizens.

The partners of C. Hoare & Co.

Left to right: Alex R Q Hoare, Bella Hoare, Rennie Hoare, Venetia Hoare, Amy Rodwell, Simon Hoare and Alexander Hoare



3-year portfolio Loan-to-Value trend



As at the March 2023 year end, the bank's Core Equity Tier 1 Ratio was 21% ; it has been consistently above 20% since March 2017.

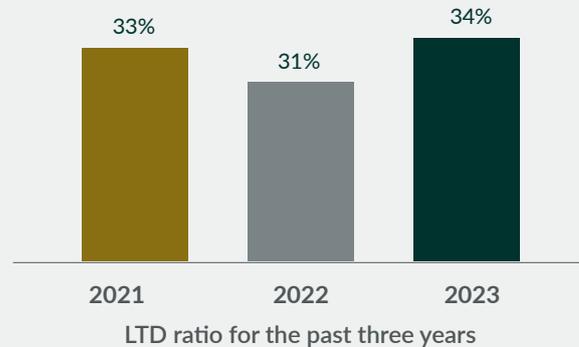
This means the bank has far more capital than we are required to hold for regulatory purposes. Since 2018, more than 20% of total customer deposits have been held at the Bank of England.

Our strong, stable balance sheet and conservative approach to managing liquidity has served the bank well for 350 years and continues to do so in the current financial environment.

The bank builds deep relationships with its customers and extends lending with an average total portfolio Loan-To- Value (LTV) ratio of 49% as at the March 2023 year end.

The bank aims to be a responsible lender and therefore sets limits on its lending, with caps of 66% LTV for principal private residence and Buy to Let and limits the amount of loans with terms longer than 10 years.

Loan-to-Deposit Ratio (LTD)



The bank maintains reserves of both capital and liquidity well above those required by our Regulators or needed to support lending to customers. This is a banking strategy that goes back decades, even centuries, but it is also good citizenship for the present day. It means that our stakeholders can always trust us to protect their interests -- their money -- by lending only against the most stable portion of the deposit base.

“Our strong, stable balance sheet and conservative approach to managing liquidity has served the bank, our customers and partners well for over 350 years and continues to do so in the current financial environment.”

- Alexander Hoare, Partner and Director

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