

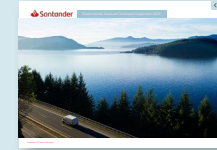
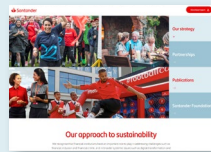


How we report

We report Environmental, Social and Governance (ESG) in a targeted way to effectively respond to our stakeholder needs. This ESG Supplement accompanies our annual report and provides a data-driven summary of our Sustainability performance.

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Our reporting suite	Sustainability microsite	Diversity Pay Report	UK Taxation Strategy	Modern Slavery Statement	Environmental, Social and Governance Supplement	Annual Report and Accounts
Topics covered						
1 Sustainability strategy	🔥				🔥	
2 Materiality	🔥				🔥	
3 Integration with business strategy						🔥
4 Climate change					🔥	🔥
5 ESG Policies	🔥					
6 Diversity pay gap		🔥		🔥		🔥
7 Stakeholder engagement	🔥				🔥	
8 Responsible taxation			🔥			

➤ Access the full reporting suite at santander.co.uk

* Global Reporting Initiative (GRI) Index and Sustainability Accounting Standards Board (SASB)

Materiality assessment & governance

Our approach

In recent years, the focus on sustainability has intensified with greater recognition of the urgency of issues, the role of business, and a better understanding of the risks and opportunities involved. The year of 2020 was no exception, and Covid-19 only reinforced the need to build more sustainable and resilient systems. We recognise the scale and pace of change needed. In response, over the last year we reassessed our sustainability strategy, priorities and ambition levels to ensure we accelerate our journey to become a truly responsible bank.

In 2017, we moved away from a philanthropy-based CSR approach, recognising the need for a strategic sustainability practice embedded across our organisation. Against our vision of helping people and businesses prosper, we developed a strategy focusing on our material sustainability issues. With Board and Executive Committee (ExCo) support, this first strategic cycle involved moving the Sustainability function into the CEO office, setting business-wide targets linked to remuneration, creating internal training on sustainability and climate change, developing strategic charity partnerships, and holding ESG-focused investor meetings.

Evolving our strategy

The steps we've taken to evolve our strategy include a new materiality assessment, overlaid with a detailed assessment of trends shaping the market and the future of our sector. Strategy workshops held with Santander

Group have ensured we retain a common ambition, while focusing on UK-relevant issues and Santander UK's strength.

We benchmarked our performance against peers and engaged the Board-level Responsible Banking Committee to agree the ambition levels for our newly-defined material issues.

Enhanced focus on climate

In 2020, we also held a deep dive session on climate with external experts for our UK Board and ExCo. As a result, we've repositioned climate change to be a pillar of our sustainability strategy and increased our ambition in this area. This reflects the importance of responding to the climate crisis for our business and stakeholders.

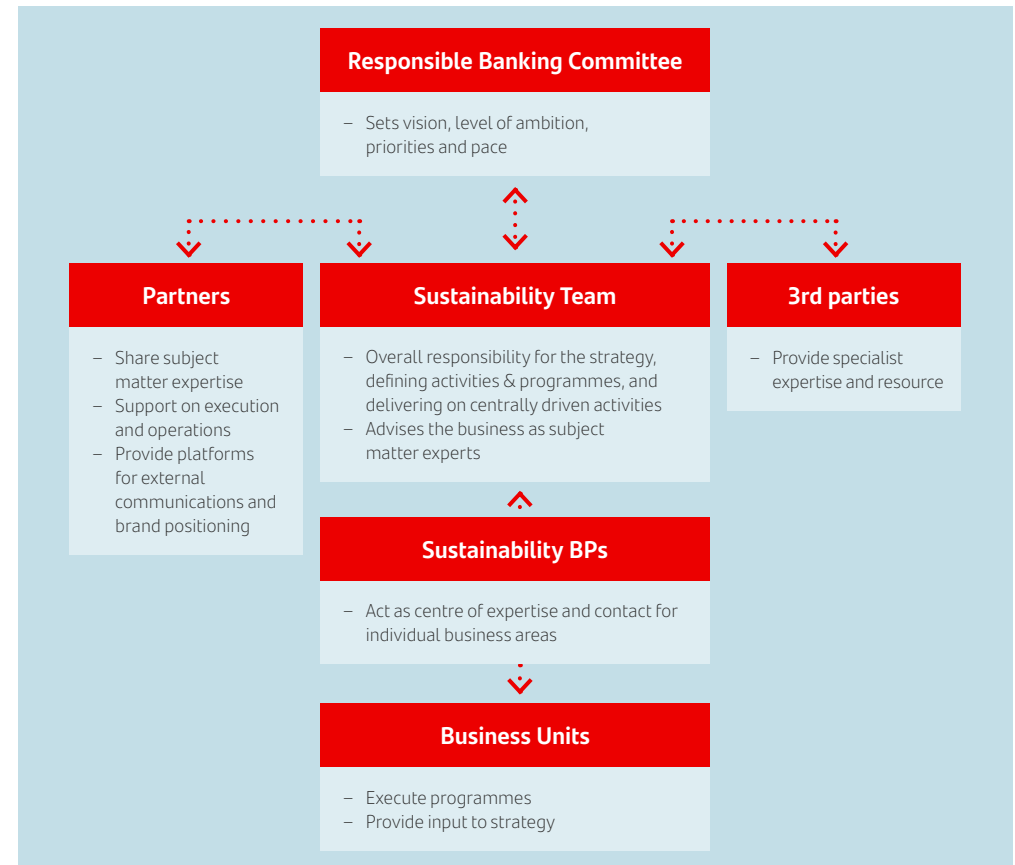
Moving ahead

Within our strategy framework, we've identified three focus areas for the near term: financial inclusion, climate change, and diversity, inclusion and belonging. We strive for excellence in all areas of our sustainability strategy, however, these top three issues are where we can deliver most impact by raising our ambition. Our redefined strategy and material issues are reflected in our 2020 ESG reporting with a new climate section (p.12-13) and expanded Taskforce for Climate-related Financial Disclosures (TCFD) in the Annual Report (p.26). In 2021, we'll set strategic, medium- to long-term targets against our priorities and will publish these on our sustainability website.

Governance

In 2020 we improved our governance model by creating business partners across the bank. Sustainability, like Risk or HR, must be owned and executed by the business with the support of a central team. The Sustainability team acts as a centre of expertise, providing strategic direction and guidance, and Sustainability Business Partners (SBPs) help deliver this agenda across the different Divisions.

Our operating model



Materiality assessment & governance continued

Our Sustainability strategy is framed around our material issues, which are the most relevant ESG issues. These are displayed in the top right of our materiality matrix.

Identifying our most material issues

At Santander, we aim to be responsible in everything we do. A materiality assessment is an evidence-based approach to identifying the topics (or 'material issues') that are most important to our business and its stakeholders.

In 2020 we refreshed our materiality assessment to help develop our Sustainability strategy and identify our priorities. The most material topics form the basis of our evolution to the Sustainability strategy (page 4) and our disclosures.

Process

We used an evidence-based approach with 'big data' assessment powered by Datamaran to analyse millions of data points covering regulatory frameworks, social media, news, and financial and sustainability reports of industry peers. We then overlaid this with input from customer insights, and internal engagement with surveys of our colleagues and our Executive Committee, which formed the x axis 'importance for Santander'. In addition, the materiality assessment used a review of Sustainability megatrends to identify emerging issues. We used the

specialist Consultancy ERM to oversee the refreshed materiality assessment in line with best practice.

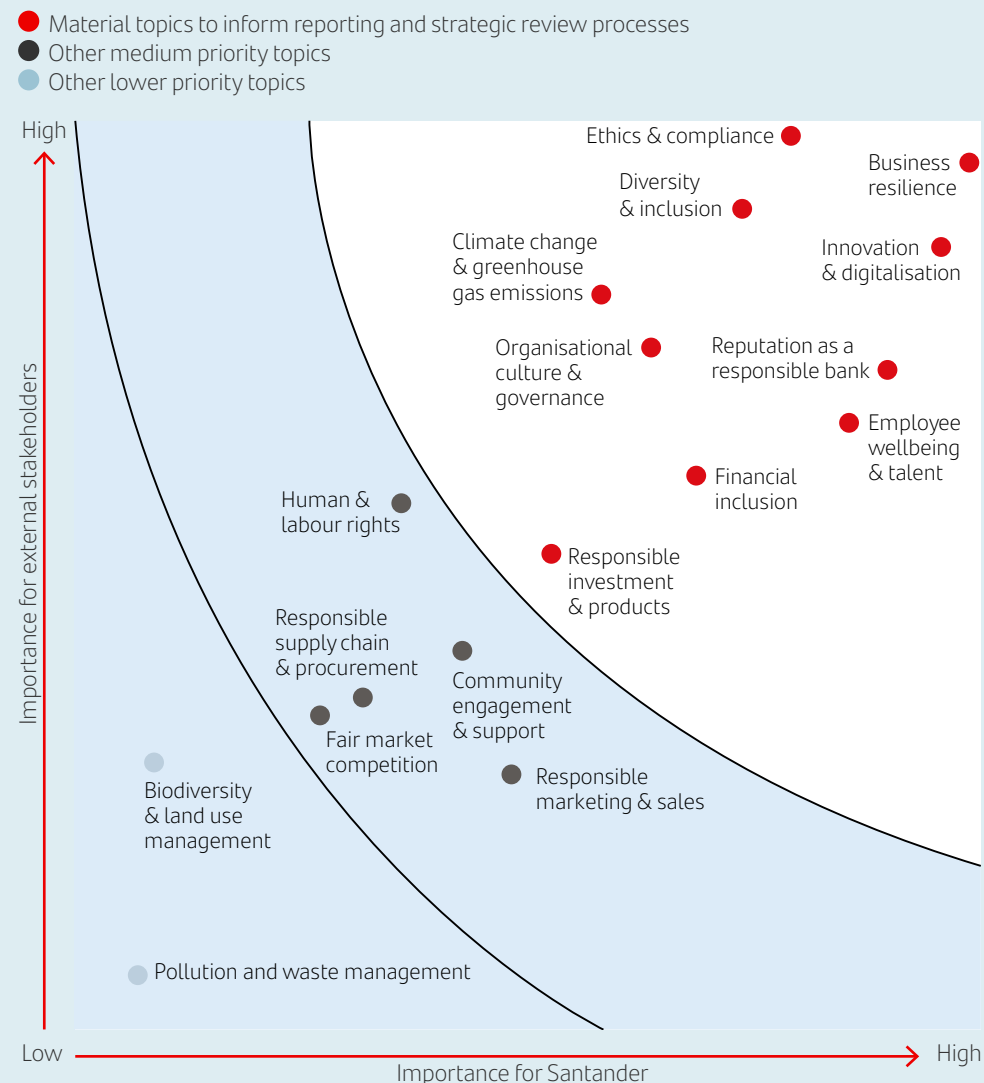
Our new materiality matrix helped to develop our strategy to ensure it's fit for the future. This resulted in creating a separate pillar on climate and reviewing our level of ambition with the Board. The Responsible Banking Committee approved our materiality matrix as part of these strategy developments.

We considered the principle of double materiality by analysing both Sustainability and Financial Reports and Accounts of peers in our assessment. In total, 100 peers were benchmarked, including non-traditional financial services companies and financial sector disruptors.

Results

- 'Business resilience' in the face of societal shifts and environmental incidents emerged as a new topic for 2020, scoring highly important to both internal and external stakeholders. Key drivers for this include the widespread socio-economic disruption caused by the Covid-19 pandemic and Brexit.
- 'Climate Change & Greenhouse Gas Emissions' increased in importance, particularly for external stakeholders, reflecting recent public focus and regulatory developments.
- 'Reputation as a responsible bank' and 'Innovation & Digitalisation' remained high priorities for internal stakeholders.

Ten material sustainability topics have been identified for Santander UK's business



Our Sustainability strategy

Being a responsible business is a key business priority and part of our core strategy. To understand what this means for the business, we have a Sustainability strategy based on five pillars and covering our updated material issues. While we strive for excellence across all parts of this strategy, we seek to raise our ambition in three particular focus areas of climate, financial inclusion, and diversity, inclusion and belonging.

Our purpose: helping people and businesses prosper

 <p>Creating a thriving workplace We aim to create a thriving workplace that attracts, retains and rewards the most talented and committed people.</p>	 <p>Driving sustainable economic growth and financial inclusion We want to deliver long-lasting, sustainable growth and positive socio-economic impact.</p>	 <p>Tackling climate change We will play our part in supporting the UK transition to a low-carbon and climate-resilient economy.</p>	 <p>Driving inclusive digitalisation We aim to use technology in a way that creates value for all of our stakeholders and supports financial inclusion.</p>	 <p>Upholding the highest ethical standards and fighting financial crime Ethics and integrity are the foundation of a prosperous business and society.</p>
Our commitments				
<ul style="list-style-type: none"> – Be one of the best companies to work for in the UK 	<ul style="list-style-type: none"> – Support vulnerable customers and become the UK's most dementia friendly bank – Finance a more sustainable future – Be a valuable and sustainable partner 	<ul style="list-style-type: none"> – Reduce our environmental footprint – Help the UK transition to a low carbon economy and fight climate change 	<ul style="list-style-type: none"> – Leave no one behind on digital banking 	<ul style="list-style-type: none"> – Deter, detect and disrupt financial crime – Protect people from frauds and scams – Be a fairer, more transparent bank
Our material issues				
<ul style="list-style-type: none"> – Employee wellbeing and talent – Diversity, inclusion and belonging – Business resilience – Reputation as a responsible bank 	<ul style="list-style-type: none"> – Financial inclusion – Responsible investment and products – Business resilience – Reputation as a responsible bank 	<ul style="list-style-type: none"> – Climate change – Business resilience – Reputation as a responsible bank 	<ul style="list-style-type: none"> – Innovation and digitalisation – Business resilience – Reputation as a responsible bank 	<ul style="list-style-type: none"> – Organisational culture and governance – Ethics and compliance – Business resilience – Reputation as a responsible bank
UN Sustainable Development Goals				
				
Delivering on our strategic priorities and creating value for all of our stakeholders				

Data highlights

Key performance data against our strategy in 2020.

Top Employer

Top Employers Institute 2020

Accreditation as Great Place to Work

In 2020, we were again recognised as a Top Employer by the Top Employers Institute alongside being accredited as a Great Place to Work.



Employee survey

We invite all colleagues to take part in an annual engagement survey and in this year's Global Pulse Survey, scores increased in 24 of the 26 questions where we had a historical trend from the Global Engagement Survey (GES).

77%

Employee engagement 2020, up by 7% from 2019 and 7 points above the external Mercer benchmark.

2018	72%
2019	70%
2020	77%

88%

of respondents in agreement that Santander is taking the appropriate steps to ensure employees stay safe and healthy at this stage of the pandemic

82%

of colleagues feel pride in being part of Santander, an increase of 7 points

79%

of our colleagues feel we care about wellbeing



£8.1m

Donations for Covid-19 related support to charity and university partners by year-end 2020

Includes £2.8m of repurposed donations to university partners from 2019 directed towards Covid-19 relief



1st

In 2020 Santander was the top UK lender in the renewable energy sector by number of transactions (2nd by deal amount), exclusive of energy from waste assets

Inframation League Tables, 2020



502,869



People financially empowered since 2019

23,229

Beneficiaries of our digital education sessions with Age UK and We Are Digital

Our contribution to the United Nations Sustainable Development Goals (UN SDGs)

Successfully delivering on the UN SDGs will require coordination across a range of stakeholders and an active role from the financial sector. This page uses case studies to highlight our contribution to four SDGs and their targets in 2020. Through our lending and operations, we contribute to other SDGs, and these are mapped against our strategy on page 4.

UN SDG	Key targets	Our commitment and contribution
 <p>Goal 4 Quality education</p>	<ul style="list-style-type: none"> – By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations. – By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy. 	<ul style="list-style-type: none"> – In 2020 Santander Universities collaborated with Ambitious About Autism, to establish a new pioneering initiative: the Employ Autism Higher Education network. Through a £1,000,000 investment, the partnership will aim to improve employment outcomes for autistic students and graduates, including networking opportunities and more than 170 internship positions. – Due to Covid-19, this year our partnership with National Numeracy saw us digitally transform our physical roadshow to support teachers and parents/carers by teaming up with Twinkl (the world's biggest online education hub), to create online Champions League branded Challenge Cards, resulting in 7.5 million children aged between 5-14 years accessing the materials.
 <p>Goal 8 Decent work and economic growth</p>	<ul style="list-style-type: none"> – Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms. – Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all. 	<ul style="list-style-type: none"> – In 2020, we worked with anti-human trafficking NGO Stop the Traffik to develop training for colleagues to detect and disrupt instances of modern slavery and human trafficking. – In partnership with Alzheimer's Society, in 2020 we introduced the Carers Card Account, designed to help give customers the freedom to manage their own money and make it easier for those who provide them with help and support every day. The account allows customers to deposit a sum of money into an account linked to the Carers Card, which can then be used by a named carer to complete everyday spending.
 <p>Goal 10 Reduced inequalities</p>	<ul style="list-style-type: none"> – Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality. – Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations. 	<ul style="list-style-type: none"> – We united in a plea with 29 business leaders urging the Prime Minister to introduce mandatory ethnicity pay gap reporting. We voluntarily published our ethnicity pay gap as part of our Diversity Pay Reporting. – We participated in a study carried out by the Bridge Group on social mobility, finding almost 9 in 10 senior roles in financial services are held by people from higher socio-economic backgrounds which led to the forming of an independent Taskforce to address a lack of socio-economic diversity across financial and professional services. The taskforce will lead an industry consultation on how government and regulators can incentivise firms to take action to improve socio-economic diversity. We also achieved Top 30 status in the Social Mobility Index, and were the only UK Retail Bank to feature. – Sponsored research in partnership with Business in the Community – 'Everyday Inclusion: What Really Works?' Which follows our previous 'Equal Lives: Parenthood and Caring In The Workplace' research.
 <p>Goal 13 Climate action</p>	<ul style="list-style-type: none"> – Integrate climate change measures into national policies, strategies and planning. – Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning. 	<ul style="list-style-type: none"> – As a bank, we are defining a Target Operating Model to assess climate risks in our portfolio to meet the expectations of the Bank of England's Climate Biennial Exploratory Scenario in 2021. We increased our disclosure of climate-related risks and opportunities in line with the TCFD recommendations and participated in several industry working groups to advance the banking sector response to tackling climate change. – We also built our capacity on climate throughout 2020 with the roll-out of Company-wide training, including bespoke modules for corporate banking teams, and hosted several engagements with the Board and Executive Committee to increase awareness and set our ambition.

Our performance

Key: **AS** External Assurance refers to 2020 metrics audited by PwC. Data from previous years have been audited by SGS (see 2019 report)

Creating a thriving workplace



Category	Unit	2020	2019	2018	Notes
Our people					
Employees – Santander UK plc	FTE	20,946	22,532	18,571	As part of our transformation programme, the bank reviews its operating model on an ongoing basis to ensure it is organised in the best way to serve the needs of our customers. This requires us to sometimes make changes that impact the way a team or teams are currently structured so that we can operate more effectively. By becoming more efficient this enables us to invest in the future. During 2019 we implemented a number of restructures. As part of this process we also sought to mitigate the impacts of change on colleagues affected. Our focus in these circumstances is always to preserve employment where we can through re-skilling and offering redeployment where we have vacancies available. We always prioritise colleagues impacted by change for opportunities across the bank.
Employees – UK HoldCo	FTE	21,046	23,486	24,581	Total UK Group Holdings (UK HoldCo) employees. Previously reported as UK-based, including Santander Group companies geographically based in UK.
Salaries and other staff costs - UK HoldCo	£m	1,189	1,288	1,376	
Full-time employees	FTE	17,558	18,829	15,273	Total UK HoldCo full-time and part-time employees. Previously reported as Santander UK plc, in 2020 this includes all entities currently considered part of UK Group Holdings (UK HoldCo).
Part-time employees	FTE	3,488	3,703	3,298	
Employees – diversity					
BAME employees	FTE	AS 2,926	3,041	2,658	Total UK HoldCo BAME employees based on voluntary disclosure. BAME and employees over 50 previously reported as Santander UK plc, in 2020 this includes all entities currently considered part of UK Group Holdings (UK HoldCo).
Employees aged over 50	FTE	4,424	3,906	2,999	
Female Board Directors (Non-Executive)	#	3	4	6	For more on our Board composition and appointments this year, please see the Governance section of our Annual Report.
Male Board Directors (Non-Executive)	#	7	7	4	
Female Board Directors (Executive)	#	1	1		
Male Board Directors (Executive)	#	3	2		
Female Executive Committee	FTE	3	4	4	Previously this line was titled 'Senior Directors'. To streamline our gender reporting, we've clarified our definitions to ensure they align across our external reporting. Figures include our four Executive Committee members who are on the Board.
Male Executive Committee	FTE	10	11	10	
Female employees	FTE	AS 11,504	12,344	10,523	For simplicity, totals now include our 13 Executive Committee members. Previously these were excluded from the totals of female or male employees. Please note, employees can opt-out of providing this data. Previously reported as Santander UK plc, in 2020 this includes all entities currently considered part of UK Group Holdings (UK HoldCo).
Male employees	FTE	AS 9,542	10,172	7,930	
Employees – miscellaneous					
Average absence per employee	days	10.1	11.7	11.5	
Employee turnover	%	AS 8.1	12.8	13.8	Due to an uncertain labour market because of Covid-19, turnover reduced significantly during 2020.
Average length of service	years	10.5	9.7	9.4	We offer the same pension and benefits to all employees, whether full-time or part-time, permanent or Fixed Term Contract.
Pension participation	%	93	91	88	We've seen an increase in participation due to Automatic Enrolment regulation compliance.
Employee learning					
Training days	days	AS 61,398	144,703	73,933	A reduction in training days was driven by Covid-19 related disruption, however our mature virtual learning approach continued to support continuous development. Our Digital Learning Platform, MIO, saw 328,950 hits of informal bitesize development throughout 2020 which is not included in the overall metric of 'training days'. Training investment previously reported as Santander UK plc, in 2020 this includes all entities currently considered part of UK Group Holdings (UK HoldCo).
Training days per employee	days	2.9	6.4	4.0	
Investment in training	£m	8.1	10.6	10.6	

Our performance continued

Key: **AS** External Assurance refers to 2020 metrics audited by PwC. Data from previous years have been audited by SGS (see 2019 report)

Creating a thriving workplace continued



Category	Unit	2020	2019	2018	Notes
Our people continued					
Accidents at work					
Minor accidents	#	197	361	316	A significant reduction due to increase in colleagues working from home.
Accidents resulting in over 7 day absence	#	3	3	3	Year on year our 'major' and 'over 7 day' absences remain stable.
Major accidents	#	5	9	5	
Colleague engagement	%	77	70	72	

Driving sustainable economic growth and financial inclusion



Category	Unit	2020	2019	2018	Notes
Customers					
Active customers	million	14	14	15	For further information on our performance, please see the 2020 Annual Report, 'Our performance and KPIs' section.
Net Promoter Score (NPS)*	#	0.5	11.5	10.0	NPS measures customer experience and predicts business growth. This proven metric provides the core measurement for customer experience management programmes and the loyalty of customers to a company. For further information on our performance, please see the 2020 Annual Report, 'Our performance and KPIs' section.
Customer complaints	#	197,769	490,575	361,809	Service related complaint volumes were on a strong downward trajectory at the start of 2020. This trend has continued throughout the year and following the impact of Covid-19, volumes reduced more sharply. PPI Complaint volumes peaked in H2 2019 due to the deadline, with small volumes of delayed cases being reported in 2020.
Number of branches	# AS	564	616	755	For further information on our performance, please see the 2020 Annual Report, Strategic Report section.
Suppliers					
Value of procurement	£m	1,491.3	1,644.8	1,717.0	In a drive to reduce costs we have consolidated supply, meaning an overall smaller number of suppliers.
Suppliers	#	1,256	1,349	1,626	
Payment days beyond terms	days	19	15	9	In 2019 we introduced 'No PO No Pay' internal controls to reject invoices without a Purchase Order number and improve our governance around payment of suppliers. This has led to an increase in payment days beyond terms.
New SME contracts	#	44	77	129	The reduction in business-led awards has meant a general reduction in number of suppliers onboarded, as well as spend.
Value of new SME contracts	£m	23.9	28	40.6	
SME supplier contracts/total supplier contracts	%	45	69	75	SMEs are businesses with <250 employees and <£50m turnover, definition restated from previous of <£10m turnover or <250 employees in order to align with our wider external reporting.

* The Financial Research Survey (NPS) is a monthly personal finance survey of around 5,000 GB consumers aged 16+ prepared by the independent market research agency, Ipsos MORI. The NPS is based on an 11-point scale (%Top2 – %Bottom7) across mortgages, savings, main current accounts, home insurance, UPLs and credit cards, based on a weighting of those products calculated to reflect the average product distribution across Santander UK and competitor brands. Data shown is for the 12 months ended 31 December 2020, based on 14,413 interviews and compared against 12 months ended data for the period as indicated. Fieldwork is a mixture of online and offline interviews, with the offline methodology changing from face-to-face to telephone in April 2020.

Our performance continued

Key: **AS** External Assurance refers to 2020 metrics audited by PwC. Data from previous years have been audited by SGS (see 2019 report)

Driving sustainable economic growth and financial inclusion continued



Category	Unit	2020	2019	2018	Notes
Communities					
People Financially Empowered (cumulative)	#	502,869	248,090	–	For the definition of People Financially Empowered, please see reporting criteria from p19. We report progress against this Group target as our main community support metric. Other volunteering and community support activities which fall outside the definition of People Financially Empowered are considered under 'Other people supported'.
Other people supported	#	26,352	22,130	–	
Support for communities	£m AS	16.0	12.7	22.9	This line incorporates spend on the Santander Foundation, Universities, Breakthrough and Sustainability spend on memberships and programmes.
Santander Foundation					
Matched donations	£	509,319	1,464,714.62	2,139,138	Matched donations now reported in £ rather than £(m) for greater accuracy. In 2020, the Matched Donation programme disbursed only 40% of donations available due to disruption of fundraising activities caused by the restrictions imposed by the Covid-19 social isolation measures. As a result, the Santander Foundation awarded direct donations to Age UK and Alzheimer's Society to support groups affected by the Covid-19 pandemic.
Grants	£	3.0m	346,292	3.2m	
Value of donations and grants	£m	3.5	1.8	5.4	
Number of donations	#	581	1,769	2,964	
Volunteering					
Discovery Day projects	#	32	642	651	Due to the Covid-19 pandemic, face-to-face volunteering was stopped in March, reflecting the low numbers of our Discovery Day projects which are all in person. Instead, we provided remote opportunities, as well as enabling our colleagues to support NHS volunteering initiatives, our charity partners and local communities by doubling volunteering time from 35 to 70 hours. We also spent 2020 creating a new volunteering strategy - Santander Together which will focus on skills development and supporting communities through financial and digital inclusion activities. As a result, in 2021 we will stop reporting on 'Discovery Day projects'.
Staff volunteers	#	2,591	7,742	11,561	
Santander Universities					
Value of donations	£m	10.0	9.3	13.6	Includes £5.1m of Covid-19 related support to University partners.
University partners	#	86	86	84	
Total scholarships and awards	#	10,249	15,313	29,145	For further information on our performance, please see the 2020 Annual Report, Sustainability Review section.
Santander Breakthrough					
Total investment	£	473,000	232,087	424,797	We have streamlined our reporting to provide only 'investment' and 'total beneficiaries' for Breakthrough, with a detailed explanation of the scope of these in our reporting criteria, from p19.
Masterclass and workshop delegates		-	300	557	
International connectivity events		-	679	478	Previously 'delegates' and beneficiaries; to simplify language this refers only to beneficiaries.
Other Breakthrough beneficiaries		-	4,637	6,867	
Total Breakthrough beneficiaries	#	3,511	5,616	7,902	

Our performance continued

Key: **AS** External Assurance refers to 2020 metrics audited by PwC. Data from previous years have been audited by SGS (see 2019 report)

Tackling climate change



Category	Unit	2020	2019	2018	Notes
Environment					
Energy use					
Electricity	kWh	94,424,732	107,441,227	115,034,867	Electricity use has decreased by 12% in 2020, with reduced building occupancy resulting in lower IT use, and decreased lighting requirements contributing to some of the reduction. Increased gas use in 2020 as a result of increased airflow in buildings due to Covid-19 hygiene guidance on building operation, requiring higher gas use to maintain temperatures.
Gas	kWh	26,522,601	24,841,627	28,027,008	
Oil	kWh	463,594	372,040	570,465	
Transport fuel used	kWh	1,741,568	6,812,506	-	
Total energy use	kWh	123,152,495	139,467,400	-	To comply with the Streamlined Energy and Carbon Reporting (SECR) regulations, we now report energy use in kWh, including subcategories of electricity, transport fuel, gas and oil. We have restated 2019 data to allow comparison across all categories, and included the kWh 2018 of electricity, gas and oil.
Water use					
Water	m ³	172,412	236,925	270,555	Reduction of total water consumption of 27% in 2020, largely due to lower building occupancy levels than those of 2019. Water efficiency measures such as rainwater collection systems at Carlton Park data centres have also been active during 2020. 2019 water use restated from 248,128 due to updated billing after publication of 2019 report.
Waste					
Waste collected	tonnes	2,857	5,893	5,508	A significant reduction in waste generated was seen in 2020 following lower occupancy in office buildings, and reduced opening hours at retail branches at various times during the year.
Waste diverted from landfill	tonnes	2,837	5,867	5,495	
Waste diverted from landfill	%	99.3	99.6	99.8	
Paper usage					
Consumables	kg	4,557	187,873	207,247	The impact of Covid has driven the paper usage down. A reduced occupancy in Head Offices results in fewer people using plain paper unnecessarily with a lot of areas adapting to be paperless or digital in their day-to-day tasks as they continue to work from home, the effect of shorter branch opening hours is reduced customer footfall which impacts on the amount of customer documents printed and the uptake of printed literature by the customer.
Literature	kg	-	2,730,694	2,880,013	
Total paper usage	kg	603,246	2,918,567	3,087,260	
Financing					
Renewable energy financing	£m	AS 1,268.2	1,086.6	922.4	This includes financing originated in Santander in the UK by our Corporate & Commercial Banking and Corporate & Investment Banking teams.
Travel					
Air travel – domestic	km	410,808	1,960,835	2,619,325	Significant decline in all business travel due to the Covid-19 situation. We will look to take forward practices from 2020 that reduce our travel, such as increased use of videoconferencing.
Air travel – short haul (Europe)	km	1,221,192	5,653,286	4,447,536	
Air travel – long haul (international)	km	813,615	3,573,155	4,022,663	
Car	km	2,510,032	9,141,391	11,793,287	
Rail	km	1,645,205	7,262,174	8,954,721	
Total travel	km	6,600,852	27,590,841	31,837,533	

Our performance continued

Key: **AS** External Assurance refers to 2020 metrics audited by PwC. Data from previous years have been audited by SGS (see 2019 report)

Tackling climate change continued



Category	Unit		2020	2019	2018	Notes
Environment continued						
Emissions						
Scope 1 CO ₂ e emissions	tCO ₂ e	AS	5,937	6,266		Scope 1 emissions encompass gas, oil, direct transport, and fugitive gas emissions.
Scope 2 CO ₂ e emissions:				-		Scope 2 emissions encompass purchased electricity (and electric fleet/company cars).
location-based	tCO ₂ e		22,014	27,463		
market-based	tCO ₂ e	AS		1		'Market-based' reflects the emissions for the electricity we have purchased. Our electricity is generated via green sources including biomass and wind generation.
Scope 3 CO ₂ e emissions	tCO ₂ e	AS	515	2,427		Scope 3 emissions encompass indirect business travel emissions via road, air, and rail.
Total CO ₂ e emissions	tCO ₂ e	AS	6,452	8,693		Total emissions incorporating Scope 1, 2 (market-based), and 3.
CO ₂ e emissions per employee	tCO ₂ e/ FTE	AS	0.31	0.37	0.41	
Retired Verified Carbon Units	#		6,452	n/a		Details on our verified carbon units can be found at the following Verra Registry link: https://registry.verra.org/mymodule/rpt/CertificateInfo.asp?rhid=118918
Net emissions			0	8,693		Net operational emissions accounting for carbon offsets.

Our performance continued

Tackling climate change continued

Our ambition

At Santander, we recognise that climate change is one of the biggest challenges facing society. We remain fully committed to the objectives of the Paris Agreement on climate change, and to supporting the transition to a low-carbon, climate-resilient economy.

Strategy

In 2020, our UK Board and ExCo reviewed our sustainability ambition, including a deep dive session on climate with external experts. As a result, we've repositioned climate change to be a pillar of our sustainability strategy and increased our ambition in this area. Our approach is to prioritise three strategic focus areas:

1. Managing climate risks by integrating climate considerations into risk management frameworks, screening and stress testing our portfolio to identify sector-specific 'transition' and 'physical' climate-related financial risks, and setting risk appetites to help steer our portfolio in line with the Paris Agreement.

2. Supporting our customers' transition by developing products and services that promote a reduction in CO₂ emissions such as green mortgages, sustainability-linked loans, and renewable energy/energy efficiency project financing.

3. Reducing emissions in our operations and supply chain by continuous improvement

of ISO 14001 & 50001 management systems, procuring 100% green energy, engaging 1,800+ employees as green champions, and offsetting residual CO₂ emissions to achieve carbon neutrality.

Governance

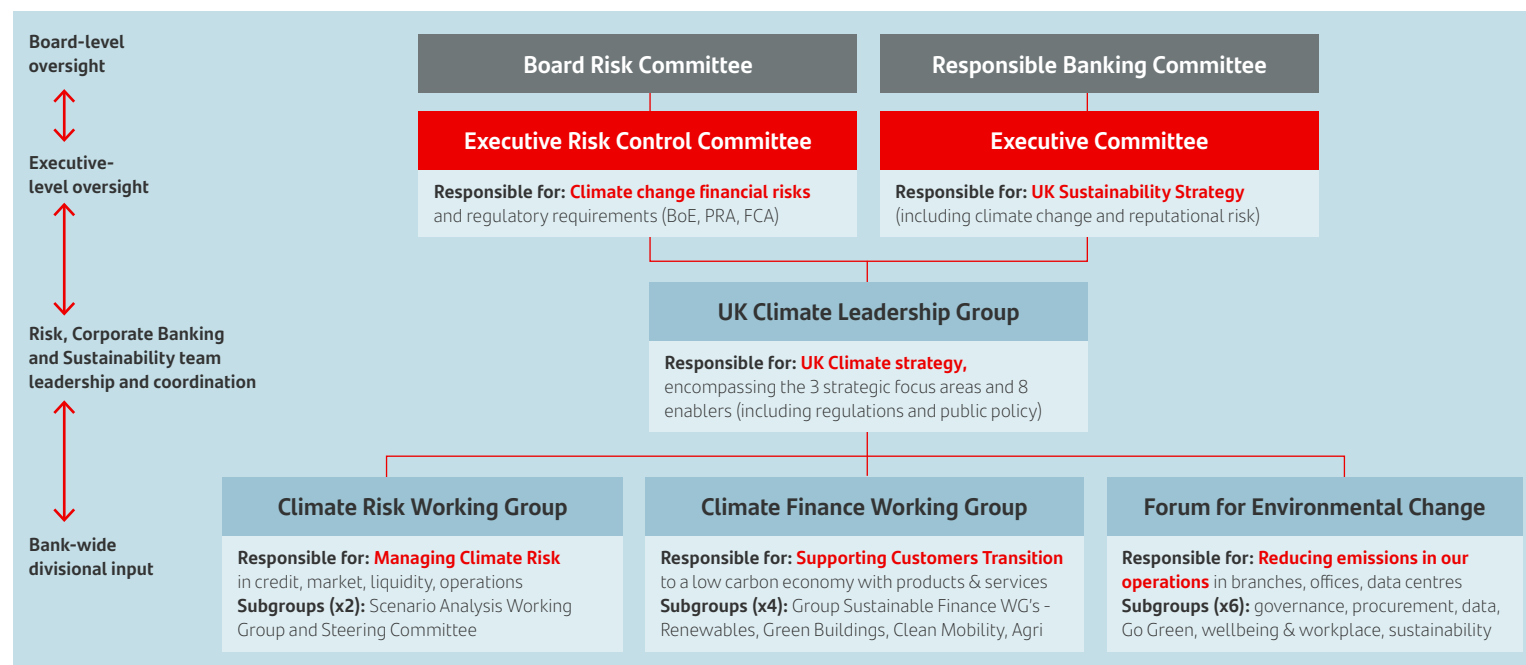
To increase the senior management oversight of climate-related risks and opportunities we've developed a robust climate governance framework. The Board Risk Committee

and Executive Risk Control Committee oversee climate-related financial risks and ensure compliance with PRA/BoE climate requirements. The Responsible Banking Committee and ExCo oversee the broader Sustainability strategy and reputational risks.

The Climate Leadership Group (CLG) is responsible for reviewing and proposing strategic activities to the Executive-level committees, in addition to providing updates

to our Group colleagues. The CLG is co-chaired by the Chief Risk Officer (CRO) and the Head of Corporate and Commercial Banking. Finally, we have three working groups aligned with our strategic focus areas, and supported by subgroups, to embed climate considerations across the bank.

Our Climate Governance Framework



Our performance continued

Tackling climate change continued



External collaborations and engagement

Tackling climate change requires active engagement with stakeholders, and we work closely with regulators, investors, customers and industry groups alongside our peers.

Regulatory Consultations

We continuously monitor UK government and regulatory policy through dedicated teams, in addition to broader international developments, and engage with all relevant climate-related policy consultations, either bilaterally or through the trading associations of which we are members.

Investor meetings

Sustainability and Investor Relations teams hold regular meetings with our investors on ESG. This two-way dialogue includes a climate focus and aims to inform our strategy and disclosures while sharing progress. We've also incorporated further ESG and climate updates into our quarterly investor updates.

Customer engagement

Recognising a growing demand from our customer base, we're looking at developing new products and services that will support our customers to reduce their impacts and transition to a more sustainable way of living.

To support this, our Customer Engagement and Innovation Team conducted research into consumer attitudes and behaviours towards the environment and climate change in 2020.

We are committed to inclusive and sustainable growth through various financial products and services, and our CIB team in the UK awarded 9 sustainability-linked loans in 2020.

Industry initiatives

Santander Group and UK teams are involved in a number of industry-wide initiatives to advance the banking sector response to climate risks and opportunities.

A summary of our industry initiatives can be found in the table opposite.

Taskforce on Climate-related Financial Disclosure (TCFD):

Santander supports the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) to improve transparency and awareness of the financial risks and opportunities related to climate change. We're working to fully embed TCFD by end of 2021 as part of the PRA's broader expectations (SS 3/19) on managing climate-related risks, and defining a Target Operation Model to prepare for the 2021 Bank of England Biennial Exploratory Scenario (BES) climate stress test.

Further details of our progress throughout 2020 can be found in the TCFD section of the 2020 Annual Report.

Organisation	Initiative/working group	Objective
Bank of England (BoE)	Biennial Exploratory Scenario (BES) climate stress test	Test the resilience of the largest banks and insurers ('firms') to the physical and transition risks associated with different possible climate scenarios
Cambridge Institute for Sustainability Leadership (CISL)	Banking Environment Initiative – Client Engagement Project Group	Pioneer actionable pathways towards a sustainable economy through the financial system
Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA)	Climate Financial Risk Forum – Scenario Analysis	Share best practice and build capability across the finance sector to accelerate a shared approach to the understanding and mitigation of the financial risks, and opportunities, posed by climate change
Green Finance Institute (GFI)	Zero Carbon Heating Taskforce	Review the UK's low carbon heating sector and identify the barriers and enablers of scaled investment
2 Degrees Investment Initiative (2Dii)	Paris Agreement Capital Transition Assessment (PACTA)	Develop the tools and methodology to enable users to measure the alignment of financial portfolios with climate scenarios (supported by UN Principles for Responsible Investment)
United Nations Environment Programme Finance Initiative (UNEP FI)	Collective Commitment on Climate Action	Work towards setting and publishing sector-specific, scenario-based targets for portfolio alignment with the Paris Agreement goals
UK Finance (UKF)	Sustainability Committee	Act as a focal point for UK Finance's dialogue on climate risk (regulatory requirements), green finance, sustainability, and COP26/net zero commitments
	Climate Risk Working Group	Create a standardised client questionnaire for use with corporate counterparties to explore their exposures to underlying climate change risks
	TCFD, Disclosure and Consultations Working Group	Advance TCFD disclosures within the industry and consult with regulators on sustainability and climate reporting requirements

Our performance continued

Driving inclusive digitalisation



Our ambition

By unlocking the possibilities of digitalisation we believe we can help our customers and society find new ways to overcome some of the challenges of everyday life.

We commit to be inclusive in our approach to digital banking. We've a responsibility to use the power of technology to support financial inclusion, fight financial crime and protect customer privacy and security. We recognise that the speed of digital change makes certain sectors of society vulnerable to financial exclusion, a vulnerability exacerbated by Covid-19, and we're working to tackle this issue.

Digital education

We adapted our volunteer-led digital education sessions to safely deliver two main digital inclusion initiatives with partners.

We worked with national digital skills provider We Are Digital to create a free online safety course for 11-17-year-olds. Named 'Explore Digital' this course has been successfully used by teachers to support 1,513 young people across the UK in 2020.

Written by internationally recognised online safety experts, the resources (developed with Covid-19 restrictions in mind) are a guide for teachers, youth workers and youth group leaders supporting young people, who are facing more challenges and difficult choices online than ever before. We supported

29 schools based in cold spots (areas of socio-economic deprivation) who registered for the resource pack, with evidence that two courses have been delivered, supporting 120 children.

Through 2020 Santander has also supported Age UK, the leading charity for older people, to build awareness and develop digital skills and capability in communities across the UK. With Covid-19 forcing many older people to restrict their day-to-day routine, ensuring this group can still carry out essential activities is critical.

This project, called GoDigital, has funded five of Age UK's local brand partners to provide 1:1 support to older people, as well as a broad range of tools, awareness and guidance. This programme has used a network of paid and volunteer Digital Champions to enable Age UK to improve its understanding of what older people want to use digital skills to do, how to best improve older people's digital skills and to see the real life impact these skills can have on the lives of older people.

In 2020 alone, we've reached 21,716 older people through digital awareness raising events, provided one-to-one support to 426 older people – helping them to develop their digital skills, and recruited 56 Digital Champion volunteers.

Enhanced mobile and online banking

The last year has seen significant growth in the use of digital banking, in part driven by the Covid-19 crisis. We've continued to make sure that digital banking is available to as many of our customers as possible. This includes developing and refining standards for accessibility and usability, and then testing this with customers and external third parties as we implement change. We measure uptake and usage of biometric features such as fingerprint and facial ID, as well as ensuring we support commonly used accessibility tools such as screen-readers.

We helped customers transition to our digital channels, promoting these through emails and chat, and we added additional features to the mobile app to encourage usage. Most recently we launched My Money Manager, a new feature in the mobile app to help customers make better financial decisions and find ways to save. So far, we have close to 500,000 registered with an average insight rating of 4.5 (out of 5).

During 2020 we've enrolled over 564,725 customers for Voice Biometrics which has exceeded the 500,000 we set out to achieve. We've simplified our enrolment journeys and our contact centres and branches have developed their customer engagement strategies throughout the year to help an increasing number of customers benefit from the service.

Measure	2020
Number of beneficiaries of digital education sessions ¹	23,229
Voice ID customers registered in 2020	564,725
Mobile app rating	4.8 (iOS) 4.5 (Android)

1. Includes student sessions delivered with 'We Are Digital' as well as 'GoDigital' beneficiaries.

We've also strengthened our reporting capability to help ensure our advisers are having the best possible conversations with customers about Voice Biometrics. Finally, we extended our Voice Biometrics service to our credit cards customers to provide additional benefit to a wider group of customers. In 2021, we will further simplify our Voice Biometrics journeys using voice driven technologies to ensure that as many customers as possible can benefit.

23,229

Beneficiaries of our digital education sessions

Our performance continued

Upholding the highest ethical standards and fighting financial crime



Our ambition

Ethics and integrity are the foundation of a prosperous business and society, and a clear driver of customer choice. We're determined to uphold the highest ethical standards, promote human rights and responsible corporate culture.

We commit to being a fairer, more transparent bank. At the heart of this is the fair treatment of customers. We'll deal with any form of customer fraud as a priority and are committed to raising customer awareness.

Culture

Our culture is formed from the shared values and ethical standards that we hold ourselves accountable to in line with our code of conduct. 'How' we do things is as important as what we do. We have nine 'Santander behaviours' which describe how we should interact day-to-day to bring 'Simple, Personal and Fair' to life. Our Culture focus in 2020 has included further embedding Anti Financial Crime culture across the bank, with a dedicated culture project and refreshed implementation plan designed by a dedicated FC Culture Lead.

Tackling Modern Slavery with 'Stop the Traffik'

In 2020 the Sustainability team engaged Stop The Traffik (STT), an anti-human trafficking NGO, to support us in training colleagues, benchmarking our current action and advising on how we can develop our response to modern slavery and human trafficking.

This included a best practice training session to key contributors to our Modern Slavery Statement across the business, focused on the four key risk areas of Suppliers, People, Customers and Pension Funds. As well as a detailed peer benchmarking across these areas, STT identified potential quick wins and longer-term steps to improve our Statement. In addition, STT highlighted our inclusion of pension funds as a best practice in the market, and STT subsequently delivered an awareness-raising session at a Pension Trustee Board meeting in November 2020.

Anti-bribery & Corruption (AB&C)

Our strategy seeks to deter, detect and disrupt financial crime, to protect our customers and communities. We've mandatory 'Fighting Financial Crime' training for all colleagues and our Executive Committee. This year we completed enhanced training for 8,410 colleagues in central functions in high-risk roles, and launched the Anti Financial Crime Academy, a centralised training capability accessible to all colleagues for their financial crime knowledge development. We held a number of briefings for senior stakeholders and business areas, as well as successful financial crime awareness events for our colleagues.

We've continued to develop and embed our Anti-Bribery & Corruption and Preventing the Facilitation of Tax Evasion systems and controls, including the processes for assessing and strengthening compliance with our policy requirements. As part of the ongoing

developments, measures to manage the risks presented by our relationships with Third Parties have been enhanced and tone from the top emphasised. In further support of our strategy we've also joined Transparency International UK's Business Integrity Forum as a Gold member to ensure we continue to understand and develop best practice, and to help maintain integrity standards in the UK.

Fraud and scams

In 2020 we ran a number of targeted campaigns to help protect customers from fraud and scams, including those related to Covid-19. In March, we proactively sent awareness messages on remote access fraud to around eight million retail customers.

We continue to see success through using recognised and trusted faces to promote fraud and scam awareness. This year we leveraged our popular marketing campaign 'the Bank of Ant & Dec' to promote our virtual fraud awareness sessions. Our 'Savage Short' campaign highlighted the risks of safe account scams by working with former footballer Robbie Savage in a parody of the infamous bath scene from the critically acclaimed film 'The Big Short'. Although we see thousands of these types of scams each year, 39% of people we polled hadn't heard of safe account scams before. These campaigns helped to provide customers with the education, support and tools to keep them safe from fraud and scams, as fraudsters continue to adapt their approaches.


Measure	2020
% of colleagues trained on AFC	98%
% trained on ABC	98%
Employees who completed enhanced AFC training	8,410

Responsible lending



We have in place a number of restrictions on lending activities. Prohibited activities include the provision of products or services for new Coal Fired Power Plant (CFPP) projects and taking on new clients with existing CFPPs. Restricted activities include transactions specific to CFPPs for existing clients which do not significantly improve environmental impacts, such as a significant reduction of CO₂.

Environmental and Social Risk Champions and the Reputational Risk Forum reviews and approves all restricted activities to ensure that they fall within our risk appetite. This forum reviews, monitors and escalates key decisions around financial and non-financial reputational risks to the Board.

2020 Scorecard continued

Our Sustainability priorities	Our commitments	2020 action	Looking forward
	2.3 Finance a more sustainable future	<ul style="list-style-type: none"> As part of our Survive and Revive campaign, we launched a sustainability webinar series for customers. We also trained our frontline colleagues to engage clients on this, and so far, Relationship teams have spoken to 266 clients around sustainability topics. In 2020, we've provided £920m of funding support for the Social Housing Sector. 	<ul style="list-style-type: none"> Building on the curriculum launched in late 2020, we'll continue to upskill our front office colleagues to have conversations with clients about sustainability practices in their businesses. Sustainability is also a key pillar of our marketing strategy in 2021 and we'll continue to engage our Corporate clients on this subject. In 2021, we'll continue support and grow funding in the Social Housing sector.
	2.4 Be a valuable and sustainable partner to higher education in the UK	<ul style="list-style-type: none"> We reached 10,249 individuals with our Universities programme, focused on education, employability and entrepreneurship, and provided over £7.9m in funding. In response to the Covid-19 crisis, £5.1m of our contribution went to support university initiatives such as the production of protective equipment for NHS staff, provision of fully funded virtual internships for local businesses, as well as provision of IT equipment for students to support educational challenges. 	<ul style="list-style-type: none"> In 2021 we aim to continue creating life changing opportunities in the higher education sector that foster sustainability through inclusive, impactful support with a focus on education, entrepreneurship and employability while delivering positive impact for society through the communities in which we operate.
 Tackling climate change	3.1 Reduce our environmental footprint	<ul style="list-style-type: none"> We have continued to maintain 100% usage of certified green electricity during 2020 and worked with our catering suppliers towards the goal of removing single-use plastic. In 2020 we supported over 500,000 customers to become paper free by continuing to advocate the environmental, security and convenience benefits of digital communications. This has been supported by customer campaigns, continued migration of communications to digital and colleague advocacy. 	<ul style="list-style-type: none"> We'll look to maintain this 100% usage of green electricity throughout 2021. In 2021 we'll look to build upon the progress of 2019 and 2020 by considering supplementary measures such as considering adapting our waste streams, or by putting steps in place to remove additional disposable materials. In 2021 our goal is to take adoption further and improve customer experience to help significantly reduce our paper use. We'll continue to deliver our paper free focus by making it easier for customers to set and manage their preferences.
	3.2 Help the UK transition to a low carbon economy and fight climate change	<ul style="list-style-type: none"> In 2020, Santander was the top UK lender in the renewable energy sector by number of transactions (2nd by deal amount), exclusive of energy from waste assets. (Source: Inframation League Tables 2020) In 2020 we funded renewable energy in new markets and continued to expand our service offering by continuing to develop innovative new funding structures for the sector. We launched training on climate change for all colleagues, and ran a targeted Board session with external speakers to equip leadership with knowledge and skills on climate change. 	<ul style="list-style-type: none"> We'll continue to support renewable energy sector with advisory and financing solutions for renewable and alternative energy clients across a range of technologies and renewable energy support schemes, including onshore and offshore wind and solar projects. We'll develop a climate strategy for the bank, taking into account material financial climate risks and opportunities and delivering on our level of ambition set by the Board. In doing so, we'll continue to collaborate with internal and external stakeholders, including industry initiatives. We'll look to publish more detail on our strategy and targets through the year on our Sustainability website and related reports.




2020 Scorecard continued

Our Sustainability priorities	Our commitments	2020 action	Looking forward
 <p>Drive inclusive digitalisation</p>	<p>4.1 Leave no one behind on digital banking</p>	<ul style="list-style-type: none"> - During 2020 we've enrolled over 520,000 customers for Voice Biometric, exceeding our target. We've simplified our enrolment journeys and developed customer engagement strategies. - We've also extended our Voice Biometrics service to our Credit Cards customers to provide additional benefit to a wider group of customers. - We worked with national digital skills provider We Are Digital to create 'Explore Digital,' a free online safety course for 11-17-year-olds. The course was successfully used by teachers in schools and youth settings across the UK in Autumn 2020, reaching 1,513 young people. - We delivered a new digital inclusion programme – GoDigital – in conjunction with Age UK which aims to improve the digital skills and capabilities of older people across the UK. Specifically, we reached 21,716 older people through digital awareness raising events, provided 1:1 support to almost 500 older people on digital skills, and recruited over 50 digital champion volunteers. 	<ul style="list-style-type: none"> - We'll continue to support all customers in awareness and use of digital banking tools, including the application of standards for accessibility and usability, and testing customer journeys. - In 2021 we've ambitious plans to grow Voice Biometrics, extending the scope of the service across more of our product areas. We'll also further simplify our Voice Biometrics journeys using voice driven technologies to ensure that as many customers as possible can benefit. - Following the success of Explore Digital, we've revised the course so that it can be delivered by Santander employees virtually and in person. The course will be rebranded as Digiwise as part of the Santander Together volunteering programme, which focuses on digital inclusion. - We'll launch phase 2 of GoDigital, supporting older people through awareness raising events, 1:1 support, and access to a new online digital resources hub hosted by Age UK.
 <p>Uphold the highest ethical standards and fighting financial crime</p>	<p>5.1 Deter, detect and disrupt financial crime</p>	<ul style="list-style-type: none"> - We supported the Financial Sector Cyber Collaboration Centre (FSCCC) initiative. Our Chief Information Security Officer sits on the FSCCC Steering Committee where they are directing the FSCCC from its early creation. As a founding member of the Cyber Defence Alliance (CDA) we are also supporting the FSCCC via the CDA. - Having worked since 2019 with Stop the Traffik (STT), a world-leading human trafficking and modern slavery prevention charity, in 2020 we worked together to deliver a number of projects aimed at raising awareness of human trafficking and its human impact. This included a targeted training for colleagues to detect and disrupt the crime, launched virtually in Q4 2020. 	<ul style="list-style-type: none"> - We'll continue to support the FSCCC initiative through consideration of further secondee appointments. - We will continue to work closely with charity partner STT to improve our modern slavery prevention controls, raise awareness and our Modern Slavery Statement.
	<p>5.2 Protect people from frauds and scams</p>	<ul style="list-style-type: none"> - We developed alternative virtual education sessions for our customers. Our new online Scam Awareness sessions were delivered by Branch colleagues to 2,326 customers, colleagues and community members over 93 events. 	<ul style="list-style-type: none"> - As we move into 2021, we've an ambitious plan to build on our success in 2020 with a plan to develop a suite of educational events for our customers, delivered by our branch colleagues. The first phase of this plan aims to host a further 25 events in Q1. We'll develop further events in collaboration with other stakeholders across the bank.
	<p>5.3 Be a fairer and more transparent bank</p>	<ul style="list-style-type: none"> - In 2020 we improved our ESG policies by adopting in the UK the Group Sustainability Policy and the Human Rights Policy, both published online. We updated our policies and procedures to align with these standards, including our Third Party Code of Conduct, also published online at santandersustainability.co.uk. 	<ul style="list-style-type: none"> - Continue to build improvements to our ESG policies and transparency through disclosure, including use of our new Sustainability microsite santandersustainability.co.uk

2020 basis for reporting: principles and methodologies

Our performance metrics

Creating a thriving workplace		
People		
Employees		
Diversity		
Gender		
Turnover		
Employee learning		
Accidents at work		
Colleague engagement		
Sustainable economic growth and financial inclusion		
Customers		
Suppliers		
Communities		
People Supported		
People Financially Empowered		
Santander Foundation		
Volunteering		
Santander Universities		
Santander Breakthrough		

Tackling climate change		
Environment		
Energy use		
Water usage		
Waste		
Paper usage		
Renewable financing		
Travel data		
Emissions		
Scope 1, 2 and 3 & total emissions		
CO ₂ emissions per person		
Retired verified carbon units		
Net emissions		
Driving inclusive digitalisation		
Number of digital education sessions		
Voice ID customers		
Mobile app rating		
Upholding the highest ethical standards and fighting financial crime		
% of colleagues trained on AFC		
% trained on ABC		
Number completed enhanced training		

This section explains our reporting criteria for data points contained within this ESG Supplement.

Overall reporting principles

1. Reporting boundaries

We report on the impact from operations within Santander UK Group Holdings unless stated otherwise, and where material to the business, impacts from third parties such as suppliers, charity partners, and Banco Santander. Limited data from previous years is included where available to allow trend analysis.

2. Restatement of data

Data may be restated for previous years, for example due to updated billing information. Where this happens, we've made a note alongside the data.

2020 basis for reporting: principles and methodologies continued


Creating a thriving workplace



	Definition	Scope	Units	Method	Source
People					
Employees	Total number of full time employees (FTE) and part time employees (PTE).	Santander UK FTE that work 35 hours or Santander UK PTE that work less than 35 hours. (Excludes UK offshore employees)	#	Oracle PeopleSoft HR system	Oracle PeopleSoft HR system
Employees – Diversity	Number of employees in different ethnicity groupings.	Total number of Santander UK employees that have declared their ethnicity in Black, Asian or Other Minority Ethnic groups. Based on voluntary disclosures, with exclusions of 'prefer not to say' and 'no data'.	FTE or #	Self reported data available on Oracle PeopleSoft HR system	Oracle PeopleSoft HR system
Employees – Gender	Male/female representation across different categories of employees, including executive and non-executive Board Directors.	Total number of Santander UK employees that have declared their gender as male or female. Only includes employees that have declared their gender. Exclusions of 'prefer not to say' and 'no data'.	FTE or #	Self reported data available on Oracle PeopleSoft HR system	Oracle PeopleSoft HR system
Employees – Turnover	Total attrition/turnover percentage for permanent contract Santander UK Staff.	Permanent contract Santander UK employees.	%	Attrition/turnover calculation is the total number of permanent contract leavers in the rolling 12-month period to the end of the previous month, divided by the average permanent contract headcount in the same period. (Exclusions include: end of Fixed Term Contract, transfers, severance and redundancy/early retirement)	Oracle PeopleSoft HR system
Employee learning	Total and average days spent on training by employees. Training is defined as all types of training that are on the Learning Management System (LMS). These include: events, external content, online courses, sessions, tests and videos. (Exclusions are any third party arranged trainings)	Santander UK HoldCo employees	#	All online training time carried out on LMS is recorded through the system. This includes external content, online courses, tests, internal sessions and videos. Online day courses are estimated at four hours per course and face-to-face/one day courses are estimated as seven hours, as LMS doesn't record physical time spent training. This includes events, external content and sessions. Estimated time is based on class setup time, and course design. The dates cover when the learning and evaluation have been completed. Therefore in some cases (typically instructor led and some e-learning), a training will be counted in the following year if that is when the evaluation was completed. Investment in training data includes all third party spend included in account codes for specialist training, study expenses, venue costs and external training courses.	Cornerstone - Corporate Learning Platform Internal systems
Pension participation	% employees participating in pension scheme.	Santander UK	%	Report run from internal HR systems.	Oracle PeopleSoft HR system
Accidents at work	Data comprises of all accidents recorded in our HR Online accident reporting tool.	Santander UK	#	Each accident record is reviewed and marked according to the severity noted. Accidents defined as major, minor or resulting in a seven-day absence according to Health & Safety legislation. HR accident data collated quarterly.	HR internal systems

2020 basis for reporting: principles and methodologies continued

Creating a thriving workplace (continued)					
	Definition	Scope	Units	Method	Source
People continued					
Colleague engagement	This metric provides an overall engagement score, which defines the way employees think, feel and act in relation to their area. This is defined as the percentage of colleagues that feel favourably engaged working for Santander.	Santander UK	%	<p>The Global Pulse Engagement Survey was an opportunity for colleagues to feedback on what is working well and what needs to be improved. The engagement index is the average % favourable score for all respondents' answers to the following questions:</p> <ul style="list-style-type: none"> - I feel motivated to go beyond my formal job responsibilities. - I feel proud to work for Santander. - I would recommend Santander to family or friends as a place to work. - I would choose to stay with Santander even if offered the same pay and benefits elsewhere. - How satisfied are you with Santander as a place to work? 	Global Pulse Survey 2020 Santander UK employee survey (28 September – 9 October)

Sustainable economic growth and financial inclusion 					
	Definition	Scope	Units	Method	Source
Customers					
Number of active customers	Active customers are defined as those having an open account, with more than a set minimum balance along with certain specified transactions in the prior month.	Santander UK	#	Active customer numbers extracted from relevant internal systems.	Internal systems
Net Promoter Score (NPS)	NPS measures customer experience and predicts business growth. This metric provides the core measurement for customer experience management programs and the loyalty of customers to a company.	Retail customers holding one or more products with Santander UK.	#	The Financial Research Survey (NPS) is a monthly personal finance survey of around 5,000 GB consumers aged 16+ prepared by the independent market research agency, Ipsos MORI. The NPS is based on an 11-point scale (%Top 2 – %Bottom 7) across mortgages, savings, main current accounts, home insurance, UPLs and credit cards, based on a weighting of those products calculated to reflect the average product distribution across Santander UK and competitor brands. Data shown is for the 12 months ended 31 December 2020, based on 14,413 interviews and compared against 12 months ended data for the period as indicated. Fieldwork is a mixture of online and offline interviews, with the offline methodology changing from face-to-face to telephone in April 2020.	Ipsos MORI
Customer complaints	Reportable customer complaints as defined by the Financial Conduct Authority received during 2020.	All complaints received during 2020 that meet the FCA reporting requirements.	#	<p>Data from all source systems is queried to identify all complaints received during the reporting period. Any potential exclusions are manually sample checked to validate that they can be removed from the return.</p> <p>The annual figure is an aggregation of the H1 and H2 2020 Santander UK FCA returns.</p>	Internal systems

2020 basis for reporting: principles and methodologies continued

Sustainable economic growth and financial inclusion (continued)					
	Definition	Scope	Units	Method	Source
Customers continued					
Number of branches	A branch, is a retail location where we offer a wide array of face-to-face and automated services to our customers.	There are no specific exclusions (i.e. branches temporarily closed due to Covid-19) to the data provided and all open operational branches are included in the year end figure.	#	Data is validated against existing monthly reporting within the Retail Finance and Analytics department.	Internal systems
Suppliers					
Value of procurement	The dataset includes the amount paid to Santander UK third-party suppliers.	All Santander UK suppliers paid through SAP. Excludes Estates suppliers and Intermediaries; and suppliers not set up through the Santander UK procurement process.	£m	Supplier spend data is extracted from SAP and exclusion criteria applied and checked.	SAP
Number of suppliers	The data includes a count of all active Santander UK third-party suppliers.	All active Santander UK Third-Party Suppliers. (Excludes Estates suppliers and Intermediaries; and suppliers not set up through the Santander UK procurement process.)	#	Using the supplier list extracted from SAP and provided by Aquanima, a filter is placed on 'supplier numbers' and 'active status'. After applying filters, a count is carried out on the remaining number of suppliers.	SAP
Payment days beyond term	Days beyond terms (DBT) is a commonly used business credit term that indicates how long a business has taken to pay its invoices beyond the agreed payment terms.	The reported company Santander UK plc. Data includes financial information regarding Santander UK plc as per submitted financial accounts and figures. A single day metric is provided for the Company (Santander UK plc) with a comparison against an industry average.	days	Data is provided by third-party provider Experian.	Experian - Limited Company Gold Report
New SME contracts	Total number of suppliers onboarded within the reported year that have been identified as a Small to Medium Enterprise (SME) each year. SMEs are defined as having less than 250 employees and £10m in annual turnover.	All newly onboarded suppliers each year within Santander UK (see Number of Suppliers) that fit the SME criteria. (Excludes Estates suppliers and Intermediaries; and suppliers not set up through the Santander UK procurement process.)	#	Suppliers categorised SME are cross-checked against (a) self-declared information or (b) data sourced from third-parties on SME employee numbers and turnover.	SAP; FSQS; Experian; DueDil
Value of SME contracts	Total number of suppliers onboarded within the reported year that have been identified as a SME each year.	All newly onboarded suppliers each year within Santander UK (see Number of Suppliers) that fit the Small to Medium Enterprise (SME) criteria. (Excludes Estates suppliers and Intermediaries; and suppliers not set up through the Santander UK procurement process.)	£m	Suppliers identified as described above in 'New SME contracts'. The total value is then determined in one of two ways for all suppliers that meet the criteria stated above: 1. If the SME was onboarded because of a tender/negotiation the Total Award Amount is taken from Aquanima's Negotiation Reports 2. Where a SME was not onboarded because of a tender/negotiation, the total invoice value paid to the SME is taken for the year using data derived from SAP.	SAP; FSQS; Experian; DueDil; Aquanima
% of contracts with SMEs	Total number of suppliers onboarded that have been identified as a SME each year, divided by the total number of suppliers onboarded (within the reported year).	All newly onboarded suppliers each year within Santander UK (see Number of Suppliers) that fit the Small to Medium Enterprise (SME) criteria. (Excludes Estates suppliers and Intermediaries; and suppliers not set up through the Santander UK procurement process.)	%	Suppliers identified as described above in 'New SME contracts'. All suppliers that meet the criteria stated above are filtered and a total count is taken. This total count is then divided by the total number of suppliers onboarded within the reported year. The result is then expressed as a percentage.	SAP; FSQS; Experian; DueDil

2020 basis for reporting: principles and methodologies continued

Sustainable economic growth and financial inclusion (continued)					
	Definition	Scope	Units	Method	Source
Communities					
People Financially Empowered	<p>Number of people, mostly unbanked, underbanked or in a situation of vulnerability who, through our products and services and social investment initiatives are able to get access to the financial system, receive tailored finance and increase their knowledge and resilience through financial education.</p> <p>This metric should only consider initiatives and beneficiaries where Santander has gone beyond what is mandated by the regulator, and as it is cumulative it should only consider beneficiaries once in the 2019 – 2025 period.</p>	<p>In 2020, ten initiatives were considered:</p> <ol style="list-style-type: none"> 1. Mortgage Holiday extensions provided to customers, giving three extra months beyond the initial three months mandated by the regulator 2. Reaching out call to vulnerable elderly customers 3. Support provided to vulnerable customers by the Specialist support team 4. Financial education provided by Santander colleagues through Work Wise and Money Wise sessions to kids and young people 5. Financial education provided by Young Enterprise to kids and young people - My Money Week 6. Young Enterprise: 'Fiver from home' project 7. Support provided by Money Advice Trust 8. Support provided by Stepchange 9. Support provided by Payplan 10. Support provided by Christians Against Poverty. 	#	Report on the number of individual beneficiaries from different initiatives delivered or sponsored by Santander that provide access, tailored financial solutions and resilience.	Internal database and supplier reports
People Supported	<p>Number of beneficiaries linked to our volunteering efforts, and donations to Alzheimer's Society and Age UK in response to the coronavirus pandemic.</p>	<p>Through our donations, we were able to support vulnerable people through funding:</p> <ul style="list-style-type: none"> – Alzheimer's Society critical workers salaries – Online support and awareness materials – Telephone service provider costs – Dementia Directory costs. <p>Through volunteering, we were able to support vulnerable people via a befriending phone service.</p>	#	External charity reports, which include monies donated, the number of volunteers and the number of people supported through the various activities.	Alzheimer's Society and Age UK
Community Investment	<p>Total monies donated and spent on Community programmes and initiatives. Programmes and initiatives are agreed and signed off with Finance Business Partners and Executive Committee.</p>	<p>Total spend across the following:</p> <ol style="list-style-type: none"> 1. Santander Foundation (2020 matched donations and grants) 2. Universities (total donations made in 2020 for 86 university partners, including 2019 accruals) 3. Breakthrough (2020 Breakthrough investment, additional Survive & Revive investment, Resource Hub investment and in-kind investment) 4. CSR and Sustainability spend (2020 CSR programmes and memberships spend). Excluded: internal, operational spend improving internal processes, hosting and security for website. 	£m	<p>Spend across the highlighted programmes is calculated and totalled to give one overall Community spend figure.</p> <p>University spend is calculated as payments made in 2020 (this includes accruals from 2019).</p> <p>Santander Foundation, Breakthrough and CSR and Sustainability is calculated as spend budgeted and committed from 2020 budgets.</p> <p>All donations are approved by the Anti-Bribery and Corruption Department, and any donations that are 50,000 euros and above, are approved by Santander Group. Non-donations are agreed with Finance Business Partners and Executive Committee at the start of each calendar year.</p> <p>The total community investment figure is notified to the Sustainability Team.</p>	Santander Foundation reports, and bank's payments system and manual monthly reconciliation aligned to Finance's monthly report

2020 basis for reporting: principles and methodologies continued

Sustainable economic growth and financial inclusion (continued)					
	Definition	Scope	Units	Method	Source
Communities continued					
Santander Foundation grants	Santander Foundation Grants awarded in 2020.	Number of Covid-19 grants donated in 2020	£	Santander Foundation report.	Santander Foundation report
Matched donations	Number of donations approved and paid by the Santander Foundation.	Matched donations refers to the programme whereby Santander Foundation matches 1:1 fundraising initiatives organised by Santander UK employees to UK registered charities.	#	Santander Foundation report.	Santander Foundation report
Volunteering	Number of colleagues volunteering, and number of people helped with the activities.	This data comprises number of colleagues that volunteered in the community via the Quarantea Campaign with the aim to help the most vulnerable people in our communities in 2020.	#	Alzheimer's Society and Age UK reports.	Alzheimer's Society and Age UK reports
Santander Universities	Total donations through our Universities programme in 2020.	Spend includes the total donations paid in 2020 – including 2019 accrual paid in 2020. This is £10,037,839 – total donations paid in 2020 (including £2,065,583 of 2019 accrual).	£m	Bank's payments system and manual monthly reconciliation aligned to Finance's monthly report. Santander Universities Donations Tracker is aligned to Bank's Finance Central Reporting and Bank's central Payments Platform.	Santander Universities Donations Tracker
Santander Breakthrough	This data comprises number of businesses (customers and prospects) benefiting from virtual support delivered digitally throughout 2020. Limited face-to-face activity was held in the time period (captured under Breakthrough in Branch). Face-to-face delivery includes the 2020 Women Business Leaders' Mentoring Programme.	Breakthrough-led and Breakthrough-supported specific to Business Banking and the Corporate Bank.	#	Delegate registrations where available (limited), web traffic data, direct beneficiaries where available.	Web traffic stats, event registration, direct programme beneficiaries

Tackling climate change

	Definition	Scope	Units	Method	Source
Environment					
Energy use	<p>Billed consumption of grid electricity, mains gas, mains oil and associated emissions.</p> <p>* Grid electricity: as metered kWh and tonnes of CO₂e (tCO₂e)</p> <p>* Mains gas: as metered kWh and tonnes of CO₂e (tCO₂e)</p> <p>* Oil: as metered, shown in litres and tonnes of CO₂e (tCO₂e)</p>	<p>Santander UK estate. Sites undergoing active investigations related to electricity supply are excluded from electricity reporting (x2).</p> <p>Includes Carlton Park data centres, retail branches (grouped).</p>	kWh	<p>Emissions derived from consumption are converted using 2020 HMG GHG Conversion Factors from DEFRA.</p> <p>Electricity: external supplier invoices validated against consumption data gained direct from smart meters (remote dial up).</p> <p>Gas: external supplier invoices validated against consumption data gained direct from smart meters (remote dial up).</p> <p>Oil: manual meter readings taken on sites.</p>	Supplier invoices and meter readings

2020 basis for reporting: principles and methodologies continued

Tackling climate change (continued)					
	Definition	Scope	Units	Method	Source
Environment continued					
Water usage	Mains water: as consumed in metered m ³	Santander UK estate. Large offices, small offices, Carlton Park data centres, retail branches (grouped).	m ³	Water: external supplier invoices	Supplier invoices
Waste	Tonnes of waste produced. Tonnes of waste diverted from landfill. % of waste diverted from landfill.	Santander UK estate. Includes Carlton Park data centres, retail branches (grouped).	tonnes	Data is provided by waste suppliers and uploaded to a centralised database. This centralised database is then subject to further processing into the necessary categories for monitoring and reporting purposes.	Supplier reports
Paper usage	Weight of paper used in our operations in plain paper, envelopes and cardboard.	All entities within Santander UK including branches.	kg	Information is provided by the third party suppliers of print and stationery who source the paper for Santander.	Third party reports
Renewable Financing	Total renewable energy financing that originates in our Corporate and Commercial Bank (CCB) and our Corporate and Investment Bank (CIB). These have slightly varied definitions and scope, which are listed separately here. CIB: Lending facilities destined to renewable energy projects, taking into account committed amounts, drawn and undrawn, provided at the point of execution. CCB: Lending facilities destined to renewable energy projects, energy efficiency and enabling infrastructure in the transition to clean energy generation, taking into account committed amounts, drawn and undrawn, provided at the point of execution.	CIB: Sectors: Established greenfield and brownfield renewable energy technologies comprising onshore wind, offshore wind, solar PV and energy from waste. Products: Loans with use of proceeds made available exclusively to renewable energy projects made from the bank's structured finance product suite (non-recourse project finance facilities for single assets and portfolios, NAV-based renewable energy fund finance where the investment purpose of the fund is aligned with the definition above). Exclusions: Santander investments into renewable energy and advisory services for renewable energy transactions. CCB: Sectors: Established greenfield and brownfield renewable energy, energy efficiency and enabling infrastructure in the transition to clean energy generation. Products: Loans with use of proceeds made available exclusively to qualifying projects made from the bank's structured finance product suite (including but not limited to non-recourse project finance facilities for single assets and portfolios, NAV-based renewable energy fund finance where the investment purpose of the fund is aligned with the definition above). Use of funds to be ring-fenced for qualifying projects, and documented accordingly.	£m	CIB: Commitments as reported within closing memoranda, and subsequently uploaded on to back office loan management platform (LoanIQ), collated by the Middle Office department. CCB: Commitments as reported within the signed Facility Agreement as well as within internal closing memoranda. Commitments are subsequently uploaded on to the back office loan management platform (ALFA), collated by the Middle Office department. The total renewable financing figure is notified to the Sustainability Team.	Closing memoranda and LoanIQ system; Facility Agreement and ALFA

2020 basis for reporting: principles and methodologies continued

Tackling climate change (continued)					
	Definition	Scope	Units	Method	Source
Environment continued					
Travel	Total business travel km and CO ₂ e emissions.	Santander UK estate including offices and retail. Excludes home workers and employees based at business centres.	tCO ₂ e	Data is made up of total km travelled by employees across our Head Offices and Retail Branches using various means of travel and the converted CO ₂ e figure using DEFRA conversion factors. The total figure is then reported each year. Flight data is provided by the third party on a monthly basis.	Mileage claims from internal systems, Capita flight data. Peoplesoft and Certify systems used
Scope 1	Direct emissions from owned or controlled sources.	Scope 1 emissions encompass gas, oil, direct transport, and fugitive gas emissions.	tCO ₂ e	Consumption and transport data is extracted from relevant source systems and records. Emissions calculated for gas, oil, direct travel, and fugitive gases using the relevant UK government conversion factors, and summed to collate a total Scope 1 emissions figure.	Billing invoices, meter readings, mileage claims, maintenance records
Scope 2	Indirect emissions from owned or controlled sources.	Scope 2 emissions encompass purchased electricity (and electric fleet/company cars). 'Market-based' reflects the emissions for the electricity we have purchased. Our electricity is generated via green sources including biomass and wind generation.	tCO ₂ e	Consumption and travel data is extracted from relevant source systems/ records. Indirect emissions are calculated using the relevant DEFRA conversion factors and guidance.	Billing invoices, mileage claims
Scope 3	Other indirect emissions in our value chain.	Scope 3 emissions encompass indirect business travel emissions via road, air, and rail.	tCO ₂ e	Business travel (air, rail and road) records extracted from relevant internal systems or provided by third-party travel admin operator. The travel is then converted into carbon emissions using relevant factors from UK government (DEFRA). For rail travel, an assumed km figure is used for destinations identified as 'other.' 9% of the Scope 3 CO ₂ e emissions relating to rail journeys have been estimated due to limitations of our data management system.	Mileage claims
Total CO ₂ e emissions	Total reported emissions in 2020, Scope 1, 2 (market-based) and 3 emissions	As defined above.	tCO ₂ e	Summation of Scope 1, 2 (market-based) and 3 emissions.	Scope 1, 2, and 3 emissions, incorporation market-based Scope 2 emissions
CO ₂ e per person	Emissions per employee (intensity ratio)	Use of Total CO ₂ e emissions (defined above) divided by total employee numbers in Santander UK	tCO ₂ e	Total emissions in 2020 divided by total employee numbers in Santander UK HoldCo reported in this ESG Supplement.	
Retired Verified Carbon Units	Retirement by Santander UK plc of carbon units via certified Verra VCS scheme (Verified Carbon Standard).		VCU	Details on our verified carbon units can be found at the following Verra Registry link: https://registry.verra.org/mymodule/rpt/CertificateInfo.asp?rhid=118918	Verra VCS certification for 2020
Net CO ₂ e emissions	Net CO ₂ e emissions in Santander UK operations accounting for retired VCUs.		tCO ₂ e	Total CO ₂ e emissions incorporating our retirement of VCUs.	

2020 basis for reporting: principles and methodologies continued

Driving inclusive digitalisation



	Definition	Scope	Units	Method	Source
Number of digital education beneficiaries	Beneficiaries of digital education initiatives sponsored by Santander UK in 2020.	Includes beneficiaries from Explore Digital sessions delivered by We Are Digital and GoDigital by Age UK.	#	Collated through supplier reports. Teacher-headcount of students per session.	Supplier reports
Voice ID registrations	Number of customers in 2020 enrolling for Voice ID which enables them to use biometrics to authenticate when they call Santander.	Voice ID is available to Santander retail customers – currently on Banking, Savings and Credit cards lines.	#	Enrolment data is captured via a dashboard which counts the number of enrolments at daily, weekly and monthly intervals.	Internal database which captures details of voiceprints as they are created

Upholding the highest ethical standards and fighting financial crime



	Definition	Scope	Units	Method	Source
Anti-Financial Crime and Anti-Bribery and Corruption training	Completion of Fighting Financial Crime Mandatory Training. Covers Anti-Money Laundering, Anti-Bribery and Corruption, Counter Terrorist Financing, Facilitation of Tax Evasion, Human Trafficking and Sanctions.	Santander UK. The data comprises of the number/ percentage of colleagues that have acquired successful completion (80% pass) of the assessment.	#	Report run based on completion (see 'Scope') from internal systems. Data is held on a dashboard by Learning and Development.	Internal systems
Enhanced training	Completion of Fighting Financial Crime Enhanced Training. This is enhanced learning for a select audience covering a particular topic/s relevant to their role. The data comprises of the successful completion of the learning and if applicable the accompanying assessment.	Priority Audiences as determined by the business or the Anti Financial Crime Academy (AFCA) using data from Learning Needs Analysis, Business Unit Risk Assessments, Skills Matrix.	#	Report run based on completion (see 'Scope') from internal systems. Data is held on a dashboard by Learning and Development, and into 2021 the AFCA will also use this data to develop dashboards to support governance.	Internal systems

GRI Index and SASB

We report in accordance with the 'core' option for disclosure for the Global Reporting Initiative (GRI) and use SASB* materiality and indicators where appropriate.

Reporting standards

As we develop our ESG reporting we take into account developments of standards and common practice. In particular, we've worked this year to comply with the core option of GRI, detailed in the tables below with references across our reporting.

Our reporting also considers the *Sustainability Accounting Standards Board (SASB) material issues for the categories 'Commercial Bank', 'Consumer Finance' and 'Mortgage Lender'. These material issues align with the topics covered in our reporting and cover business ethics; data security; physical impacts of climate change; access and affordability; and employee engagement, diversity and inclusion.

We will continue to enhance our reporting based on common frameworks and collaborate with standard setting bodies. This report has been prepared in accordance with the GRI Standards: Core option.

Key:  GRI  SASB

Disclosure number	Description	Notes	Reference
GRI 102: General Disclosures			
Organisational profile			
102-1	Report the name of the organisation		Annual Report 2020, Strategic report, page 1
102-2	Report the primary brands, products and services		Annual Report 2020, Strategic report, page 1
102-3	Report the location of the organisation's headquarters		Annual Report 2020, Strategic report, page 1
102-4	Report number of countries where organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report		Annual Report 2020, Strategic report, page 1, 3
102-5	Report the nature of ownership and legal form		Annual Report 2020, Strategic report, page 1
102-6	Markets served		Annual Report 2020, Strategic report, page 1
102-7	Organisation scale		Annual Report 2020, Strategic report, page 2
102-8	Information on employees and other workers		Annual Report 2020, Strategic report, page 2
102-9	Describe the organisation's supply chain		Annual Report 2020, Strategic report, page 2
102-10	Any significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain		Annual Report 2020, Strategic report, page 1
102-11	Whether and how the precautionary approach or principle is addressed by the organisation		Environmental, Social and Governance (ESG) Supplement 2020, page 2
102-12	List externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses		ESG Supplement 2020, page 2, 5
102-13	Memberships of associations and national or international advocacy		ESG Supplement 2020, page 2, 5
Strategy			
102-14	Provide a statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability		Annual Report 2020, page 4, 5, 10, 11, Chair's Statement and CEO Review

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure number	Description	Notes	Reference
GRI 102: General Disclosures continued			
Ethics and integrity			
102-16	Organisation's value, principles, standards and norms of behaviour such as codes of conduct and codes of ethics		Annual Report 2020, Strategic report, page 3
Governance			
102-18	Governance structure, including committees of the highest governance body		Annual Report 2020, Governance, p.43
Stakeholder engagement			
102-40	List of stakeholder groups engaged by the organisation		Annual Report 2020, Strategic report, page 31, 41
102-41	Percentage of total employees covered by collective bargaining agreements		Annual Report 2020, Strategic report, page 35
102-42	Basis for identification and selection of stakeholders with whom to engage		Annual Report 2020, Strategic report, page 31
102-43	Approach to stakeholder engagement		Annual Report 2020, Strategic report, page 31
102-44	Key topics and concerns that have been raised, and how the organisation has responded to key topics and concerns, including through reporting		Annual Report 2020, Strategic report, pages 31-41
Report Practice			
102-45	Entities included in the consolidated financial statements		Annual Report 2020, About this report
102-46	Defining report content and topic boundaries	<ul style="list-style-type: none"> a. An explanation of the process for defining the report content and the topic boundaries. b. An explanation of how the organisation has implemented the Reporting Principles for defining report content. 	ESG Supplement 2020, page 3
102-47	List of material topics		ESG Supplement 2020, page 3
102-48	Restatements of information		ESG Supplement 2020, page 19
102-49	Changes in reporting	Significant changes from previous reporting periods in the list of material topics and topic Boundaries.	ESG Supplement 2020, page 19
102-50	Reporting period		Annual Report 2020, About this report
102-51	Date of most recent report		ESG Supplement 2020, page 1
102-52	Reporting cycle		ESG Supplement 2020, page 1
102-53	Contact point for questions regarding the report		ESG Supplement 2020, Read more
102-54	Claims of reporting in accordance with the GRI standards	<ul style="list-style-type: none"> a. The claim made by the organisation, if it has prepared a report in accordance with the GRI Standards, either: <ul style="list-style-type: none"> i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'. 	ESG Supplement 2020, page 28
102-55	GRI Index and SASB		ESG Supplement 2020, pages 28-37

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure number	Description	Notes	Reference
GRI 102: General Disclosures continued			
Report Practice continued			
102-56	External assurance	<ul style="list-style-type: none"> a. A description of the organisation's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: <ul style="list-style-type: none"> i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organisation and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organisation's sustainability report. 	ESG Supplement 2020, page 38-40
Climate Change and Greenhouse Gases (GHGs)			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2020, Strategic report, page 26-27, 37 ESG Supplement 2020, page 12, 26
103-2	The management approach and its components	Including whether offsets were used to meet the targets, including the type, amount, criteria or scheme.	Annual Report 2020, Strategic report, page 26-27, 37 ESG Supplement 2020, page 12, 26
103-3	Evaluation of the management approach		Annual Report 2020, Strategic report, page 26-27, 37
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emission	<ul style="list-style-type: none"> a. Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent. b. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. c. Biogenic CO₂ emissions in metric tons of CO₂ equivalent. d. Base year for the calculation, if applicable, including: <ul style="list-style-type: none"> i. the rationale for choosing it; ii. emissions in the base year; iii. the context for any significant changes in emissions that triggered recalculations of base year emissions. e. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. f. Consolidation approach for emissions; whether equity share, financial control, or operational control. g. Standards, methodologies, assumptions, and/or calculation tools used. 	ESG Supplement 2020, page 10, 26

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Climate Change and Greenhouse Gases (GHGs) continued		
GRI 305: Emissions continued		
305-2	Energy indirect (Scope 2) GHG emissions	ESG Supplement 2020, page 10, 26
305-3	Other indirect (Scope 3) GHG emissions	ESG Supplement 2020, page 10, 26
305-4	GHG emissions intensity	<ul style="list-style-type: none"> a. GHG emissions intensity ratio for the organisation. b. Organisation-specific metric (the denominator) chosen to calculate the ratio. c. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). d. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all.
GRI 201: Economic Impact		
201-2		<ul style="list-style-type: none"> a. Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: <ul style="list-style-type: none"> i. a description of the risk or opportunity and its classification as either physical, regulatory, or other; ii. a description of the impact associated with the risk or opportunity; iii. the financial implications of the risk or opportunity before action is taken; iv. the methods used to manage the risk or opportunity; v. the costs of actions taken to manage the risk or opportunity.
Mortgage Finance SASB		
Physical Impacts of Climate Change	Environmental Risk to Mortgaged Properties	<ul style="list-style-type: none"> – FN-MF-450a.1: (1) Number and (2) value of mortgage loans in 100-year flood zones – FN-MF-450a.2: (1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure number	Description	Notes	Reference
Financial Inclusion			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2020, Strategic report, page 34, 36
103-2	The management approach and its components		Annual Report 2020, Strategic report, page 34, 36
103-3	Evaluation of the management approach		Annual Report 2020, Strategic report, page 34, 36
Commercial Banks SASB			
Access and Affordability	Financial inclusion and capacity building	<ul style="list-style-type: none"> – FN-CB-240a.1: (1) Number and (2) amount of loans outstanding qualified to programmes designed to promote small business and community development – FN-CB-240a.2: (1) Number and (2) amount of past due and nonaccrual loans qualified to programmes designed to promote small business and community development – FN-CB-240a.3: Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers – FN-CB-240a.4: Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers 	Annual Report 2020, Strategic report, page 5, 31, 34, 36
Diversity and Inclusion			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2020, Strategic report, page 16, 34, 35 ESG Supplement 2020, page 7, 20 https://www.santandersustainability.co.uk
103-2	The management approach and its components		Annual Report 2020, Strategic report, page 34, 35 Diversity Pay Gap report available at: http://www.santanderjobs.co.uk/diversity.php
103-3	Evaluation of the management approach		Annual Report 2020, Strategic report, page 16, 34, 35 ESG Supplement 2020, page 7, 20

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure number	Description	Notes	Reference
Diversity and Inclusion continued			
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	a. Percentage of individuals within the organisation's governance bodies in each of the following diversity categories: <ol style="list-style-type: none"> i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: <ol style="list-style-type: none"> i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). 	Annual Report 2020, Strategic report, page 16, 34, 35 ESG Supplement 2020, page 7, 20
Employee Wellbeing and Talent			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2020, Strategic report, page 34, 35 ESG Supplement 2020, page 7, 20
103-2	The management approach and its components		Annual Report 2020, Strategic report, page 34, 35
103-3	Evaluation of the management approach		Annual Report 2020, Strategic report, page 34, 35 ESG Supplement 2020, page 7, 20
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	a. Average hours of training that the organisation's employees have undertaken during the reporting period, by: <ol style="list-style-type: none"> i. gender; ii. employee category. 	ESG Supplement 2020, page 7
404-2	Programmes for upgrading employee skills and transition assistance programmes	a. Type and scope of programmes implemented and assistance provided to upgrade employee skills. b. Transition assistance programmes provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Annual Report 2020, Strategic report, page 34, 35

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure number	Description	Notes	Reference
Responsible Investment and Products			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2020, Strategic report, page 37
103-2	The management approach and its components		Annual Report 2020, Strategic report, page 37
103-3	Evaluation of the management approach		Annual Report 2020, Strategic report, page 37
Commercial Banks SASB			
Product Design and Lifecycle Management	Incorporation of ESG Factors in Credit Analysis	<ul style="list-style-type: none"> – FN-CB-410a. 1: Commercial and industrial exposure, by industry – FN-CB-410a. 2: Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis. 	Annual Report 2020, Strategic report, page 26-27, 37
Consumer Finance SASB			
Selling Practices	Selling practices		Annual Report 2020, page 239, 327
Mortgage Finance SASB			
Selling Practices and Product Labelling	Selling practices and product lending practices		Annual Report 2020, page 92, Strategic report, page 21, 29-30
Organisational Culture and Governance			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2020, Strategic report, page 37 ESG Supplement 2020, page 15, 27 Modern Slavery Statement available at: https://www.santandersustainability.co.uk
103-2	The management approach and its components		Annual Report 2020, Strategic report, page 37 ESG Supplement 2020, page 15, 18, 27
103-3	Evaluation of the management approach		Annual Report 2020, Strategic report, page 37 ESG Supplement 2020, page 15, 27
GRI 205: Anti-corruption			
205-1	Operations assessed for risks related to corruption		Annual Report 2020, Strategic report, page 37 ESG Supplement 2020, page 15, 27

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure number	Description	Notes	Reference
Organisational Culture and Governance continued			
GRI 205: Anti-corruption continued			
205-2	Communication and training about anti-corruption policies and procedures	<p>Total number and percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to, broken down by region.</p> <p>Total number and percentage of employees that the organization's anti corruption policies and procedures have been communicated to, broken down by employee category and region.</p> <p>Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region.</p>	Annual Report 2020, Strategic report, page 37 ESG Supplement 2020, page 15, 27
Commercial Banks SASB			
Systemic Risk Management	Systemic Risk Management	– FN-CB-550a.2: Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities.	Annual Report 2020, Strategic report, page 21-26
Innovation and Digitalisation			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2020, Strategic report, page 31 ESG Supplement 2020, page 14, 18, 26 https://www.santandersustainability.co.uk
103-2	The management approach and its components		Annual Report 2020, Strategic report, page 31 ESG Supplement 2020, page 14, 18
103-3	Evaluation of the management approach		ESG Supplement 2020, page 14, 18
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<p>a. Total number of substantiated complaints received concerning breaches of customer privacy, categorised by:</p> <ul style="list-style-type: none"> i. complaints received from outside parties and substantiated by the organisation; ii. complaints from regulatory bodies. <p>b. Total number of identified leaks, thefts, or losses of customer data.</p> <p>c. If the organisation has not identified any substantiated complaints, a brief statement of this fact is sufficient.</p>	Annual Report 2020, Operational Risk, page 182-185

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure number	Description	Notes	Reference
Innovation and Digitalisation continued			
Commercial Banks SASB			
Data security	Data security	– FN-CB-230a.2: Description of approach to identifying and addressing data security risks	Annual Report 2020, Operational Risk, page 182-185
Consumer Finance SASB			
Data security	Data security	– FN-CF-230a.3: Description of approach to identifying and addressing data security risks	Annual Report 2020, Operational Risk, page 182-185
Customer privacy	Customer privacy		Annual Report 2020, Data Privacy, page 325, Strategic report page 31
Reputation as a responsible bank			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		ESG Supplement 2020, page 2 https://www.santandersustainability.co.uk
103-2	The management approach and its components		ESG Supplement 2020, page 2 https://www.santandersustainability.co.uk
103-3	Evaluation of the management approach		ESG Supplement 2020, page 2 https://www.santandersustainability.co.uk
Ethics and Compliance			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2020, Strategic report, page 37 ESG Supplement 2020, page 15
103-2	The management approach and its components		Annual Report 2020, Strategic report, page 37 ESG Supplement 2020, page 15
103-3	Evaluation of the management approach		Annual Report 2020, Strategic report, page 37 ESG Supplement 2020, page 15

Assurance opinion

Independent Limited Assurance Report to the Directors of Santander UK plc

The Board of Directors of Santander UK plc ("Santander") engaged us to provide limited assurance on the information described below and set out in Santander's Environmental, Social and Governance (ESG) Supplement for the year ended 31 December 2020.

Our conclusion

Based on the procedures we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Selected Information for the year ended 31 December 2020 has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of our report.

Selected Information

The scope of our work was limited to assurance over the information marked with the symbol 'AS' in Santander's ESG Supplement 2020, as set out in the table below (the "Selected Information"). Our assurance does not extend to information in respect of earlier periods or to any other information included in Santander's ESG Supplement 2020.

Selected Information	Unit/Measure	Performance in 2020
BAME employees	FTE	2,926
Female employees	FTE	11,504
Male employees	FTE	9,542
Employee turnover	%	8.1
Training Days	Days	61,398
Number of branches	#	564
Renewable energy financing	£m	1,268.2
Scope 1 CO ₂ e emissions	tCO ₂ e	5,937
Scope 2 CO ₂ e emissions (market based)	tCO ₂ e	0
Scope 3 CO ₂ e emissions	tCO ₂ e	515
Total CO ₂ e emissions	tCO ₂ e	6,452
CO ₂ e emissions per employee	tCO ₂ e/FTE	0.31
Support for communities	£m	16.0

Santander's internal reporting guidelines for measuring, recording and reporting the Selected Information (the "Reporting Criteria") are set out in Santander's ESG Supplement.

Professional standards applied and level of assurance

We performed a limited assurance engagement in accordance with International Standard on Assurance Engagements 3000 (Revised) 'Assurance Engagements other than Audits or Reviews of Historical Financial Information' and, in respect of the greenhouse gas emissions, in accordance with International Standard on Assurance Engagements 3410 'Assurance engagements on greenhouse gas statements', issued by the International Auditing and Assurance Standards Board. The procedures performed in a limited assurance engagement vary in nature and timing from, and are 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.

Our independence and quality control

In carrying out our work, we complied 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 also apply International Standard on Quality Control (UK) 1 and accordingly 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.

Understanding reporting and measurement methodologies

The Selected Information needs to be read and understood together with the Reporting Criteria (2020 basis for reporting: principles and methodologies that can be found in Santander's ESG Supplement 2020), which Santander is solely responsible for selecting and applying. The absence of a significant body of established practice on which to draw to evaluate and measure non-financial information allows for different, but acceptable, measurement techniques and can affect comparability between entities and over time. The Reporting Criteria used for the reporting of the Selected Information are as at 31 December 2020.

Assurance opinion continued

Work done

We are required to plan and perform our work in order to consider the risk of material misstatement of the Selected Information. In doing so, we:

- made enquiries of Santander's management, including the sustainability team and those with responsibility for sustainability management and group sustainability reporting;
- evaluated the design of the key structures, systems, processes and controls for managing, recording and reporting the Selected Information, including performing walkthroughs to confirm our understanding;
- performed limited substantive testing on a selective basis of the Selected Information to check that data had been appropriately measured, recorded, collated and reported; and
- considered the disclosure and presentation of the Selected Information.

Santander's responsibilities

The Directors of Santander are responsible for:

- designing, implementing and maintaining internal controls over information relevant to the preparation of the Selected Information that is free from material misstatement, whether due to fraud or error;
- establishing objective Reporting Criteria for preparing the Selected Information;
- measuring and reporting the Selected Information based on the Reporting Criteria; and
- the content of the ESG Supplement 2020.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Selected Information is free from material misstatement, whether due to fraud or error;
- forming an independent conclusion, based on the procedures we have performed and the evidence we have obtained; and
- reporting our conclusion to the Directors of Santander.

This report, including our conclusions, has been prepared solely for the Board of Directors of Santander in accordance with the agreement between us dated 18 December 2020, in order to assist the Directors in reporting Santander's ESG performance and activities. We permit this report to be disclosed in the ESG Supplement for the year ended 31 December 2020 at santander.co.uk¹ to assist the Directors in responding to their governance responsibilities by obtaining an independent assurance report in connection with the Selected Information. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Board of Directors and Santander for our work or this report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
26 February 2021

1. The maintenance and integrity of Santander's website is the responsibility of the Directors; 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 and Selected Statements or Reporting Criteria when presented on Santander's website.

Read more



For more information visit

> www.santandersustainability.co.uk

Annual Report 2020

> www.santander.co.uk/about-santander/investor-relations/santander-uk-group-holdings-plc

Diversity

> www.santanderjobs.co.uk/diversity

Taxation strategy

> www.santander.co.uk/about-santander/sustainability/taxation-strategy

Modern slavery statement

> www.santander.co.uk/about-santander/sustainability/modern-slavery-statement

Environmental policy

> <http://www.santandersustainability.co.uk/sites/default/files/pdf/2020-12/EnvironmentalPolicy2020.pdf>

Environment policy statement

> www.santandersustainability.co.uk/sites/default/files/Environmental_Policy_Statement.pdf