

Impact Report 2024

C. Hoare & Co.
PRIVATE BANKERS SINCE 1672

A message from Abigail Malortie

Welcome to our fourth annual Impact Report.

As the bank's most recently appointed partner, I am delighted to introduce this report. One of the most compelling reasons I had for joining the bank in 2020 was its commitment to be good bankers and good citizens. This pithy statement captures 352 years of personal service for our customers: long-term thinking that results in multi-generational relationships and a strong balance sheet, and a pioneering approach to philanthropy.

This year has been no different. We have set three guiding principles that will help us focus on aspects of our service that demonstrate both good banking and good citizenship: diversity of thought, environmental stewardship, and connecting our customers through networks.

As a family-owned business, we appreciate the particular importance that diversity has for our success. Our colleague-led networks are extraordinarily active and keep a wide range of important concerns front of mind. To better support new parents and carers, we have introduced enhanced paternity leave with three months' full pay, as well as a salary sacrifice scheme to cover nursery fees and support for those with caring responsibilities.

We recognise that sound environmental stewardship goes far beyond carbon reduction initiatives, and we join many of our customers in seeking ways to improve our environment. Our climate strategy aims to deliver a measurable positive effect on the environment. This extends not only to our own premises and operations (our new onsite aerobic digestive composter means we have zero food waste and produce nutrient-rich compost), but also to supporting our customers' efforts.

As partners, we are committed to investing in philanthropy and as such, with Board approval, this year donated £12 million of the bank's profits to the Golden Bottle Trust.

We are thrilled that so many colleagues have joined us on our philanthropic journey. 63% are now signed up to our double-matched Give-As-You Earn scheme, while our newly launched Charity of the Month initiative has raised £123k for a range of remarkable organisations.



This reflects similar enthusiasm in our customers, who donated £70.1 million through our donor-advised fund, the Master Charitable Trust.

More broadly, our colleague engagement score has increased again, to 89%, and customer satisfaction is at 96%.

This has been a fantastic year to join the partnership, but it also sets a high bar. With, I trust, several decades ahead of me, the need to hold fast to being good bankers and good citizens in all that we do is clear.

A handwritten signature in dark ink, appearing to read 'A Malortie', written in a cursive style.

Abigail Malortie,
Partner, C. Hoare & Co.



Our purpose

Our purpose – to be good bankers and good citizens – is reflected in decisions made at every level of the organisation.

This year, we introduced three guiding principles to help focus attention in areas where we felt we could add value: environmental stewardship, diversity of thought, and connecting customers through networks.

Our purpose leaders continue to work diligently, ensuring our culture and values are consistently embedded across the organisation.

Our Purpose:

*'to be good bankers
and good citizens'*

Our Guiding Principles:



Achieve a measurable positive effect on the environment



Deliver better outcomes for the bank by harnessing diverse thinking



Facilitate relationships between customers to drive:

- Philanthropy
- Environmental stewardship
- Successful generational transition for families

Certified



Corporation

Our score

97.7

We continue to see our B-Corporation certification as a helpful, independent validation of our purpose.

We believe it is a good way of measuring our performance and consider it a tool we can use to challenge ourselves to be more effective.

We received certification in September 2022 and look forward to reassessing our activities in 2025.



'We treat our customers as we would wish to be treated ourselves – with a high level of personal service.'

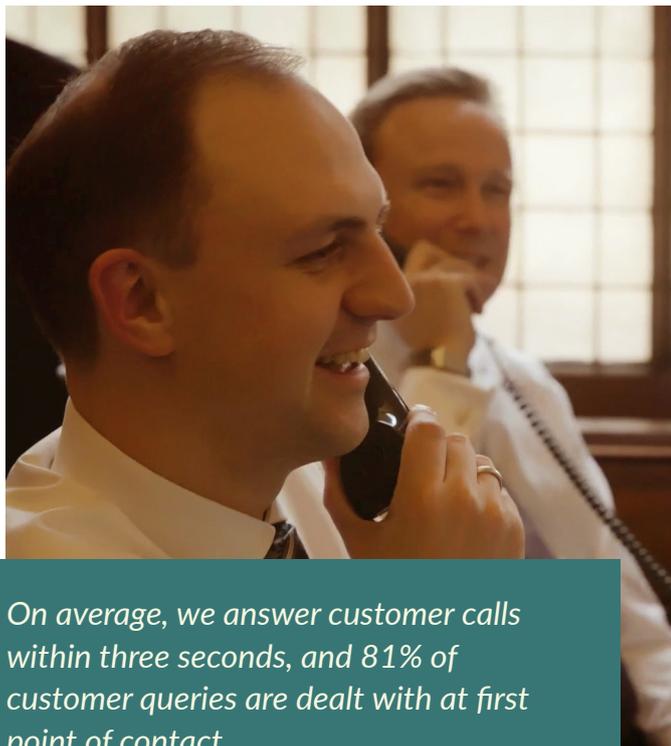
- Alexander Hoare, Partner and Director

Customers

Close personal relationships, founded on deep trust, are at the heart of our business. We aim always to forge long-term relationships (some families have been with the bank for centuries) and welcome customers who share the bank's values.

Our Values:

-  **Honesty**
-  **Empathy**
-  **Excellence**
-  **Social Responsibility**



On average, we answer customer calls within three seconds, and 81% of customer queries are dealt with at first point of contact.

Strong connections

We have continued to grow our customer relationships and are grateful for the many introductions that come from existing customers and our professional networks.



As a pure banking service, we are free to work with our customers' professional advisers and make independent referrals.

Events

A varied programme of events allows us to build and curate close customer communities based on shared interests and values. This opportunity to connect with like-minded individuals and organisations is a highly valued component of the bank's offering.

966

CUSTOMERS ATTENDED

31

EVENTS HELD IN THE FINANCIAL YEAR

This year, events held at the bank and elsewhere covered a wide range of themes including philanthropy, environmental stewardship, and generational transition.

Our regional customers enjoyed coming together for special events hosted at venues such as Holkham Hall in Norfolk and Bramham Park in Yorkshire.

+71

CUSTOMER NET PROMOTER SCORE, NOV 2023

Evolving excellence

We listen carefully to customers' opinions to gain better understanding of their evolving requirements, and these are reflected in our ongoing programme to deliver enhanced services.

For example, customers told us they wanted to use digital wallets linked to their C. Hoare & Co. accounts and are now able to use Apple Pay and Google Pay when making purchases in stores and online.

Other impactful technological solutions implemented this year include:

- A Cyber Incident Response solution – this improves our ability to shield customers and colleagues from cyber threats.
- Online Personal Identification Number (PIN) reminders – these will reduce the number of paper statements/PIN reminders sent out to customers.

£14m

ADDITIONAL INVESTMENT IN THE BANK'S TRANSFORMATION PROGRAMME

129

IMPROVEMENTS DELIVERED IN THE LAST FINANCIAL YEAR

The Master Charitable Trust

In 2011, C. Hoare & Co. was the first UK bank to open a donor-advised fund, the Master Charitable Trust (MCT). This charitable structure allows multiple donors to open separate named 'giving funds' under the MCT umbrella. Customers who open accounts with MCT can then make a range of grants without the often complex administrative burden of running their own charity or foundation.

£70.1m

DONATED FROM MCT THIS FINANCIAL YEAR TO SUPPORT CHARITIES GLOBALLY

Consumer Duty: Ensuring good customer outcomes



The Financial Conduct Authority Consumer Duty came into force in July 2023.

Although the principles it enshrines are fully in line with our purpose, we reviewed all our services to satisfy ourselves that they continue to meet customers' needs and offer fair value. We also tested our customer communications for clarity and effectiveness. The outcomes of this are reflected in our Net Promoter Score survey results, with 96% of customers being 'satisfied' or 'very satisfied' in all aspects of their relationship with the bank.

Principle 12: The Overall Standard

"A firm must act to deliver good outcomes for retail customers"

Overarching Expectations Across All Areas Of Firm Conduct:

1. Act in good faith towards retail customers.
2. Avoid foreseeable harm to retail customers.
3. Enable and support retail customers to pursue their financial objectives



93% of colleagues feel their day-to-day activities contribute to our purpose.

- Colleague Happiness and Engagement Survey, November 2023

Colleagues

Our people are key to the success of the bank and diversity of thought is crucial.

We are delighted to see broad diversity in our colleague base. While they come from a wide range of backgrounds, all colleagues share the bank's values and we see them living these values in different ways – from providing exceptional support to our customers to volunteering, fundraising, and championing causes important to them.

'Speak up' culture

We place large emphasis on regular conversation with colleagues and our 'speak up' culture is a key leadership principle of the bank's Management Team and Board.

Colleagues are encouraged to share their views and opinions, both formally and informally, and to raise any questions or concerns.

Colleague happiness

Our success in delivering the People Strategy was clearly evidenced in our latest Colleague Happiness and Engagement Survey.

+62

COLLEAGUE NET PROMOTER SCORE UP FROM +55 IN 2022

95%

OF COLLEAGUES SAY THEY HAVE POSITIVE RELATIONSHIPS WITH THEIR PEERS

96%

OF COLLEAGUES BELIEVE WE PUT CUSTOMERS AT THE HEART OF OUR BUSINESS

89%

COLLEAGUE ENGAGEMENT

Equity, Diversity and Inclusion (ED&I)

The bank aims to be a truly inclusive employer, and this year, we refreshed our ED&I strategy to help us fulfil that aim. Recent initiatives include:

- recruiting graduates from diverse backgrounds;
- ensuring that internal policies support flexible working patterns; and
- improving policies designed to provide support for new parents.

Equity, Diversity and Inclusion Committee

This year, we launched new networks to support our wider ED&I strategy. These were the Race & Ethnicity Network and the LGBTQ+ Network.

Networks formed in 22/23		Networks formed in 23/24
		
Women's Network	Disability Network	Race & Ethnicity Network
		
Family & Carers' Network	Wellbeing Champions	LGBTQ+ Network

Our networks, all colleague-led, help us focus on initiatives in the wider world such as Black History Month, International Day of the Disabled Person, Anti-Bullying Week, and Pride. We also marked International Women's Day, World Menopause Day and Mental Health Awareness Week.

Equal opportunities

The bank continues to be an equal-opportunities employer and recruits the most suitable applicant for any given vacancy. The impact of this approach can be seen in our mean gender pay gap, which for the 2024 statutory reporting year was measured at 13%. This compares to the current average of 27% in UK banks (according to PwC UK's report on Gender Pay Reporting, 2023).

We took further action in 2023 to improve the representation of women at senior levels of the bank. (These steps will not yet be reflected in pay gap reporting.)

13%

OUR 2023 GENDER
PAY GAP

27%

AVERAGE IN UK
BANKS



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

50%

OF NON-EXECUTIVE
DIRECTORS

50%

OF PARTNERS

43%

OF MANAGEMENT TEAM

An inclusive workplace

In 2023, we delivered enhanced colleague benefits, with continued focus on fostering an inclusive workplace.



Family friendly policies

We have implemented salary-sacrifice nursery benefit; an increase in fully-paid paternity leave; carers' leave; support for fertility treatment; and return-to-work coaching.



Financial coaching

Individual financial coaching is now available to all colleagues, free of charge.



Mental wellbeing support

We have partnered with Amplify, an independent counselling service. This allows all colleagues free, easy access to mental wellbeing support from clinical psychologists.

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.

Charity of the Year

We supported ThinkForward as our 2022/23 Charity of the Year. This charity supports young people who are at risk of being NEET (not in education, employment or training) after they leave school and provides long-term coaching to prepare them for the world of work.

In September 2023, colleagues from across the bank completed an eight-mile circular walk in Surrey, taking in the views from Box Hill and contributing to the total amount raised for the charity.

Other volunteering opportunities for colleagues included:

- running insight days for ThinkForward students at the bank;
- mentoring students; and
- running in-school sessions with ThinkForward.

IN THE COURSE OF THE YEAR,

OVER	OVER	OVER
£35k	25	50
WAS RAISED FOR THINKFORWARD	STUDENTS WERE SUPPORTED	COLLEAGUES VOLUNTEERED

Selecting a new Charity of the Year

This year, we launched a new process to select our Charity of the Year. We asked all employees of the bank to complete a survey, telling us which causes they care about most.

The data collected identified three main areas of interest:



Relief of those in need



Health and saving lives



Environmental protection and improvement

This information led us to select City Harvest, a charity that redistributes surplus food to those in need, and we look forward to supporting this excellent organisation throughout the year.

The Golden Bottle Trust

The partners of the bank donate on average 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.

The GBT continues to focus 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 [2022/23 Golden Bottle Trust Annual Report](#).



£12m

DONATED BY THE BANK TO CHARITY (UP FROM £6.5M LAST YEAR)

Volunteering

We encourage all colleagues to take their allowance of paid volunteering time, and we aim to be flexible so they can volunteer in a range of different settings. Colleagues might, for example, take up volunteering opportunities that come through the bank, or they might help out with the summer fair at their children's school.



THIS YEAR, COLLEAGUES GAVE

850 hours

OF THEIR TIME TO VOLUNTEER WITH CHARITIES

Payroll giving

Over the year, we saw an additional 10% of colleagues sign up to the bank's Give-As-You-Earn scheme. (Much of this growth was driven by our Charity of the Month initiative.)

The Give-As-You-Earn scheme is run by the Charities Aid Foundation and allows colleagues to either open a charity account or give money each month, directly from payroll, to nominated charities.

The bank double-matches all colleague donations, enabling individuals to triple the impact of their giving.



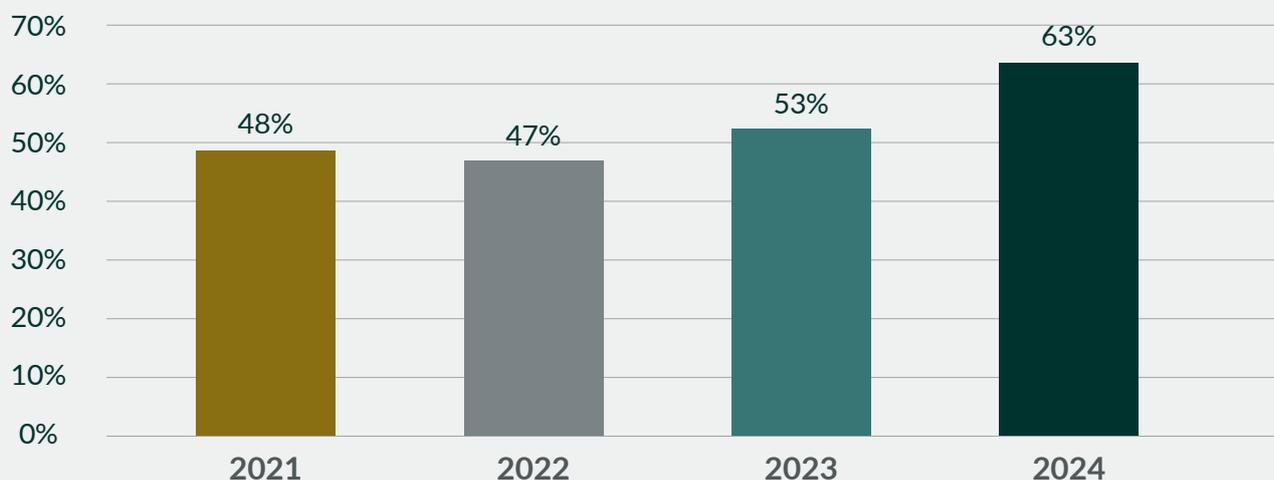
63%

OF COLLEAGUES WERE SIGNED UP TO GIVE-AS-YOU-EARN SCHEME IN MARCH 2024.

£415k

IN TOTAL WAS DONATED BY COLLEAGUES AND THE BANK IN THIS FINANCIAL YEAR.

Proportion of colleagues signed up to Give-As-You-Earn



Our Charity of the Month scheme

Colleagues across the bank were divided into 12 groups, with each group asked to raise money and awareness for a charity close to its heart. This initiative provides a great opportunity for individuals to get involved with charitable giving in support of the bank's philanthropic goals.

In just seven months, colleagues have raised over £123k for the following charities:

Sept



As London's oldest charity for blind and visually impaired people, BlindAid works to improve quality of life and promote independence for Londoners with a visual impairment.

Oct



The Sickle Cell Society is the UK's only national sickle cell charity. It supports those with sickle cell disorder, empowering them to achieve their full potential.

Nov



Beyond Food uses the power of food and nutrition to inspire and transform, removing barriers to financial independence and giving individuals the confidence to build better lives.

Dec



Spread a Smile brings joy to seriously ill children and their families during long hospital stays. Each year, it helps thousands of children and teenagers through hospital visits, outings and events, and art initiatives.

Jan



The Magical Taxi Tour gives sick children a break from therapy and treatment with a three-day trip to Disney® Paris. Families who would be unable to take this trip on their own travel in a convoy of London Taxis and medical support staff.

Feb



The Paul Alan Project helps prevent cardiac arrest deaths in the UK by raising awareness of the signs of a cardiac arrest; providing basic lifesaving training for free; and raising funds for the provision and installation of public access defibrillators and bleed-control kits.

Mar



Lives Not Knives is dedicated to preventing youth violence in London, offering tailored support, mentorship and advice to young people aged 9-21 who are at risk of involvement in knife crime.



Environment

We are mindful that our activities have an impact on the environment, and we seek to operate our business in a sustainable manner. As a certified B-Corporation, we are committed to ensuring we achieve a measurable positive effect on the environment through our business and operations. The bank's climate strategy is presented to the Board annually.

Encouraging informed decision making

This year, customer talks covered themes such as renewable energy, land management, and women in the rural economy. We have partnered with organisations including the Country Land And Business Association and the Worshipful Company of Farmers to deliver relevant and up-to-date information for our customers.

Our catering team maintains a core focus on sustainability.



We prioritise reusables for tableware and equipment.



We support local suppliers within the London metropolitan area.



Many of our suppliers use electric vehicles for deliveries, further reducing our carbon footprint.



We are proud to be 95% sustainable with zero food waste thanks to our GG10 aerobic digestive composter. This innovative system transforms food scraps into nutrient-rich compost that we use in our on-site gardens.

Our purpose: 'to be good bankers and good citizens'

Guiding Principle

To achieve a measurable positive effect on the environment

Strategic Aims

To achieve proportionate regulatory compliance

To understand and reduce the complete environmental impact of our activities

To encourage informed decision making for our customers and colleagues through knowledge sharing and increased awareness

Our environmental impact plan

We continue to roll out initiatives across the bank to ensure we are having a measurable positive effect on the environment.

Lighting and EPC rating improvements across our estate

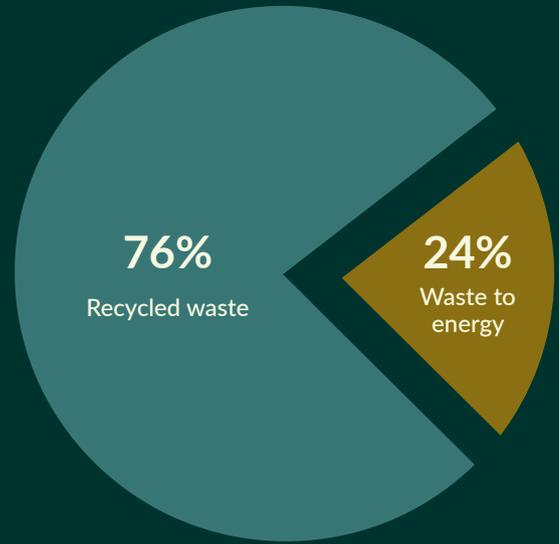
We implemented green lighting across the estate. This upgrade involved 'smart' measures such as movement and daylight controls. About 92% of our estate now has LED lighting.

We improved the Energy Performance Certificate rating of our 25 tenanted properties, meeting the government target of an E rating by April 2023. We remain on track to achieve a B rating by April 2028.

Reduction of stored data and implementation of more efficient hardware

We have significantly lowered the amount of energy used in our Data Centres, reducing the number of servers we use to operate the bank and consolidating onto new, energy-efficient devices. We also provided colleagues with energy-efficient laptops to replace old, inefficient desktop computers.

Materials recycled by the bank in the last 12 months



We installed more than 500 plants in colleague areas.

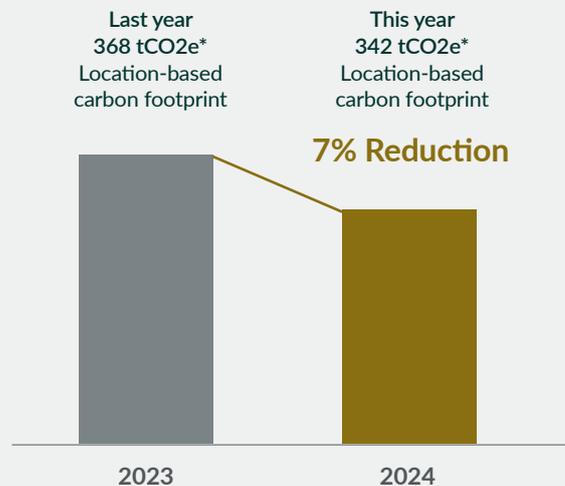
Partnering with The Glasshouse to maintain our plants, we provided 450 hours of work for women in, or recently released from, prison.



Our carbon footprint

The bank publishes its Scope 1 & 2 Emissions in accordance with Streamlined Energy and Carbon Reporting Regulations. Last year, we recorded a decrease in our Scope 1 & 2 Emissions of 7%. This was predominantly driven by a decrease in our energy usage; for example, parts of the bank were closed at quieter times of the year, reducing energy expenditure for heating, cooling and lighting.

*tonnes of CO2 equivalent



Governance

Good governance is central to impact, as governance sets the direction of the bank. Our eight partners, 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 who directs the Management Team to deliver in line with the bank's strategy. Each member of the Management Team is regulated under the Senior Managers and Certification Regime 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.

The Board, when setting strategy, takes into account economic, social, and environmental matters. Stakeholder governance is written into the bank's foundation document. This means the partners have codified their commitment to be good citizens as well as good bankers.

51

PARTNERS SINCE 1672

1580

YEARS' COMBINED SERVICE

Unlimited Liability

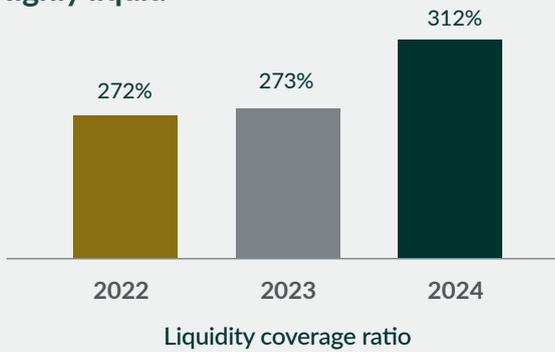


The partners of C. Hoare & Co.

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

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

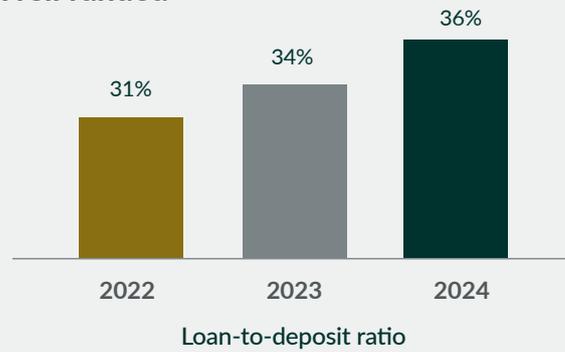
Highly liquid



The bank maintains high levels of liquid assets, well above those required by our Regulators, to ensure that the bank is always in a position to meet liabilities due, whether expected or not. This is considered more important than ever given the speed at which modern technological advances allow money to be transferred.

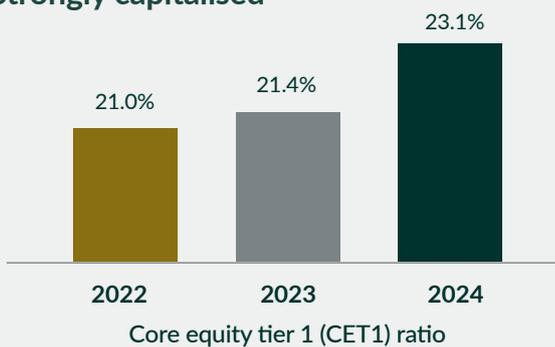
Since 2018, more than 20% of total customer deposits have been held at the Bank of England.

Well funded



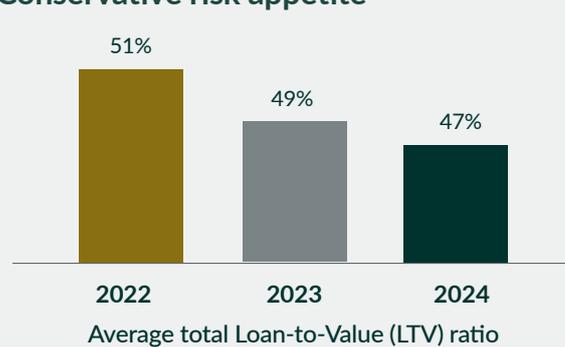
The bank maintains high levels of funding, comprising only customer deposits and shareholder equity, well above those required by our Regulators or needed to support customer borrowing requirements. This is a banking strategy that goes back decades, even centuries, but it is also good citizenship for the present day. It means our stakeholders can always trust us to protect their interests – their money – by lending only against the most stable portion of the deposit base.

Strongly capitalised



As at the March 2024 year end, the bank's Core Equity Tier 1 ratio was 23.1%; 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.

Conservative risk appetite



The bank builds deep relationships with its customers and extends lending with an average total portfolio Loan-to-Value (LTV) ratio of 47% as at the March 2024 year end. The bank aims to be a responsible lender and therefore sets limits on its lending, with standard risk appetite of 67% LTV for principal private residence and 50% for Buy to Let; it also limits the amount of loans with terms longer than 10 years.

C. Hoare & Co.
PRIVATE BANKERS SINCE 1672