



## Independent Limited Assurance Report to Virgin Money UK plc and Clydesdale Bank plc

KPMG LLP ('KPMG' or 'we') were engaged by Virgin Money UK plc ('Virgin Money') and Clydesdale Bank plc ('Clydesdale') to provide limited assurance over the Selected Information described below for the year ended 30 June 2022.

### Our conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information listed in Appendix A has not been properly prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of the remainder of this report, in particular the inherent limitations explained below and this report's intended use.

### Selected Information

The scope of our work includes only the information included in Appendix A for the year ended 30 June 2022 and included within the "Strategic report Environmental, social and governance" section ('the Report') of the Virgin Money Annual Report and Accounts (prepared for the year ended 30 September 2022) and marked with the symbol \* ('the Selected Information', as detailed in Appendix A).

We have not performed any work, and do not express any conclusion, over any other information that may be included in the Report or displayed on Virgin Money's website for the current year or for previous periods unless otherwise indicated.

### Reporting Criteria

The Reporting Criteria we used to form our judgements are 'The Virgin Money Environmental Reporting Criteria' as set out at <https://www.virginmoneyukplc.com/corporate-responsibility/environment/> ('the Reporting Criteria'). The Selected Information needs to be read together with the Reporting Criteria.

### Inherent limitations

The nature of non-financial information; the absence of a significant body of established practice on which to draw; and the methods and precision used to determine non-financial information, allow for different, but acceptable evaluation and measurement techniques and can result in materially different measurements, affecting comparability between entities and over time.

The Reporting Criteria has been developed to assist Virgin Money and Clydesdale in informing stakeholders who are readers of the selected information as to the methodology applied and the nature of the preparation of the selected information so as to give them sufficient background to what calculations and data sources are used. As a result, the Selected Information may not be suitable for another purpose.

### Directors' responsibilities

The Directors of Virgin Money and Clydesdale are responsible for:

- designing, implementing and maintaining internal controls relevant to the preparation and presentation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or developing objective Reporting Criteria;
- measuring and reporting the Selected Information in accordance with the Reporting Criteria; and
- the contents and statements contained within the Report and the Reporting Criteria.

### Our responsibilities

Our responsibility is to plan and perform our work to obtain limited assurance about whether the Selected Information has been prepared in accordance with the Reporting Criteria and to report to Virgin Money and Clydesdale in the form of an independent limited assurance conclusion based on the work performed and the evidence obtained.

### Assurance standards applied

We performed our work in accordance with International Standard on Assurance Engagements (UK) 3000 – 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' ('ISAE (UK) 3000') issued by the UK Financial Reporting Council and in accordance with International Standard on Assurance Engagements 3410 - 'Assurance Engagements on Greenhouse Gas Statements' ('ISAE 3410'), issued by the International Auditing and Assurance Standards Board. Those standards require that we obtain sufficient, appropriate evidence on which to base our conclusion.

### Independence, professional standards and quality control

We comply with the Institute of Chartered Accountants in England and Wales ('ICAEW') Code of Ethics, which includes independence, and other requirements founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour, that are at least as demanding as the applicable provisions of the IESBA Code of Ethics. We apply International Standard on Quality Control (UK) 1 Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements and accordingly we maintain a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

### Summary of work performed

A limited assurance engagement involves planning and performing procedures to obtain sufficient appropriate evidence to obtain a meaningful level of assurance over the Selected Information as a basis for our limited assurance conclusion. Planning the engagement involves assessing whether the Reporting Criteria are suitable for the purposes of our limited assurance engagement. The procedures selected depend on our judgement, on our understanding of the Selected Information and other engagement circumstances, and our consideration of areas where material misstatements are likely to arise.

The procedures performed included:

- conducting interviews with Virgin Money and Clydesdale management to understand the key processes, systems and controls in place over the preparation of the Selected Information;
- agreeing a selection of the Selected Information to the corresponding supporting information, including meter readings, invoices and source system extracts;
- considering the appropriateness of the carbon conversion factor calculations and other unit conversion factor calculations used by reference to widely recognised and established conversion factors;
- reperforming a selection of the carbon conversion factor calculations and other unit conversion factor calculations;
- recalculating the intensity metric by dividing total Scope 1 and 2 (location-based) emissions by average FTE based on the reports, from which we agreed a selection of data points back to the HR system;
- performing analytical procedures over the aggregated Selected Information, including a comparison to the prior period's amounts having due regard to changes in business volume and the business portfolio; and
- reading the Report and narrative accompanying the Selected Information in the Report with regard to the Reporting Criteria, and for consistency with our findings.

The work performed in a limited assurance engagement varies in nature and timing from, and is less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.



### This report's intended use

This assurance report is made solely to Virgin Money and Clydesdale in accordance with the terms of the engagement contract between us. Those terms permit disclosure to other parties, solely for the purpose of Virgin Money and Clydesdale showing that it has obtained an independent assurance report in connection with the Selected Information.

We have not considered the interest of any other party in the Selected Information. To the fullest extent permitted by law, we accept no responsibility and deny any liability to any party other than Virgin Money and Clydesdale for our work, for this assurance report or for the conclusions we have reached.

### KPMG LLP

*Chartered Accountants*

London

21 November 2022

The maintenance and integrity of Virgin Money's website is the responsibility of the Directors of Virgin Money and Clydesdale; the work carried out by us does not involve consideration of these matters and, accordingly, we accept no responsibility for any changes that may have occurred to the reported Selected Information, Reporting Criteria or Report presented on Virgin Money's website since the date of our report.

### Appendix A

The underlying selected information that constitutes the Selected Information are listed below. The information in this Appendix needs to be read together with the attached limited assurance report and the Reporting Criteria.

Underlying Selected Data	Selected Information
GHG emissions (tCO <sub>2</sub> e) – Scope 1 (location-based method)	3,395
GHG emissions (tCO <sub>2</sub> e) – Scope 1 (market-based method)	748
GHG emissions (tCO <sub>2</sub> e) – Scope 2 (location-based method)	6,891
GHG emissions (tCO <sub>2</sub> e) – Scope 2 (market-based method)	989
GHG emissions (tCO <sub>2</sub> e) for Scope 1 and Scope 2 (location-based) per average FTE	1.48