



# Environmental, Social and Governance Supplement 2022

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Santander UK Group Holdings plc



# 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 Santander UK Group Holdings plc 2022 Annual Report and Accounts (referred to as our Annual Report in this document) and provides a data-driven summary of our sustainability performance. Within the Annual Report, we have a new, dedicated Sustainability and Responsible Banking section.



Our reporting suite	Sustainability microsite	Everyday Inclusion and Pay Gap Report	UK Taxation strategy	Modern Slavery Statement	Environmental, Social and Governance Supplement	Annual Report and Accounts
<b>Topics covered</b>						
1 Sustainability strategy	🔥				🔥	🔥
2 Materiality						🔥
3 Integration with business strategy						🔥
4 Taskforce on Climate-Related Financial Disclosures (TCFD)	🔥					🔥
5 ESG policies	🔥					🔥
6 Diversity pay gap		🔥		🔥		🔥
7 Stakeholder engagement	🔥				🔥	🔥
8 Responsible taxation			🔥			
9 Human rights	🔥			🔥	🔥	🔥

Access Santander UK's full reporting suite at [santander.co.uk](https://santander.co.uk)

Access Banco Santander's full reporting suite at [santander.com/en/our-approach/reports](https://santander.com/en/our-approach/reports)

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Santander UK Group Holdings plc is responsible for preparation of the ESG information and all the supporting records, including selecting appropriate measurement and reporting criteria, in our Annual Report, this ESG Supplement and the additional reports published on our website.

# Our Sustainability and Responsible Banking strategy

Being a responsible business is a key business priority and part of our core strategy. Our Sustainability and Responsible Banking (SRB) strategy sets out our ambition in this area. It supports our vision of helping people and business prosper and responds to our most important, or material, sustainability issues. It consists of three pillars plus one solid foundation.

## Santander UK's strategic ambition: to become a sustainable and responsible bank

 <p><b>Thriving workplace</b>  <b>Creating a culture of inclusivity and belonging</b>          We aim to create a thriving workplace that develops a culture of inclusivity and belonging.</p>	 <p><b>Better communities</b>  <b>Helping customers and communities prosper</b>          We want to deliver long-lasting, sustainable growth and positive socio-economic impact including providing good outcomes for our customers.</p>	 <p><b>Healthy environment</b>  <b>Fighting climate change and supporting the green economy</b>          We will play our part in supporting the UK transition to a low-carbon economy and support the green economy.</p>
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### Our material issues

<ul style="list-style-type: none"> <li>– Diversity, inclusion and belonging</li> <li>– Employee wellbeing and talent</li> <li>– Organisational culture and governance</li> </ul> <p><b>Additional priorities</b></p> <ul style="list-style-type: none"> <li>– Social mobility</li> </ul>	<ul style="list-style-type: none"> <li>– Financial inclusion and empowerment</li> <li>– Community engagement and support</li> <li>– Sustainable finance</li> <li>– Inclusive innovation and digitalisation</li> </ul> <p><b>Additional priorities:</b></p> <ul style="list-style-type: none"> <li>– Santander education</li> <li>– Santander Foundation</li> </ul>	<ul style="list-style-type: none"> <li>– Privacy, data protection and cyber security</li> </ul> <p><b>Additional priorities:</b></p> <ul style="list-style-type: none"> <li>– Climate risk management</li> <li>– Portfolio alignment to net zero</li> <li>– Own operational footprint</li> <li>– Ensuring a just transition</li> </ul>
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### UN Sustainable Development Goals (SDGs) – see page 34 for further details on core SDGs



### Our solid foundation

 **Being responsible, in everything we do**  
 We will aim to be responsible in everything we do with ethics and integrity being a solid foundation of our strategy, enabling businesses and society to prosper.

#### Our material issues

– Ethics and compliance	– Human and labour rights	– Responsible supply chain and procurement	– Responsible banking practices
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#### Additional priorities

– Financial crime
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### UN Sustainable Development Goals



Delivering on our strategic priorities and creating value for all of our stakeholders

# Medium-term scorecard


In late 2021, we established a medium-term scorecard. This consists of targets for 2022-2025, and in some cases 2030. These will measure our performance and progress in key areas of our SRB strategy. We set the targets with two main considerations in mind: targets that will strengthen our contribution to existing Banco Santander group public commitments, and targets that will help us to meet our sustainability priorities. We will conduct a review of metrics and targets in 2023 to ensure they continue to be fit for purpose in meeting our sustainability priorities.

Strategic pillar	Key issue	Medium-term target	Performance 2022	Performance 2021
 Thriving workplace	<b>Diversity, inclusion and belonging</b>	50% (+/-10%) senior female employees by 2025	33.2%	31.9%
		14% (+/-2%) senior Asian, Black, and other Minority Ethnic employees by 2025	11.1%	9.8%
		40-60% of women on the Board by 2030	33%	33%
	<b>Organisational culture and governance</b>	Top 10 company to work for by 2025	30th	16th
	<b>Social mobility</b>	35% of senior employees from a lower socio-economic background by 2030	29%	29%
 Better communities	<b>Financial inclusion</b>	Three million People Financially Empowered by 2025 (cumulative since 2019)	2,141,163	751,720
		2 million children and young people given a meaningful financial education by 2025 (cumulative since 2019)	1,792,812	500,088
 Healthy environment	<b>Supporting customers transition to a low carbon economy</b>	£20bn of green finance raised and facilitated by 2025	£6.5bn	£3.97bn
		1.3 million customers with properties that have an EPC rating of D or below communicated with <sup>1</sup> to improve the efficiency of their homes by 2025	807,383	3,651
		180,000 customers supported to become greener with products and services by 2025	32,968	N/A – Data collection commenced in 2022


1. To measure this, we are collecting visits to the Greener Homes Hub and emails that have been opened by customers with information on making energy efficiency improvements. This is what we have considered as 'communicated with'.

# 2022 Performance summary


The below table shows our progress in 2022 and next steps in each area.

Our sustainability priorities	Key issue(s)	2022 performance	Looking forward
 <b>Thriving workplace</b>	<b>Diversity, inclusion and belonging</b>	<ul style="list-style-type: none"> <li>– We maintained an upward trajectory in our senior female population this year.</li> <li>– Our female representation on the Board has not changed this year.</li> <li>– Our eight People Networks play an important role in bringing lived experiences into our decision making and promoting allyship. The networks (which all have a Board and Executive Committee sponsor) cover gender, ethnicity, LGBTQ+, disability, families and carers, social mobility, mental wellbeing, and veterans and reservists.</li> <li>– We continue to appear in key external benchmarks, Times Top 50 for Women, Social Mobility Index and for the first time, Stonewall's Workplace Equality Index.</li> </ul>	<ul style="list-style-type: none"> <li>– This is a long-term strategic commitment for us and we will continue to work hard to increase diversity and representation at senior employee levels over the medium term.</li> <li>– We don't anticipate any large fluctuations in representation on our board in the near future.</li> <li>– We will continue to have board sponsors for each People Network.</li> <li>– We will continue to participate in key external benchmarks as part of our ongoing commitment to Diversity, Inclusion and Belonging.</li> </ul>
	<b>Organisational culture and governance</b>	<ul style="list-style-type: none"> <li>– We are recognised as a Top Employer by the Top Employers Institute, and are accredited by Great Place to Work as a Best Super Large Organisation (Rank 30), Best Workplace for Women and Best Workplace for Wellbeing. We continue to participate in the Great Place to Work rankings as we aim to achieve a top ten ranking over the medium term.</li> </ul>	<ul style="list-style-type: none"> <li>– Although our 2022 placing dropped slightly from 2021, our continuous listening tool Your Say has provided us with improved visibility of our key focus areas, which we continue to work on in order to meet our target.</li> <li>– We expect to see fluctuations year on year on our position in the Top 10 company table that is influenced by a variety of factors. We carefully review the feedback and incorporate appropriate changes which are then reflected in the following years.</li> </ul>
	<b>Social mobility</b>	<ul style="list-style-type: none"> <li>– We continue to encourage our senior leaders to disclose their socio-economic background as we develop our social mobility agenda. We have assigned a new senior sponsor to help drive our agenda forward and we continue to integrate social mobility into our Sustainability and Responsible Banking strategy.</li> </ul>	<ul style="list-style-type: none"> <li>– Our social mobility agenda will take on a new focus in 2023 as it becomes an additional priority within our Sustainability and Responsible Banking strategy. We are also developing new ways to create momentum within our internal Social Mobility Network, a network of motivated colleagues who are working to deliver change for young adults within the community and our own workforce.</li> </ul>
	<b>Employee wellbeing and talent</b>	<ul style="list-style-type: none"> <li>– This year we took steps to enhance our training and development for all employees by developing a new mandatory training module. This module will now form part of our suite of training designed to educate staff on Being Responsible which underpins our Sustainability and Responsible Banking strategy.</li> </ul>	<ul style="list-style-type: none"> <li>– We have also started a new partnership with Sustainability Unlocked, an online learning platform that will provide colleagues access to a wealth of high-quality video-based learning materials. Colleagues will be able to learn at their own pace, as well as dive into the rich library of content provided. We will roll this out to greater numbers of colleagues throughout 2023.</li> </ul>

## 2022 Performance summary continued

Our sustainability priorities	Key issue(s)	2022 performance	Looking forward
 <p>Better communities</p>	<p><b>Financial inclusion</b></p>	<ul style="list-style-type: none"> <li>– We have outperformed our expectations this year on our work to improve financial education and financial resilience, empowering 2,141,163 people since 2019. The figure has grown significantly due mainly to the overall success of the Numbers Game initiative in collaboration with Twinkl. The Numbers Game was a new initiative in late 2021 and in 2022. Further information can be found on page 12. Our work on financial education has been very successful and we continue to support and build financial resilience across the UK with our partners and our own internal financial support centre of excellence.</li> <li>– Our work with our partner Twinkl has been successful this year reaching more than one million young people with financial education resources. These are distributed virtually and can be accessed by parents and school teachers alike. Our work with Young Enterprise has also been successful reaching over 105,000 school children.</li> </ul>	<ul style="list-style-type: none"> <li>– As we look at the short and medium term, we will continue to place emphasis on building financial resilience. The nature of the current UK economic environment means this work is vitally important right now. Our financial support centre of excellence will continue to empathise with and support customers, providing them with a personal service as we all navigate the rising costs of living.</li> <li>– We place great emphasis on our work to provide financial education and will continue to do so in the medium term. This is a strategic priority for us and we look forward to continuing to deliver successful financial education programmes for young people.</li> </ul>
	<p><b>Community engagement and support</b></p>	<ul style="list-style-type: none"> <li>– In 2022, Santander Universities launched its new scholarship, skills and entrepreneurship programme designed to fuel the success of a new generation of university students from under-represented groups. Through the programme, we aim to remove barriers of entry to higher education for these groups level the currently uneven playing field and build essential skills for the future to ensure employment outcomes match peers from outside these groups.</li> <li>– To achieve these aims, we will continue working with our established university partners to increase opportunities for under-represented students, whether through our scholarships, living wage internships that help students focus on their future, or specialist entrepreneur centres to help turn students' passion projects into a business.</li> </ul>	<ul style="list-style-type: none"> <li>– We also know that higher education isn't for everyone. So we are investing in ideas that provide a pathway for all, no matter where they are in the UK. We are also working on opportunities to share more free and accessible learning programmes with people from all backgrounds, giving everyone the opportunity to learn and thrive.</li> <li>– When our new headquarters, Unity Place in Milton Keynes, opens its doors in 2023 we will welcome MK:U, a new-model, digital and technical higher education provider, to partner with us. We look forward to working together to create courses and qualifications that will help develop the skills of the future and encouraging local learners to come and join us.</li> </ul>
	<p><b>Cyber security</b></p>	<ul style="list-style-type: none"> <li>– This year we have bolstered our internal team of Cyber Champions – colleagues that encourage completion of the mandatory cyber safety training and help spread awareness of the various cyber crime training and related workshops we have throughout the year. Our Hacktober event in October focused on educating colleagues in the psychology of a cyber criminal and the latest ways to stay safe online and at home.</li> </ul>	<ul style="list-style-type: none"> <li>– We will be launching a new training module for colleagues on cyber security as part of our Digital Fluency programme. This module has been designed to help improve the knowledge of cyber security and how to keep ourselves safe from online threats. The training will also provide colleagues with information about the latest threats, key technological advancements and secure user behaviours relevant both home and at work.</li> </ul>

## 2022 Performance summary continued

Our sustainability priorities	Key issue(s)	2022 performance	Looking forward
 <p>Healthy environment</p>	<p><b>Supporting customers' transition to a low-carbon economy</b></p>	<ul style="list-style-type: none"> <li>– We have performed strongly in our distribution of green finance. We have adopted Banco Santander's Sustainable Finance Classification System, which provides a uniform and robust way to identify green investments and loans within our CCB, Consumer Finance and Mortgage portfolios. Our mortgage lending performed strongly in 2022. We anticipate that 2023 will pose a more challenging economic environment for the mortgage market.</li> <li>– In 2022, we launched our new Green Homes Hub which provides consumers with tools to educate them on the energy performance certificate (EPC) rating of their home and some ways in which they can improve energy efficiency. We continue to offer a free EnergyFact report, provided by our partner, Countrywide, to customers with existing lending products. This gives them a more detailed outlook on potential energy efficiency retrofitting improvements.</li> <li>– This year we have performed strongly in the mortgage market to offer loans for green mortgages, as well as lending for businesses through our corporate lending programmes. We are looking at how we can develop our green finance products further.</li> </ul>	<ul style="list-style-type: none"> <li>– We are currently working on improving our governance and reporting framework to ensure transparency of our financial reporting process for green finance. We will continually make improvements and continue to seek independent assurance. We will also continue to support the transition to a low carbon economy by making financing available to residential and business customers as we progress towards our medium-term target of providing £20bn of Green Finance by 2025.</li> <li>– Moving into 2023 we will continue to focus on our retrofitting strategy and look at ways in which we can develop our product tailored to customer needs. EnergyFact reports have proven to be an ongoing success and we will continue to offer these to existing customers.</li> <li>– A key aim for us over the next year is to develop our green finance funding streams to allow more customers the opportunity to apply for funding. We will continue to provide funding in the consumer finance market for auto loans for electric and hybrid vehicles and will look to support greater numbers of customers as they navigate the challenging economic climate. We are also considering our ability to influence customers against existing and emerging Government policy when developing decarbonisation plans.</li> </ul>

# Thriving workplace

## Creating a culture of inclusion and belonging

### Our ambition

Our aim is to be a place where all our people feel they belong and are supported to succeed. We want to provide a workplace with a responsible culture where anyone and everyone can learn and grow while being themselves. For us, this means doing the right thing and collaborating to get the best from each other. Employee wellbeing is central to our approach. Through our Everyday Inclusion strategy we aim to be a truly inclusive and diverse organisation; one that reflects the customers and communities we serve.

### Recognition for our approach to inclusion, belonging and wellbeing

Santander UK is proud to be recognised as a Top Employer and we are accredited as one of the UK's Best Workplaces, Best Workplaces for Women and Best Workplaces for Wellbeing by Great Place To Work.

We regularly receive recognition for our approach to inclusion, belonging and wellbeing at Santander UK. We feature in The Times Top 50 Employers for Women and the Top 75 of the Social Mobility Employer Index. We also hold awards for Best Mental Health and Wellbeing Strategy from Workplace Savings and Benefits; Best for Mental Health and Wellbeing by Working Families; and InsideOut's Large Financial Services Employer of the Year.

This year saw us achieve a long-term ambition of appearing in the top 100 of Stonewall's Workplace Equality Index for the first time.

We entered the ranking at number 86 and hold a Gold Award for our commitment to LGBTQ+ inclusion.

We're also accredited as a Disability Confident Leader, a Carer Confident Employer, a Tommy's Pregnancy & Parenting at Work Champion and proud member of The Smallest Things Hall of Fame for our support for our people whose babies are born prematurely.

Our work to support women's health was recognised at the Menopause Friendly Employer Awards, and we are honoured to have been awarded The Lord Mayor's Award for Advancing Socio-Economic Diversity in Business.



### Skills development

We believe continuous learning is a key enabler to help our people adapt to a fast-paced ever-changing environment. Our Capability strategy helps us attract and retain the most talented and skilled employees. It also contributes to accelerating our transformation by fostering their continuous development. Several projects further this objective:

- Strategic Workforce Planning (SWP) identifies and quantifies the resources and skills we need to deliver our future business

strategy. Detailed analysis helps to create action plans and define new and changing workforce profiles

- Our Skills Model guides how we up-skill and mobilise our current workforce. Completion of a skills profile helps colleagues to assess the gap between what they know now and the needs and demands of work in the future
- Dojo is a global Banco Santander learning and development initiative that connects all Santander countries to one global learning and development ecosystem. It supports employee growth with market-leading learning and development opportunities
- We use Workday, Banco Santander's Global Human Capital Management platform, to provide a seamless view of colleagues' skills and competences, while making it easier to communicate internally and work together.

Our Career Mobility strategy, aims to make moving roles within Santander UK feel effortless. Using the online My Career hub, colleagues can search for openings across Santander UK. My Career also provides career resources and is regularly updated to highlight relevant changes to careers within Santander UK. Since its launch in May 2022 the hub has received over 125,000 hits and more than 56% of all hires in non-entry level roles in 2022 came from internal talent.

## Women in Science, Technology, Engineering and Mathematics (STEM)

Our new Women in STEM programme aims to identify and overcome the factors that contribute to underrepresentation of females within STEM-based roles.

This year, 60 women will take part in the first edition of the programme. The goal is to recognise and enable the acceleration of our existing female talent through a series of engaging developmental activities. In doing so, we hope to grow our female representation in STEM-based roles.

**Our reporting on creating a thriving workplace is split across our Annual Report and ESG supplement. Information on the following topics can be found in Sustainability review of our Annual Report 2022.**

- Culture
- Inclusion and belonging
- Wellbeing
- Fair pay and transparency



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# Thriving workplace continued

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## Reverse mentoring circles

We believe an inclusive culture starts from the top, so in October 2022 we launched our first Reverse Mentoring Circles initiative with our Executive Committee. Reverse mentoring pairs experienced senior leaders (the mentees) with more junior colleagues (the mentors). It promotes diversity of thought among an organisation's leadership as well as providing junior colleagues with greater exposure to senior colleagues whilst also developing their core skill set. The Mentoring Circles provide the senior leadership team with valuable insight into how it feels working for Santander UK and ways in which we can improve inclusion, belonging and wellbeing for our people.

The programme consists of 43 colleagues and 12 senior leaders. Each circle has two senior leaders who will be both mentees and sponsors, advocating for their mentors and supporting their career progression. The 43 more junior colleagues are all from diverse backgrounds and will mentor the senior leaders. The group format enables senior mentees to build stronger affinity and quicker connections, diversifying the conversation by hearing from a broader group of junior mentors. The Circles will meet four times over a five-month period covering the topics: 1) telling your story; 2) what inclusion means to you; 3) intersectionality; and 4) power dynamics.

## Working in partnership with recognised trade unions

We continue to work in partnership with our two recognised trade unions: Advance and the Communication Workers Union (CWU), in particular on supporting colleagues through the cost of living crisis. We maintained stable industrial relations during the year and consultation with union representatives on changes associated with our business transformation have continued.

## Recognition and reward

Enabling our people to recognise each other across the organisation helps to build a culture of appreciation, connection and belonging. We promote this with our UK-wide platform, Kudos, which gives everyone the opportunity to give and receive recognition – or kudos – to others. Employees can add relevant skills or culture tags when giving kudos to colleagues, such as our Simple, Personal, Fair values, Santander Behaviours, and I AM Risk (our risk culture programme). New for 2022 our people can now endorse each other's skills, helping to support their growth and development. Kudos is an essential tool for employee engagement and directly supports our strategic priority to engage, motivate, develop, and retain talented and diverse teams.

Employee reward is another essential part of recognising our employees. Our reward framework is reviewed annually against the external marketplace and we are proud to have been an accredited Real Living Wage employer since 2015. In 2022, we took several actions to relieve cost of living pressure on our people, including a one-off salary increase for 11,000 colleagues in lower pay bands.

Salary ranges and pay progression arrangements are visible to all colleagues and any salary reviews or changes to reward policies are assessed for adverse impacts on a particular group. We embrace transparent pay reporting and voluntarily publish our ethnicity pay gap, including individual pay gaps for colleagues of Asian, Black, and other Minority Ethnic identities, alongside the statutory gender pay gap disclosure. We also voluntarily disclose our CEO pay ratio in the Remuneration Implementation Report within our Annual Report.

## Post-pandemic ways of working

Following the pandemic, we welcomed employees back to our head office from March. We have listened to our people through our Your Say survey to determine how we keep delivering great outcomes for our customers while also giving our people flexibility in when, where and how they work. We've adopted a test and learn approach; identifying what works well and enables our people to do their best work. We offer a hybrid approach for head office employees, blending home-and office-based work. We see an important role for our offices as a place for close connection between teams, managers and stakeholders. It is also a crucial part of defining and sustaining a positive working culture where our people can belong. We're excited to welcome our people to our new state of the art HQ, Unity Place, from Q2 2023. Find out more at the [Unity Place website](#).

## Our priorities going forward

In 2023 and beyond, we will continue to focus on reinforcing our culture and being an inclusive and responsible employer, growing the personal and business capabilities we need for future success. Embedding our revised TEAMS behaviour framework will be a key focus, supporting our people to become role models for our new behaviours (see more in our Annual Report).

The opening of Unity Place, our new headquarters, will create opportunities to build on our new ways of working and enhance our culture transformation. Embedding the Financial Conduct Authority's (FCA) Consumer Duty standards will also enable us to create a stronger connection to our purpose and continue to enhance our customer centric model, delivering great outcomes to our customers.

# Thriving workplace continued

## Thriving workplace



**Key:** **AS** 2022 data has been subject to Independent Limited Assurance by PricewaterhouseCoopers LLP, please refer to page 43 of this supplement. See our 2020 and 2021 supplement for the prior performance period and assurance by PricewaterhouseCoopers LLP. Please refer to the Methodologies and data criteria section of this supplement for further details of how we have prepared our 2022 data.

Category	Unit		2022	2021	2020	Notes
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### Our people

Employees – Santander UK plc	#		<b>18,572</b>	17,967	20,946	
Employees – UK HoldCo	#		<b>18,750</b>	18,049	21,046	
Salaries and other staff costs – UK HoldCo	£m		<b>1,179</b>	1,202	1,189	
Full-time employees	#		<b>16,086</b>	15,208	17,558	
Part-time employees	#		<b>2,664</b>	2,841	3,488	

### Employees – diversity

Asian, Black and Minority Ethnic employees	#	<b>AS</b>	<b>3,359</b>	2,545	2,926	
Employees aged over 50	#		<b>3,359</b>	3,910	4,424	
Female Board Directors (Non-Executive)	#		<b>4</b>	4	3	
Male Board Directors (Non-Executive)	#		<b>6</b>	6	7	
Female Board Directors (Executive)	#		<b>0</b>	0	1	
Male Board Directors (Executive)	#		<b>2</b>	2	3	
Female Executive Committee	#		<b>3</b>	3	3	
Male Executive Committee	#		<b>9</b>	8	10	
Female employees	#	<b>AS</b>	<b>10,187</b>	9,783	11,504	
Male employees	#	<b>AS</b>	<b>8,562</b>	8,266	9,542	

**Please note:** This page is interactive and is best viewed as a downloaded PDF on a desktop computer

# Thriving workplace continued

## Thriving workplace continued



**Key:** **AS** 2022 data has been subject to Independent Limited Assurance by PricewaterhouseCoopers LLP, please refer to page 43 of this supplement. See our 2020 and 2021 supplement for the prior performance period and assurance by PricewaterhouseCoopers LLP. Please refer to the Methodologies and data criteria section of this supplement for further details of how we have prepared our 2022 data.

Category	Unit		2022	2021	2020	Notes
<b>Employees – miscellaneous</b>						
Average absence per employee	days		11.1	12.4	10.1	
Employee turnover	%	AS	11.4	9.8	8.1	
Average length of service	years		10.5	9.8	10.5	
Pension participation	%		92	93	93	
Colleague engagement	#		7.8	73	77	
<b>Employee learning</b>						
Training days	days	AS	100,411	48,701	61,398	
Training days per employee	days		5.4	2.7	2.9	
Investment in training	£m		8.6	10.4	8.1	
<b>Accidents at work</b>						
Minor accidents	#		66	125	197	
Accidents resulting in over seven days absence	#		3	5	3	
Major accidents	#		2	6	5	

**Please note:** This page is interactive and is best viewed as a downloaded PDF on a desktop computer

# Better communities

## Helping customers and communities prosper

### Our ambition

Financial Inclusion is an increasingly important topic. It is therefore a key priority in our SRB strategy to support building better communities. Our Financial Inclusion strategy is designed to help people improve their financial skills, gain access to financial services and develop financial resilience. Our financial inclusion working group is coordinating our approach and working to enhance collaboration across the organisation. We also focus on generating positive impact in our communities, for example working with our charity partner Macmillan Cancer Support, supporting vulnerable customers, empowering students with our Santander Universities programme and working with the Santander Foundation.

### Cost of living

In the last year, a key focus has been responding to the financial inclusion challenges facing our society and economy in the post-pandemic world. Rising costs are affecting consumers and business, and could create new challenges for financial inclusion. With the rise in energy costs, more than half of UK households are expected to be in fuel poverty by 2023. We are responding by developing a more comprehensive approach to communicating with and supporting our customers through these difficult times.

This includes supporting our customers through our financial education programmes, pro actively engaging with customers displaying early signs of financial difficulties, and ensuring

we consider customer vulnerability in all that we do; which includes designing inclusive products, communications, and ways to bank with us. Additionally, in response to the cost of living crisis, we have updated the financial support pages on our website. More information can be found in our Annual Report.

### Supporting our customers through financial difficulty

According to the Financial Conduct Authority (FCA), before Covid-19 around 24 million people in the UK displayed one or more signs of financial vulnerability. In response to this widespread vulnerability, we have mapped the support and initiatives we offer against different customer profiles to determine how we can help our customers more in an economy that is constantly evolving. At the most basic level, all bank account customers have access to our free financial self-help tools, which are available across all our communication channels.

When we identify the early signs of financial difficulties, such as missed payments, increases in overdrafts or reductions in savings levels, we start to pro actively engage with customers to offer a variety of practical support measures. We point them towards organisations that can offer free and independent financial

advice tailored to their circumstances and provide the help they need. We also work with several organisations, like PayPlan, to help our customers with financial planning and to increase their financial resilience.

For customers that find themselves deeply entrenched in financial distress, dedicated and specialist customer support colleagues provide tailored solutions, not only to help deal with their current crisis but to support them to bounce back to financial health.

The FCA has entrusted UK banks to meet the higher standards that have been set for consumers in the new Consumer Duty. We continue to assess our products, services and the support we offer to our customers, as well as their understanding, and measure these against the new FCA regulation.

### Our financial inclusion strategy

Our financial inclusion strategy sets out the ambition for Santander UK to be financially inclusive; where caring and supporting customers is at the heart of the guidance and education programmes we provide and the portfolio of products and services we offer to customers whenever they need us. The strategy consists of three strategic pillars, as outlined in the table on the next page.

### Our reporting on Better communities is split across our Annual Report and ESG Supplement. Information on the following topics can be found in the Sustainability review within our Annual Report 2022.

- |   |  |   |
|---|--|---|
| – Cost of living                        | – Ongoing non-financial support for SMEs | – Santander Universities                        |
| – Financial inclusion                   | – Financial education                    | – Charity Partnership: Macmillan Cancer Support |
| – Meeting our customers' changing needs | – Santander Foundation                   | – Ukraine support                               |

### Santander Foundation: Case Study

In 2022, The Santander Foundation awarded 13 new grants to UK-registered charities as part of its Financial and Digital Empowerment Fund. This funding will benefit more than 60,000 people facing economic inequalities and disadvantages over the next three years to develop their digital and financial skills.

One of the Foundation's current funded partners is Leadership Through Sport and Business. This social mobility charity supports bright, disadvantaged young people into meaningful employment with major firms.

With funding and learning support from the Santander Foundation, the charity provides skills bootcamps, alongside pastoral support, access to a personal mentor and digital equipment.

Their programme then transitions young people into paid apprenticeships to a range of national and local employers for a minimum of 12 months receiving at least the national living wage, whilst providing ongoing professional support.

As part of the Financial and Digital Empowerment Fund the charity has to date supported 40 young people into sustained employment.

More information can be found in our Annual Report.

# Better communities continued

## Financial Inclusion strategy

**Ambition:** To be financially inclusive where caring and supporting customers is at the heart of the guidance and education programmes we provide and the portfolio of products and services we offer to customers whenever they need us.

### Strategic pillar 1 Financial Education and Knowledge

**Pillar objective:** Ensure individuals and businesses across the UK improve their financial skills and access to our products and services through high quality education, guidance and advice. As part of this pillar we have several headline initiatives.

#### The Numbers Game

The Numbers Game is our flagship financial education programme delivered with [Twinkl](#), the world's biggest online education hub. It is designed to build children and young people's confidence in numbers and money.

In 2022, we developed fun and engaging digital learning packs with our ambassadors Ant and Dec. The packs are designed to be used by teachers in school or parents/guardians at home. The Numbers Game materials reached over 1.3 million children and young people in 2022. This surpassed our goal of financially empowering 760,000 people during the year. Since 2019, we have helped over two million children and young adults with financial education.

As part of our Group partnership with Ferrari, we also created learning packs on STEM subjects (science, technology, engineering and maths) and sustainability. The packs were launched globally in multiple languages.

#### My Money Week

Santander continues to be a lead sponsor of My Money Week, Young Enterprise's flagship initiative. Each year My Money Week resources are distributed to schools across the UK giving students a valuable introduction to finance. The resources are certified by Young Money, ensuring they meet the highest standards from the UK regulator. This year, My Money Week has empowered 105,866 students with financial education.

#### Wise Sessions

Wise Sessions is an internal volunteering initiative for colleagues to help young people to improve their skills and knowledge on money and work matters. In 2022, our Wise Sessions reached more than 3,000 students across the UK.

WorkWise sessions help young adults to prepare for job interviews and provide key skills to help them find their first job. MoneyWise sessions provide financial information and support, which isn't always on the curriculum in schools. In 2022, our MoneyWise sessions for secondary schools were awarded a Financial Education Quality Mark from Young Money, meaning it is a recommended financial education resource, assessed by independent experts. Looking ahead we are aiming to gain the same quality mark for our primary school MoneyWise resources.

### Strategic pillar 2 Inclusive Portfolio of Products and Services

**Pillar objective:** Ensure the design of our solutions enables more individuals and businesses to access, at a fair price, the financial products, services, and support they need, and that they have the best chance of being in good financial health.

#### Supporting our vulnerable customers

Our Vulnerable Customer strategy guides how we identify and support customers in vulnerable circumstances.

Upskilling our Financial Care Specialists is a key focus and has taken on even greater significance given the current economic environment. We have provided additional training and guidance for colleagues dealing with customers experiencing very difficult circumstances through our 'we expect respect' initiative.

We have also improved our vulnerable customer insights, strengthening our understanding of the outcomes and customer satisfaction levels for vulnerable customers. This has provided reassurance that we are maintaining expected levels of satisfaction for vulnerable customers.

In May 2022, we improved our Supported Banking proposition, launching a new partnership with legal services firm, Irwin Mitchell, who now offer our customers services such as will writing, applying for probate and power of attorney. The partnership aims to empower our vulnerable customers with the right information and professional support during important times in their lives.

Helping customers who are at risk of financial harm through gambling remains a focus area and we took a number of gambling-related initiatives in 2022. In September we enhanced our gambling block, which prevents gambling transactions, adding a 48-hour delay when deactivating the block to help remove the immediate temptation to gamble.

Our Customer Support initiative encourages customers to disclose the support they need to our colleagues. We have enhanced the initiative with easier digital accessibility, greater use by specialist teams and a customer awareness campaign. We remain committed to supporting customers who are victims of domestic, economic and financial abuse and we are signatories to the industry Financial Abuse code.

Our commitment to supporting vulnerable customers has been recognised with certification to the new Inclusive Service Kitemark™ and compliance to the standard, BS ISO 22458 *Consumer vulnerability – Requirements and guidelines for the design and delivery of inclusive service*.

### Strategic pillar 3 Customer Care

**Pillar objective:** Ensure we support and care for our customers before and during their times of need, pro actively engaging externally to gather insights on the financial challenges people face in the UK to inform our response as a bank.

#### Early Intervention programme

In 2022, we launched our Early Intervention programme designed to pro actively identify customers who are showing signs of financial stress using internal and external data. Once identified we take customers through one of two distinct journeys.

- Directing them to our updated and improved Santander UK help and support
- Encouraging them to speak with PayPlan our preferred third-party partner for independent financial and debt advice.

#### Mobile journey

60% of customers in Financial Support are digitally active. With this in mind, we have made it much easier for customers to access our financial self-help tools through our mobile banking app.

#### Improved website journeys

Using customer and colleague feedback we identified that the financial support resources on our website were too broad and were difficult for our customers to access. Following principles of simplicity we made changes to improve our customers' online journey for the most widely-used resources. Once designed, the simplified pages were tested with customers before going live. The launch of the new pages coincided with customer engagement through our Early Intervention programme and has resulted in an almost 4,000% increase in visits to pages across our key customer journeys, such as our page on ways to cut spending and information about energy bills.

# Better communities continued

## Better communities



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Category	Unit		2022	2021	2020	Notes
<b>Customers</b>						
Active customers	#million		<b>14</b>	14	14	
Net Promoter Score (NPS)	#		<b>14.4</b>	1.1	0.5	
Customer complaints	#		<b>169,485</b>	160,381	197,769	
Number of branches	#	<b>AS</b>	<b>449</b>	450	564	
<b>Suppliers</b>						
Value of procurement	£m		<b>1,684</b>	1,629	1,491	
Suppliers	#		<b>949</b>	992	1,256	
Payment days beyond terms	days		<b>25</b>	11	19	
New SME contracts	#		<b>31</b>	13	44	
Value of new SME contracts	£m		<b>4.6</b>	3.1	23.9	
SME supplier contracts as % of total supplier contracts	%		<b>36</b>	18	45	
<b>Communities</b>						
People Financially Empowered (cumulative)	#		<b>2,141,163</b>	751,720	502,869	
Other people supported	#		<b>20,282</b>	21,082	26,352	
Support for communities	£m	<b>AS</b>	<b>10.1</b>	12.8 <sup>1</sup>	15.6 <sup>2</sup>	

1. This figure has been restated from £12,823,244 to £12,800,824 due to our updated methodology as our community agenda evolves. Please see basis of reporting for updated methodology.

2. This figure has been restated from £15,997,588.77 to £15,583,399.65 due to our updated methodology as our community agenda evolves. Please see basis of reporting for updated methodology.

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# Better communities continued

## Better communities continued



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Category	Unit	2022	2021	2020	Notes
<b>Santander Foundation</b>					
Matched donations	£	<b>625,579</b>	450,218	509,319	
Grants paid in year	£	<b>0.9m</b>	1.6m	3.0m	
Value of grant commitments in year	£m	<b>2.47</b>	3.45	3.5	
Number of donations	#	<b>465</b>	362	581	
<b>Volunteering</b>					
Staff volunteers	#	<b>709</b>	464	2,591	
<b>Santander Universities</b>					
Value of donations and grants	£m	<b>8.1</b>	9.2	10.0	
University partners	#	<b>75</b>	86	86	
Total scholarships and awards	#	<b>8,130</b>	10,225	10,249	
<b>Santander Breakthrough</b>					
Total investment	£	<b>418,993</b>	670,258	473,000	
Total Breakthrough beneficiaries	#	<b>7,159</b>	1,307	3,511	

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# Healthy environment

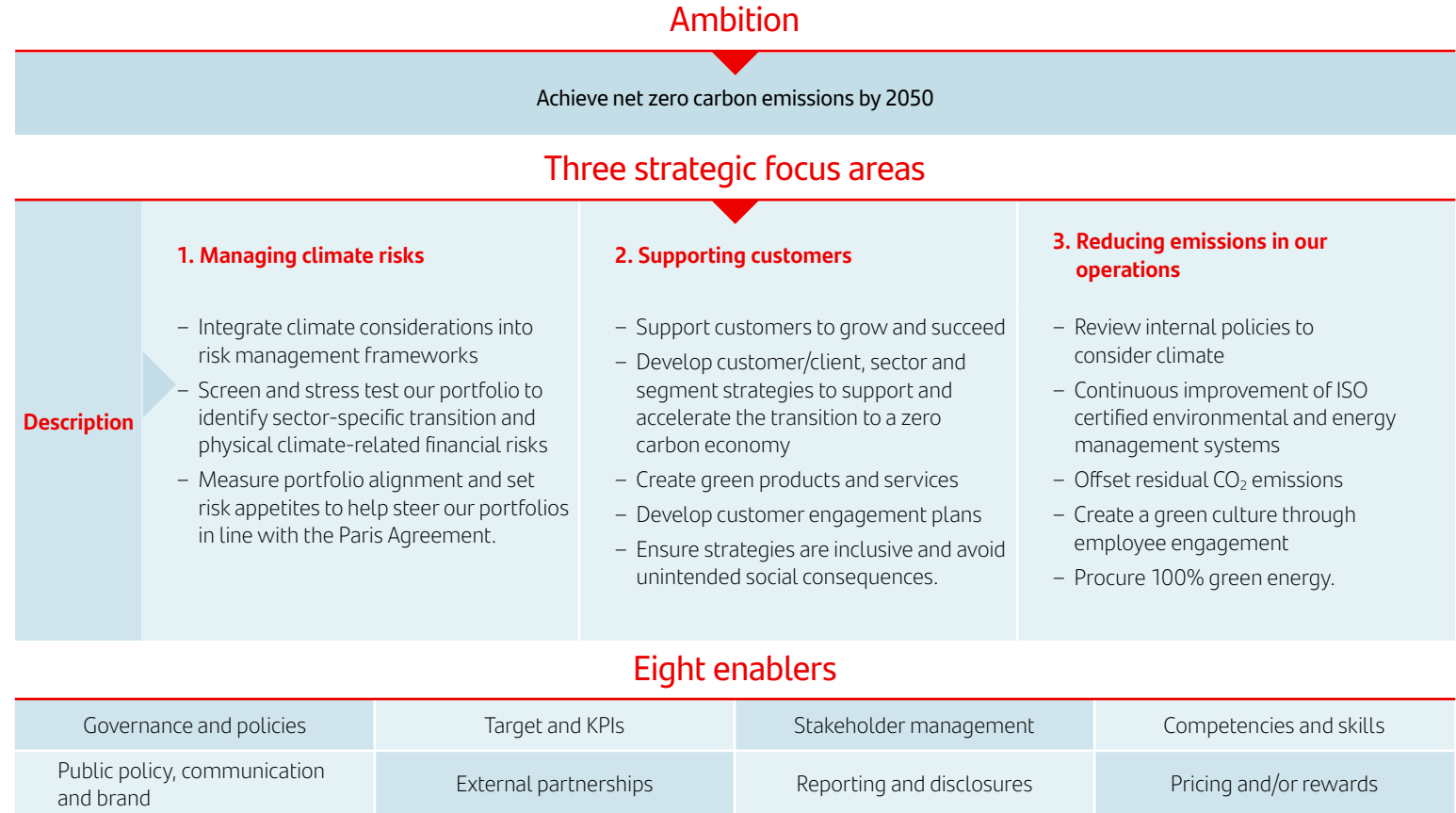
Fighting climate change and supporting the green economy

## Tackling Climate change

### Our ambition

Climate change is one of the major challenges facing society today. At Santander UK we recognise this and our goal is to support the UK in tackling climate change by supporting our customers, colleagues and communities transition to a low carbon, climate-resilient economy. As a result, we are fully committed to Banco Santander's ambition to achieve net zero carbon emissions by 2050, in line with the Paris Climate Agreement.

**Our reporting on tackling climate change is split across our Annual Report and ESG Supplement. We are fully committed to meeting the requirements of the Taskforce on Climate-related Financial Disclosures (TCFD) and more information can be found in our Annual Report 2022, Sustainability and Responsible Banking (SRB) section. This includes details on our approach to climate change in line with the four pillars of the TCFD recommendations: Governance, Strategy, Risk Management, and Targets and metrics.**





# Healthy environment continued

## Climate Change strategy

Our approach to climate change focuses on three strategic areas that cover all the material aspects of climate change for Santander UK. The three pillars of our climate change strategy are:

**1. Managing climate risks** by integrating climate considerations into our risk management frameworks and screening and stress testing our portfolio for climate-related financial risks.

**2. Supporting our customers' transition** by developing financial products and services that help and encourage them to reduce their carbon emissions and support climate change adaptation.

**3. Reducing emissions in our operations and supply chain** by focusing on continuous improvement in our operations, environmental management, procurement and employee engagement.

Supporting our strategy are eight enablers, including climate change training for employees and working with strategic partners who can support us to achieve our climate goals.

## Climate governance

We have a well-developed governance structure to oversee our approach to climate change. Climate change risks and opportunities are assessed, managed and reported across the entire organisation from the Board and Executive level down.

For more information on our Climate Change strategy, governance structures and the work we are doing to meet our climate commitments, please see the TCFD section of our Annual Report 2022.

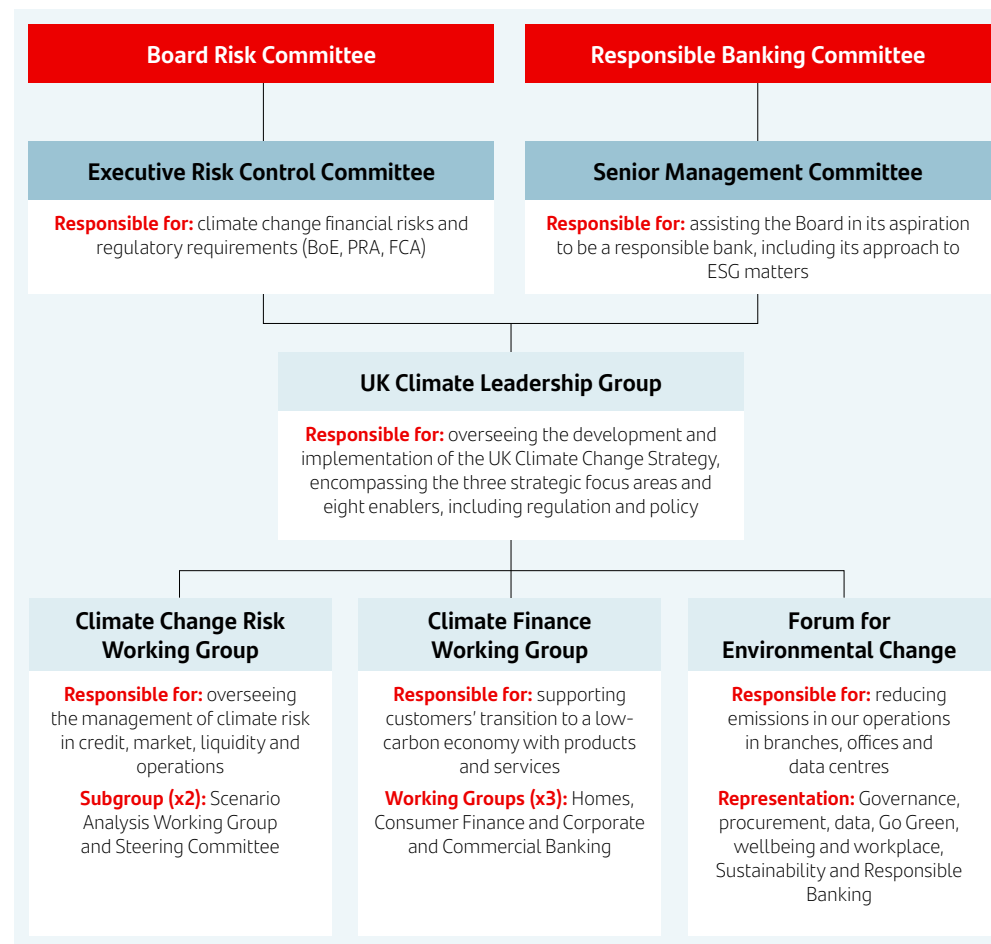
## Financing the green transition

The green transition to a low-carbon, climate-resilient economy will require big changes to many aspects of society and business. This change will require significant investment between now and 2050 to achieve net-zero emissions and meet the goals of the Paris Climate Agreement, in particular keeping global heating to a maximum of 1.5°C above pre-industrial levels. We undertook several initiatives that support financing the green transition in 2022, highlights of which are shown below. More details are also provided in the TCFD section of our 2022 Annual Report.

## Greener Homes Hub and the green home improvement loan

We launched the Greener Homes Hub to help existing and new Santander UK customers to learn more about making their homes more energy efficient. The Hub provides access to a free EnergyFact Report for customers with information on the energy efficiency of their home and tips and guidance on how to improve it. We also launched a new green home improvement loan to support mortgage customers to reduce the energy consumption of their homes through retrofitting. The loan covers home improvements that increase energy efficiency and comes with a preferential interest rate compared to standard loans.

## Our climate change governance framework



# Healthy environment continued

## Carbon footprint tracking for our retail customers

We conducted research to explore how we can help to improve our customers' awareness and understanding of how they can reduce their contribution to climate change, in order to help them transition to a low-carbon economy. The research shows that customers want help in this area, and to provide support we will launch a carbon footprint tool in 2023 through My Money Manager, our personal finance management tool on the Santander mobile app. The carbon footprint tool will provide customers with their estimated carbon footprint and also best practices on how to reduce their impact.



## Enhancing sustainable finance options for our corporate clients

Corporate and Commercial Banking (CCB) has expanded our sustainability lending proposition with the aim of supporting businesses of all sizes and in all sectors to access sustainable finance. Our goal is to provide more opportunities for customers to

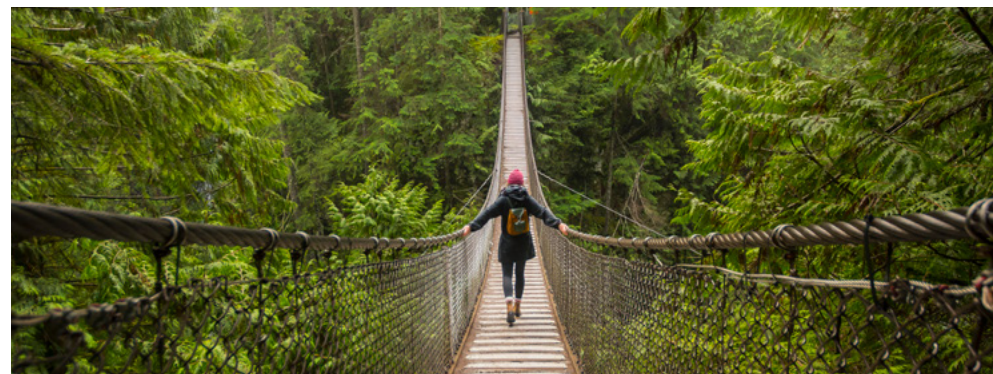
start or accelerate their transition towards a more sustainable, net-zero economy.

Our sustainability-linked lending enables corporate clients to accelerate their sustainability ambitions by aligning their sustainability commitments and targets to their finances. In 2022 we participated in £590m of sustainability-linked financing in a variety of sectors in the UK. Examples of corporate clients' targets that have been linked to Santander UK financing include reducing Scope 1, 2 and 3 carbon emissions, enhancing diversity and inclusion, improving community impact and improving operational waste and efficiency.

Through our green and social lending proposition we continue to support the growing UK renewables industry, including the battery storage sector. CCB has established one of the market-leading positions in financing battery storage projects, providing more than £360m in funding to the sector since 2019. In 2022, we have also provided £1.9bn in lending for social housing.

## Investment in ESG assets

As part of Santander UK's liquidity management we have invested in ESG-labelled liquid assets since 2014. Our objective is to align our liquid asset buffer investing approach to Santander UK and Group targets and guidelines on sustainability to further strengthen our green credentials. We recognise climate risk in our risk framework and therefore embed ESG considerations in our liquidity investment decision making process.



## Financing Just Transition Alliance

We joined the Financing Just Transition Alliance (FJTA) in 2022, a coalition coordinated by London School of Economics and the Grantham Research Institute for Environment and Climate Change. The FJTA has been launched to support the UK banking and financial sectors to consider the social impact of their climate transition plans and to ensure implementation is just and equitable.

The FJTA identifies concrete steps to scale-up climate action that also delivers social value and makes sure no one is left behind. We have joined the FJTA not only to support our environmental commitments but also to support other social commitments contained in our Sustainability and Responsible Banking strategy. Throughout the year we participated in working groups hosted by FJTA with a particular focus on a fair transition in relation to the built environment.

We currently hold around £0.6bn of ESG bonds issued by supranational entities that use the proceeds to fund green, social and sustainable projects globally and our aim is to continue supporting this asset class. These bonds are labelled ESG in line with the ICMA principles for Sustainability, Social and Green Bonds.

## Sustainable Procurement

Tracking and reducing Scope 3 GHG emissions is a central priority in our new responsible procurement strategy, which we began to

roll out in 2022. We are implementing a technology solution that will give better insight into our suppliers' climate impacts.

The Procurement team is helping to reduce our emissions, working with suppliers and internal stakeholders. In 2022, 60% of company cars were electric (including battery and plug in hybrid electric vehicles) and we set a new target to transition our car fleet to 100% electric, including Ultra Low Emission Vehicles (ULEVs) by 2030.

# Healthy environment continued

## Enhancing climate change awareness

In 2022, training and awareness were top priorities to help upskill colleagues on sustainability and climate change. Across CCB, Consumer Finance and Everyday Banking colleagues received webinars and climate awareness training.

We continue to provide climate training to all staff through our internal training portal and Banco Santander's partnership with the Cambridge Institute for Sustainable Leadership.

Built and provided by a third party, we launched a new learning platform, Sustainability Unlocked, in 2022. The platform provides informative and detailed videos featuring experts from across the sustainability field. From scientists to finance industry leaders, these experts have shared their knowledge on what is needed to tackle the climate emergency and achieve a just transition. We are offering this platform to 2,000 colleagues with focus on our Risk and CCB colleagues, who can access the platform regardless of role and title. We believe we all have a part to play in achieving a just transition.

## External collaborations and engagement

Tackling climate change requires active engagement and collaboration with multiple stakeholders. We work closely with government, regulators, academia, expert consultants, investors, customers, and our peers within industry groups. We are continuously assessing external partners and initiatives that can help us accelerate our transition to net zero.

### Engaging with UK Government on the transition for UK financial sector

In May, the Board-level Responsible Banking Committee (RBC) hosted a climate change workshop with the Rt Hon Alok Sharma MP, COP26 President. The workshop discussed Santander UK's progress towards our climate change goals and helping our customers and communities to transition to a green economy. A key focus was exploring opportunities for UK Government policies to support the low-carbon transition for the built environment and infrastructure for electric vehicles.

### Decarbonising Britain's Homes – Buying into the Green Homes Revolution report

We launched a new report in 2022 exploring the retrofitting landscape in the UK. The report uses in-depth research from consumers, estate agents and mortgage brokers to review the dynamics of retrofitting in the UK property market and examine changing attitudes towards net zero among homeowners and buyers. Our research finds that the majority of consumers are not yet investing in home energy efficiency despite growing awareness of its importance. The main barriers are cost or perceived cost, and a lack of understanding or guidance on retrofitting options.



### Bringing sustainability into our new head office – Unity Place

We have been building Unity Place our new head office for over 2,500 colleagues since 2020. Developed and designed by LOM, sustainability has been part of the design and construction since the beginning. When complete, the new building will be Building Research Establishment Environmental Assessment Method (BREEAM) certified, demonstrating best practice in sustainable building design, construction and operation.

The workspaces have been designed to be open and collaborative to encourage informal meetings. Milton Keynes University will occupy part of the office space, highlighting the close relationship Santander Universities maintains with academia.

The ground floor will provide retail space for businesses encouraging colleagues to learn and engage with the local community. Sustainability measures at the site include rainwater harvesting, an estimated onsite generation of over 90,000KWh of solar electricity and independence from natural gas for heating through the installation of air source heat pumps. There will also be space to park 426 bicycles and 13 charging points for electric vehicles.

To address these challenges Santander UK's climate change and green mortgage experts proposed a series of recommendations including: how homeowners can be supported with financial incentives; national information

campaigns to offer guidance on upgrading properties; and, establishing the skills, infrastructure and capacity to carry out retrofitting at scale to meet future needs.

# Healthy environment continued

## Engaging with regulators on climate risk

The Climate Financial Risk Forum (CFRF) is a joint venture between the Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA). It consists of three technical working groups: data, disclosure and metrics; scenario analysis; and, the transition to net zero. We participate in the scenario analysis working group, which published its third round of scenario analysis guidance in December 2022. The guidance sets out how firms can approach identifying and quantifying risks through climate scenario analysis. The working group has also released an online climate scenario narrative tool which generates a summary narrative description of climate-related risks and opportunities based on pre-selected inputs.

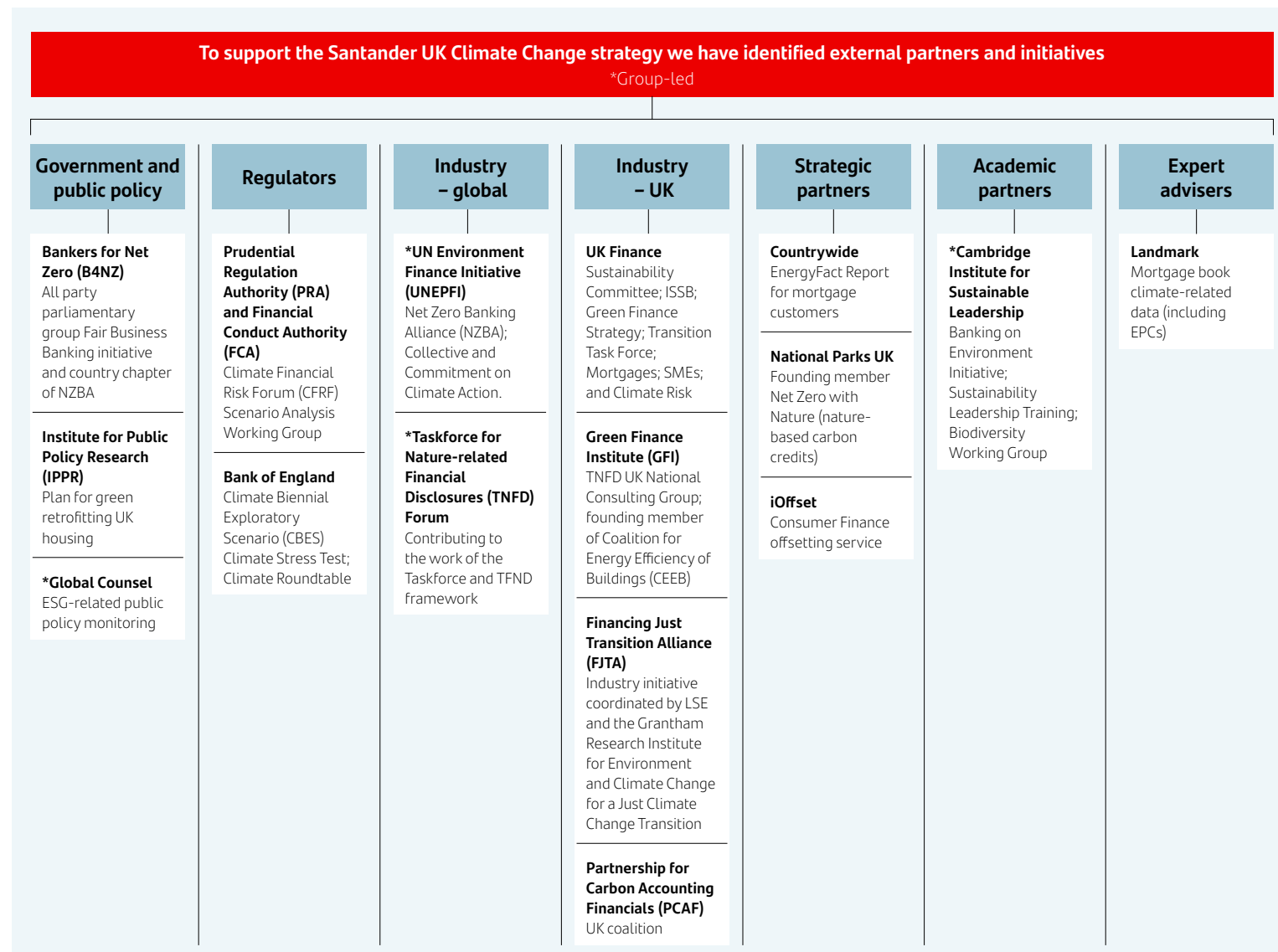
## Investor meetings

Our Sustainability and Responsible Banking and Investor Relations teams held ESG-related meetings and roundtables with investors. For the first time, in 2022 we also provided a sustainability update to our credit rating agencies. These discussions focused on climate risk, our net-zero ambition and methodology, and analysis of climate-related risk on our UK mortgage book. We also expanded the ESG disclosures within our quarterly Investor Update presentation and Quarterly Management Statements.

## Industry Initiatives

Banco Santander group and Santander UK engage with a range of stakeholders and are involved in a number of industry-wide initiatives to advance the banking sector's response to climate risks and opportunities. A summary is shown in the table opposite.

## Santander UK overview of external partners and initiatives



# Healthy environment continued

## Healthy environment



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Category	Unit	2022	2021	2020	Notes
<b>Energy use</b>					
Electricity	kWh	<b>80,791,655</b>	88,824,038	94,424,732	
Gas	kWh	<b>19,180,382</b>	29,349,057	26,522,601	
Oil	kWh	<b>924,651</b>	353,160	463,594	
Transport fuel used	kWh	<b>2,259,546</b>	1,036,158	1,741,568	
Total energy use	kWh	<b>103,156,234</b>	119,562,413	123,152,495	
<b>Waste</b>					
Waste collected	tonnes	<b>1,910</b>	2,315	2,857	
Waste diverted from landfill	tonnes	<b>1,906</b>	2,310	2,837	
Waste diverted from landfill	%	<b>99.8</b>	99.8	99.3	
<b>Paper use</b>					
Consumables	kg	<b>1,777</b>	3,480	4,557	
Total paper use	kg	<b>330,965</b>	879,088	603,246	
<b>Financing</b>					
Green finance raised and facilitated according to the SFCS (total)*	£m	<b>AS 6,523</b>	3,967	1,268	

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# Healthy environment continued

## Healthy environment continued



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Category	Unit		2022	2021	2020	Notes
<b>Water use</b>						
Water	m <sup>3</sup>		<b>107,719</b>	133,663	151,259	
<b>Travel</b>						
Air travel – domestic	km		<b>909,964</b>	135,023	410,808	
Air travel – short haul (Europe)	km		<b>1,667,309</b>	300,396	1,221,192	
Air travel – long haul (international)	km		<b>1,794,336</b>	187,317	813,615	
Car	km		<b>1,917,953</b>	743,259	2,510,032	
Rail	km		<b>399,499</b>	66,354	1,645,205	
Total travel	km		<b>7,735,762</b>	1,432,349	6,600,852	
<b>Emissions</b>						
Scope 1 CO <sub>2</sub> e emissions	tCO <sub>2</sub> e	<b>AS</b>	<b>4,512</b>	6,074	5,937	
Scope 2 CO <sub>2</sub> e emissions:			-	-	-	
location based	tCO <sub>2</sub> e		<b>15,624</b>	18,860	22,014	
market based	tCO <sub>2</sub> e	<b>AS</b>	<b>53</b>	0	0	
Scope 3 CO <sub>2</sub> e emissions (business travel only)	tCO <sub>2</sub> e	<b>AS</b>	<b>1,196</b>	247	515	
Total CO <sub>2</sub> e emissions	tCO <sub>2</sub> e	<b>AS</b>	<b>5,761</b>	6,321	6,452	
CO <sub>2</sub> e emissions per employee	tCO <sub>2</sub> e/FTE	<b>AS</b>	<b>0.31</b>	0.35	0.31	
Retired Verified Carbon Units	#		<b>5,695</b>	6,321	6,452	
Net emissions	tCO <sub>2</sub> e		<b>0</b>	0	0	

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# Being responsible, in everything we do

## Our ambition

This pillar is our foundation and we must get these basics right before we can excel in the first three pillars. High standards of ethics and integrity are the foundation to prosperous businesses and society. They are a clear priority in how customers choose their bank. We are committed to being a fair, transparent and responsible bank. At the heart of this is fair treatment of our customers and we deal with any form of fraud against our customers or other financial crime as a priority. A key focus is raising customer awareness on financial crime. We are also determined to uphold the highest ethical standards in our operations, promote human rights and ensure a responsible corporate culture.

**Our reporting on ethical standards and fighting financial crime is split across our Annual Report and ESG Supplement. Information on the following topics can be found in the Sustainability review within our Annual Report 2022**

- Responsible lending
- Economic crime

## Focus on financial crime

We have a comprehensive suite of financial crime policies and standards in place, to ensure that our approach reflects external obligations and is aligned to Group-wide requirements set by Banco Santander group. We monitor

external developments and legislative changes, making sure that we respond to how they impact on our financial crime controls. Examples in 2022 include the Economic Crime (Sanctions and Enforcement) Act, the Economic Crime & Corporate Transparency Bill and recent changes to the UK Money Laundering Regulations.

Changes to global sanctions regimes continue to add complexity to monitoring and managing compliance with our sanctions obligations. We continue to enhance our response and have increased colleague numbers in this area. Mandatory economic crime training for all employees ensures our people have knowledge and understanding of emerging financial crime risks. More targeted and role-specific training is delivered through our Anti-Financial Crime Academy (AFCA).

We remain committed to increasing awareness of financial crime linked to environmental crimes, such as wildlife trafficking, illegal logging and green-washing.

## Response to Anti-Money Laundering FCA finding

In December, we announced that we had accepted the FCA's findings relating to historical anti-money laundering (AML) controls in our Business Banking division during the period 31 December 2012 – 18 October 2017. The findings included a penalty of £108m. We accept that our AML framework at the time should have been

stronger and we took action to address our AML issues as soon as they were identified. We have since made significant changes to address this by overhauling our financial crime technology, systems and processes. In the last five years alone we have invested over £700m in a major change programme which goes beyond the FCA's findings to transform our bank-wide financial crime control framework. We have over 4,400 people focused on preventing financial crime and have created an Anti-Financial Crime Academy that provides content and competency-based training and certification for all roles. We continue to invest in systems and people to ensure we keep our customers and the communities in which we operate safe.

Measure	2022
% of colleagues trained on anti-financial crime (AFC)	98%
Number of colleagues who completed enhanced anti-bribery and corruption (ABC) training	100%
Employees who completed enhanced AFC training	16,078

## Protecting our customers from fraud

Protecting customers from fraud and scams is extremely important and in 2022 Santander continued to raise awareness with customers and the general public in a variety of ways.

## Preventing impersonation scams with 'Safe-Tea':

Santander UK consumer research in 2022 showed that 58% of Britons have been targeted by an impersonation scammer and that 65% of these felt the scammers were convincing. Our data showed that in 2022, 11,752 cases of impersonation scams were managed by Santander UK, totalling £45.8m.

To respond to this risk, we created a new consumer media relations campaign, Safe-Tea, working with the celebrated drag queen, Victoria Scone. The campaign was designed to raise awareness with 19 – 34 year olds of the dangers of impersonation scams. We used tea to symbolise the importance of taking a break and thinking about who's really making contact and what action they are asking you to make.

## Raising scam awareness with the Bank of Antandec:

We expanded our Bank of Antandec marketing campaign with a new advert designed to help customers recognise and avoid scams before they become a victim. The multi-channel campaign used TV and radio adverts to reach a wide audience, including those that don't believe that they will fall for scams. Our Stop and Think Fraud Banner was presented to customers within our Mobile app 11.5 million times and we sent over 8 million emails with a dedicated fraud newsletter, resulting in more than 100,000 clicks to our fraud and scam webpages.

We also used social media influencers to appeal to two hard to reach customer segments, and content was viewed 25m times by these groups. Additionally, videos with the campaign's #StopScammerTime hashtag have been viewed 3.2bn times.

## Virtual scam awareness sessions:

We continued our virtual scam awareness sessions for customers throughout 2022. The sessions focus on general awareness of scams and more than 129 people received the digitally-delivered training during the year.

# Being responsible, in everything we do continued

## Using our digital channels for scam warnings:

With more and more customers using digital banking, a particular area of focus is continuing to roll out enhanced fraud controls and warnings across all of our digital channels, alerting customers to high-risk transactions at the point they make a payment.

## Ethical supply chain

We want to do business with companies who share our values. Our standard supplier contracts require suppliers to respect human rights and ethical labour practices based on the principles of the UN Global Compact.

All suppliers also need to accept our [Third-Party Code of Conduct](#), which was updated in 2021 to reference climate change and invite suppliers to join our commitment to a low-carbon economy.

We continue to enhance our third-party supplier assessment (TPSA) approach with improved remote and on-site supplier assessments. In 2022, 32 suppliers went through the TPSA. Each year we conduct a risk assessment of our supplier base using our inherent risk questionnaire. Suppliers deemed critical and higher risk then pass through the TPSA by completing our supplier control questionnaire.

We updated our supplier control questionnaire again in 2022 to maintain alignment to best practices, including reviewing suppliers' Modern Slavery Statements and labour standards policies. We now request suppliers to ensure that temporary staff and employees of third-parties working for our suppliers are vetted to the same standard as permanent staff. Suppliers are also asked to pay their

employees the national living wage where they operate and, where applicable, the real living wage, for example, suppliers working at our sites or providing dedicated services to Santander UK.

In addition, we have continued our work on supplier risk mapping with Stop the Traffik to identify suppliers that present the highest risk of modern slavery. This improves our understanding of the human rights risk profile of our suppliers based on their geography and sector.

In 2022 we engaged an independent ethical audit provider to complete audits on the higher-risk suppliers we have identified with Stop the Traffik. The comprehensive audits are based on a newly-developed industry best practice questionnaire and incorporate site visits, policy and employment practice reviews, and worker interviews. 12 audits are due for completion in 2022 and early 2023.

More information on our approach is provided in our [Modern Slavery Statement](#) available on the Santander UK website.

## Humanitarian focus

**Access to banking for resettled people:** The external environment in 2022 has continued to shift quickly, with further civil and political volatility around the world. We engage with industry peers, the UK Government and NGOs to develop our understanding of external guidance in this area. This engagement has informed our internal policy on providing banking products and services to people seeking resettlement in the UK<sup>1</sup>.

## Humanitarian exceptions to Financial Sanctions policy:

At Santander, we see sanctions legislation as absolute and have zero tolerance for non-compliance. Updates to UK sanctions legislation are swiftly incorporated into our compliance processes. However, we acknowledge and want to support important humanitarian work taking place globally. As a result, we review on a case-by-case basis banking transactions relating to humanitarian activity in areas where financial sanctions apply. We seek to support humanitarian causes where possible in these situations whilst adhering to UK and Group policies and meeting our legal and regulatory obligations.

**Illegal Wildlife Trade:** We are committed to fighting environmental crimes with a specific focus on the illegal wildlife trade, especially with the UK Ivory Act coming into force in 2022, which is reflected in our Financial Crime policy and standards.

## Cyber risk management

Information and cyber security is a main priority for Santander UK. In 2022, we experienced no notable data or cyber incidents. Externally, there were factors that increased the risk of cyber-attacks on financial services companies in the UK; a risk that is mirrored across all other sectors and countries. We expect this risk to remain and continue to monitor the cyber threat landscape. We carefully review and enhance our controls based on this intelligence. We also work closely with peers and organisations across the industry to share insights, intelligence and experiences of cyber threats. This helps to ensure effective mitigation strategies are in place to protect our customers and business.

## Data privacy and cyber security

With more and more customers adopting our digital services, we need to ensure we deliver mobile and online products our customers can trust. We aim to deliver a secure but seamless experience for everyday digital banking and we have multiple layers of security beneath the digital interface our customers experience.

Our global resilience framework protects all of our online systems and the data and information they store. The framework is structured around the principles: defend, anticipate, engage. It works to protect data assets, including customers' data, by detecting, responding and recovering from cyber security threats. Our Data Protection policy and processes are updated regularly and cover how we collect, handle, store, share, use and dispose of personal information. They also set robust controls for third-party suppliers. We tell our customers, our people and others associated with us how we process their personal data by giving them a data protection statement. Compliance with data protection laws is overseen by the Data Protection Officer (DPO) who reports to the highest management level.

1. Those seeking resettlement in the UK from any country wishing to obtain banking products and services from Santander UK are reviewed on a case-by-case basis where they do not meet our Financial Crime policy requirements.
2. Financial sanctions can be imposed or administered by a number of domestic and international authorities including the UN Security Council, the European Union, Office of Financial Sanctions Implementation (a part of Her Majesty's Treasury), and overseas governments (e.g. USA).





# 2022 basis for reporting: principles and methodologies

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

## Our performance metrics

Thriving workplace	
<b>People</b>	
Employees	
Diversity	
Gender	
Turnover	
Employee learning	
Accidents at work	
Colleague engagement	
Better communities	
<b>Customers</b>	
<b>Suppliers</b>	
<b>Communities</b>	
People supported	
People Financially Empowered	
Santander Foundation	
Volunteering	
Santander Universities	
Santander Breakthrough	
Number of digital education sessions	
Voice ID customers	
Mobile app rating	

Healthy environment	
<b>Environment</b>	
Energy use	
Water use	
Waste	
Paper use	
Green finance	
Travel data	
<b>Emissions</b>	
Scope 1, 2 and 3 and total emissions	
CO <sub>2</sub> e emissions per person	
Retired verified carbon credits	
Net emissions	

Being responsible, in everything we do	
Percentage of colleagues trained on anti-financial crime	
Percentage of colleagues trained on anti-bribery and corruption	
Number completed enhanced fighting financial crime training	

## Overall reporting principles

### 1. Reporting boundaries

We report on the impact from operations within Santander UK Group Holdings unless stated otherwise. We report on our material sustainability/ESG topics where impacts are material to Santander UK Group Holdings and other stakeholders, such as Banco Santander and third parties such as suppliers and charities.

### 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.

## 2022 basis for reporting: principles and methodologies continued

### Thriving workplace



Category	Definition	Scope	Units	Method	Source
<b>People</b>					
Employees – Number	Total number of full-time employees (FTE) and part-time employees (PTE).	Santander UK HoldCo FTE that work 35 hours or Santander UK PTE that work less than 35 hours (excludes UK offshore employees).	#	Self-reported on Workday. Workday is our new people analytics platform provided by Workday. This has taken over from Oracle Peoplesoft.	Workday
Employees – Diversity	Total number of employees in different Minority Ethnic Groups.	Santander UK HoldCo 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 unspecified.	#	Self-reported on Workday. All employees can update their ethnicity at any point. Santander does not validate employee claims of their ethnicity.	Workday
Employees – Gender	Male/female representation across different categories of employees, including Executive and Non-Executive Board Directors.	Total number of Santander UK HoldCo employees that have declared their gender as male or female. Only includes employees that have declared their gender. Data excludes 'prefer not to say' and 'no data' responses.	#	Self-reported on Workday. All employees can update their gender at any point. Santander does not validate employee claims of their gender.	Workday
Employees – Turnover	Total attrition/turnover percentage for permanent contract Santander UK staff.	Permanent contract Santander UK HoldCo 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).	Workday Oracle PeopleSoft
Total Training Days	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.  Online day courses are estimated at four hours per course and face-to-face/ one-day courses are estimated as seven hours, as LMS does not 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 and training can be done as many times as desired by employees. 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 includes all third-party spend included in account codes for specialist training, study expenses, venue costs and external training courses.	Cornerstone
Pension participation	Percentage of employees participating in Santander UK pension scheme.	Santander UK HoldCo employees.	%	Report run from internal HR systems.	Workday Oracle PeopleSoft

## 2022 basis for reporting: principles and methodologies continued

### Thriving workplace continued

Category	Definition	Scope	Units	Method	Source
<b>People continued</b>					
Accidents at work	Data comprises 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 and safety legislation. HR accident data is collated quarterly.	Oracle PeopleSoft (until 21/02/22) Oracle Service Cloud (21/02/22 – 08/09/22) ServiceNow (from 09/09/22)
Colleague engagement	The metric is an overall employee engagement score which demonstrates the extent to which our employees feel committed to working at Santander UK, are enthusiastic about their work and the organisation, and whether they would speak highly of us externally. The engagement score represents the average of Santander UK colleagues' scores in response to engagement questions from our continuous listening survey Your Say, which all employees are asked to take part in every month.	Santander UK	%	Your Say, is Santander UK's continuous listening survey which is hosted by the Workday Peakon platform. It gathers employees' feedback on our culture in real time through monthly surveys. This new employee listening strategy launched in December 2021 and replaces the annual Global Engagement Survey. Employees are asked to provide a score out of ten in response to a range of questions about their experience working for Santander (0 = Not at all, 10 = Absolutely). The engagement score is the average score given by employees in response to the following five questions: <ul style="list-style-type: none"> <li>– How likely is it you would recommend Santander as a place to work?</li> <li>– I feel proud to work for Santander?</li> <li>– If you were offered the same job at another organisation, how likely is it you would stay at Santander?</li> <li>– How likely is it you would recommend Santander's products or services to friends and family?</li> <li>– Overall, how satisfied are you working at Santander?</li> </ul>	Workday Peakon

## 2022 basis for reporting: principles and methodologies continued

### Better communities



Category	Definition	Scope	Units	Method	Source
<b>Customers</b>					
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.	Oracle Essbas
Net Promoter Score (NPS)	NPS measures customer advocacy and predicts business growth. This metric is our core measure for customer experience.	Main retail banking customers for Santander UK and key competitors.	#	We measure the main banking NPS of 5,760 consumers on a six-monthly basis using a 11-point scale (%Top2 – %Bottom 7). The latest reported data is based on the six months ending 31/08/2022. The competitor set we monitor to benchmark ourselves against includes Barclays, Halifax, HSBC, Lloyds Bank, Nationwide, NatWest, TSB and RBS. Our customer experience research is independently audited by Striga.	Ipsos MORI
Customer complaints	Reportable customer complaints received during 2022 as defined by the Financial Conduct Authority.	All complaints received during 2022 that meet the FCA reporting requirements.	#	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. The annual figure is an aggregation of the H1 and H2 2022 Santander UK FCA returns.	Internal systems
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 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.	SAS
<b>Suppliers</b>					
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/ GESBAN Payment Report
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/ GESBAN Payment Report
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.	Data includes financial information regarding Santander UK plc as per submitted financial accounts and figures. A single day metric is provided for the Santander UK plc with a comparison against an industry average.	days	Data is provided by third-party provider Experian.	Experian – Limited Company Gold Report

## 2022 basis for reporting: principles and methodologies continued

### Better communities continued

Category	Definition	Scope	Units	Method	Source
<b>Suppliers</b> continued					
New SME contracts	Total number of suppliers onboarded within the reported year that have been identified as a Small to Medium Enterprise (SME). SMEs are defined as having less than 250 employees and £10m in annual turnover.	All newly onboarded suppliers within the reporting year 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
Value of SME contracts	Total value of suppliers onboarded within the reported year that have been identified as a SME.	Value of 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).	£m	Suppliers categorised SMEs, as described above in New SME contracts. The total value is determined in one of two ways for all suppliers that meet the criteria stated above: <ol style="list-style-type: none"> <li>If the SME was onboarded because of a tender/negotiation the Total Award Amount is taken from Aquanima's Negotiation Reports</li> <li>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.</li> </ol>	SAP, FSQS, Aquanima
% of contracts with SMEs	Percentage of suppliers onboarded within the reported year that have been identified as a SME.	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 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
<b>Communities</b>					
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 only considers initiatives and beneficiaries where Santander UK has gone beyond what is mandated by the regulator, and as it is cumulative it only considers beneficiaries once in the 2019 – 2025 period.</p>	<p>In 2022, nine initiatives were considered:</p> <ol style="list-style-type: none"> <li>Financial education provided by Santander UK colleagues through WorkWise and MoneyWise sessions to students and young people</li> <li>Financial education provided by Young Enterprise to children and young people through My Money Week</li> <li>Financial education provided by The Numbers Game working with Twinkl</li> <li>Support provided by Money Advice Trust</li> <li>Support provided to vulnerable customers by the Specialist Support team</li> <li>Support provided by Stepchange</li> <li>Support provided by PayPlan</li> <li>Support provided by Christians Against Poverty</li> <li>Support provided to customers in arrears, where we have enabled them to come out of arrears via self service tools or direct colleague support.</li> </ol>	#	Report on the number of individual beneficiaries from different initiatives delivered or sponsored by Santander UK that provide access, tailored financial solutions and resilience.	Internal databases and supplier reports

## 2022 basis for reporting: principles and methodologies continued

### Better communities continued

Category	Definition	Scope	Units	Method	Source
<b>Communities continued</b>					
Support for Communities	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	Total spend across the following: <ol style="list-style-type: none"> <li>1. Santander Foundation (2022 matched donations and grants)</li> <li>2. Universities (total donations made in 2022 for 75 university partners, including 2021 accruals)</li> <li>3. Breakthrough (2022 Breakthrough &amp; additional SME investment)</li> <li>4. Sustainability and Responsible Banking spend (2022 CSR programmes and memberships spend). Excluded: internal, operational spend improving internal processes, hosting and security for website.</li> </ol>	£m	<p>In 2022 we updated our methodology to reflect our evolving approach to community investment. Please note that donations and strategic sponsorship amounts made by the Sustainability and Responsible Banking team only consider direct community impact amounts. Therefore, we will exclude payments in respect of memberships, sponsorship of events or services provided (such as setting up volunteering opportunities for colleagues across Santander UK) by charitable partners in our figures. As this has been a change in methodology, figures from 2021 and 2020 have been restated.</p> <p>Spend across the highlighted programmes is calculated and totalled to give one overall community investment figure. University spend is calculated as payments made in 2022 (this includes accruals from 2021). Santander Foundation, Breakthrough, Sustainability and Responsible Banking and SFS amounts are calculated as spend budgeted and committed from 2022 budgets. Community investment accruals from 2022 into 2023 are excluded from our reported figures and will be included in our 2023 reports.</p> <p>All donations are approved by the Anti-Bribery and Corruption Department, and any donations that are 50,000 Euros (~£41,709 as the exchange rate of February 2023) and above, are approved by Banco Santander group. Non-donations such as membership spend or Breakthrough investment are agreed with Finance Business Partners and the Executive Committee at the start of each calendar year. The total community investment figure is notified to the Sustainability and Responsible Banking team.</p>	Santander Foundation reports; bank's payments system and manual monthly reconciliation aligned to Finance's monthly report Salesforce
Santander Foundation grants	Santander Foundation grants awarded in 2022.	Number of grants donated in 2022.	£	Santander Foundation report.	Santander Foundation report
Matched donations	Value of donations approved and paid by the Santander Foundation.	Santander Foundation matched donations programme.	£	Value of donations approved and paid by the Santander Foundation.	External supplier database 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 opportunities linked to our volunteering strategy.	#	Report on the number of individual beneficiaries from different initiatives delivered or sponsored by Santander UK that provide support to those in the community.	Internal database and supplier reports
Santander Universities	Total donations through our Universities programme in 2022.	Spend includes the total donations paid in 2022, including 2021 accruals paid in 2022.	£m	Manual monthly reconciliation.	Salesforce
Santander Breakthrough	Number of businesses (customers and prospects) benefiting from support delivered digitally throughout 2022. No face-to-face activity was held in the time period.	Breakthrough-led and Breakthrough-supported specific to Business Banking and the Corporate and Commercial Bank.	#	Delegate registrations where available (limited), web-traffic data, direct beneficiaries where available.	Web traffic statistics, event registration, direct programme beneficiaries

## 2022 basis for reporting: principles and methodologies continued

### Better communities continued

Category	Definition	Scope	Units	Method	Source
<b>Communities</b> continued					
Number of digital education beneficiaries	Beneficiaries of digital education initiatives sponsored by Santander UK in 2022.	Includes beneficiaries from Explore Digital sessions delivered by We Are Digital and GoDigital delivered by Age UK.	#	Collated through supplier reports. Teacher-headcount of students per session.	Supplier reports
Voice ID registrations	Number of customers in 2022 enrolling for Voice ID which enables them to use biometrics to authenticate when they call Santander UK HoldCo.	Voice ID is available to Santander UK HoldCo retail banking customers – currently on Banking, Savings, Select, Digital Helpdesk and Credit card-lines.	#	Enrolment data is captured via a dashboard which counts the number of enrolments at daily, weekly and monthly intervals.	Internal systems

### Healthy environment



Category	Definition	Scope	Units	Method	Source
<b>Environment</b>					
Energy use	Billed consumption of grid electricity, mains gas, oil and associated emissions. <ul style="list-style-type: none"> <li>– Grid electricity: Kilowatt-hour (kWh) and tonnes of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e)</li> <li>– Mains gas: kWh and tCO<sub>2</sub>e</li> <li>– Oil: kWh and tCO<sub>2</sub>e</li> <li>– Business travel: Kilometres, kWh and tCO<sub>2</sub>e</li> </ul>	Santander UK HoldCo estate: Large offices, small offices, Carlton Park data centres, retail branches and emissions from business travel by road.	kWh	Emissions derived from consumption are converted using Government Department for Business, Energy and Industrial Strategy (BEIS) conversion factors. Electricity: external supplier invoices validated against consumption data gained direct from smart meters (remote dial-up). Estimations used to calculate electricity consumption. Gas: external supplier invoices validated against consumption data gained direct from smart meters (remote dial-up). Oil: manual meter readings taken on sites. Business travel: records for the distance travelled by road is extracted from relevant internal systems or provided by the third-party travel admin operator. Kilometres travelled is then converted into energy (kWh).	Supplier invoices and meter readings
Water use	Mains water use: cubic metres (m <sup>3</sup> ) consumed.	Santander UK estate: Large offices, small offices, Carlton Park data centres, retail branches (grouped).	m <sup>3</sup>	Metered mains water use determined from external supplier invoices.	Supplier invoices
Waste	Waste produced. Waste diverted from landfill. Percentage of waste diverted from landfill.	Santander UK estate: Large offices, small offices, 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 use	Weight of paper used in our operations categorised by plain paper, envelopes, and cardboard.	All entities within Santander UK, including branches.	kg	Information is provided by third-party suppliers of print and stationery who source paper for Santander UK.	Third-party reports

## 2022 basis for reporting: principles and methodologies continued

### Healthy environment continued

Category	Definition	Scope	Units	Method	Source
<b>Environment</b> continued					
Green finance raised and facilitated (total)	Includes Santander UK's contribution to green finance either facilitated to customers (e.g. lending and facilitating through capital markets) or raised (e.g. bond issuance). This metric measures our activity towards our strategic goal to help customers transition to a low-carbon economy. To identify business that can contribute to this metric, we follow the Santander Sustainable Finance Classification System (SFCS), which provides a common understanding of what can be considered as green finance. For example: mortgages to properties with an EPC rating of A and B; financing for renewable energy installations and other green energy solutions (including lending and other facilities such as potential future exposure); electric vehicles and other green vehicles, among other financing.	Santander UK; currently covering new business mortgage finance to properties with an EPC rating of A and B, Structured and Project Finance within Corporate and Commercial Banking (CCB); financing for renewable energy installations and other green energy solutions (including lending and other facilities such as potential future exposure); and, Santander Consumer Finance electric vehicles and other green vehicles including bicycles and e-bikes.	£m	In all cases we use the business-as-usual lending platforms to report against this metric and the strong governance criteria for green lending following the SFCS. Analysis is conducted to identify the deals that fit within the definitions of the SFCS.	<p>Mortgages: Completions data comes direct from our core mortgage platform (SANMF). Oracle, Solar BI. Landmark data is used to match EPC data to mortgage completions and is completed twice a year; at half year and year end. Landmark data is dependent on when the updated data is available from the relevant UK Government website, in 2022 the last update was in September. Although it is possible that EPC ratings have changed since September 2022 (higher or lower) this is likely to only impact new build properties where no previous EPCs are available.</p> <p>CCB: manually maintained spreadsheets by the team with responsibility for green lending.</p> <p>Consumer Finance: CAP HPI automotive industry data used to identify green vehicles. For motorbike emissions the dealerships determine what fuel type they each have and then only fully electric motorbikes will be considered.</p>



## 2022 basis for reporting: principles and methodologies continued

### Healthy environment continued

Category	Definition	Scope	Units	Method	Source
<b>Environment continued</b>					
Travel	Total business travel in kilometres (km) and associated CO <sub>2</sub> e emissions.	Santander UK estate, including offices and retail branches. Excludes home workers and employees based at business centres.	tCO <sub>2</sub> 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 <sub>2</sub> e figure using UK Government Department for Business, Energy and Industrial Strategy (BEIS) conversion factors. The total figure is then reported each year. Flight data is provided by the third-party provider on a monthly basis.	
Scope 1 emissions	Direct emissions from owned or controlled sources.	Scope 1 emissions encompass gas, oil, direct transport, and fugitive gas emissions. Excludes emissions from home working.	tCO <sub>2</sub> 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 Department for Business, Energy and Industrial Strategy (BEIS) conversion factors and collated into a total Scope 1 emissions figure. Santander UK HoldCo uses a third-party provider to collate environmental data to calculate Scope 1 emissions for the reporting period.	Billing invoices, meter readings, mileage claims, maintenance records
Scope 2 emissions	Indirect emissions from owned or controlled sources.	Scope 2 emissions encompass purchased electricity (and electric fleet/company cars). Market-based measurement reflecting the emissions for the electricity we have purchased via our green tariffs. Our electricity is generated via green sources including biomass and wind generation. Excludes emissions from home working.	tCO <sub>2</sub> e	Consumption and travel data (for electric fleet/cars) is extracted from relevant source systems/records. Indirect emissions are calculated using the relevant UK Government Department for Business, Energy and Industrial Strategy (BEIS) conversion factors and guidance. This is collated into a total Scope 2 emissions figure. Where billing data is not available estimations are being used. Assumptions were applied for the total 2022 electricity usage for Santander Financial Services plc (SFS) based on actual reported usage where monthly billing invoices were not available in time for this report. Santander UK HoldCo uses a third-party provider to collate environmental data to calculate Scope 2 indirect emissions for the reporting period.	Billing invoices, mileage claims
Scope 3 CO <sub>2</sub> e emissions (business travel only)	Other indirect emissions in our value chain.	Scope 3 emissions encompass indirect business travel emissions via road, air, and rail.	tCO <sub>2</sub> e	Business travel (air, rail and road) records extracted from relevant internal systems or provided by the third-party travel admin operator. The travel is then converted into carbon emissions using relevant conversion factors from UK Government Department for Business, Energy and Industrial Strategy (BEIS) and collated into a total Scope 3 emissions figure. Car figures are based on engine size, flight figures are based on average cabin seat class and rail figures are based on national rail conversion factor. Distances travelled for SFS are being estimated for each transport mode. Transport for SFS included flights and train journeys performed in the reporting period. Santander UK HoldCo uses a third-party provider to collate travel data to calculate Scope 3 indirect emissions business travel for the reporting period.	Mileage claims, third-party travel reports. Certify, Agito. Financial reports

## 2022 basis for reporting: principles and methodologies continued

### Healthy environment continued

Category	Definition	Scope	Units	Method	Source
Total CO <sub>2</sub> e emissions	Total reported emissions in 2022, incorporating Scope 1, Scope 2 (market-based) and Scope 3 (business travel only) emissions.	As defined above.	tCO <sub>2</sub> e	Summation of Scope 1, 2 and 3 emissions.	Scope 1, 2, and 3 emissions, incorporating market-based Scope 2 emissions
CO <sub>2</sub> e per person	Emissions per employee (intensity ratio).	Total CO <sub>2</sub> e emissions (as defined above) divided by total full-time employee equivalent numbers in Santander UK HoldCo	tCO <sub>2</sub> e per FTE	Total emissions in 2022 divided by full-time equivalent employees in Santander UK HoldCo reported in this ESG Supplement.	Total CO <sub>2</sub> e emissions calculations, FTE Data (HR)
Retired Verified Carbon Units	Retirement of certified carbon units by Santander UK plc.	As defined in Scope 1, 2 and 3.	VCU	Verified carbon units purchased under the Reducing Emissions from Deforestation and Forest Degradation (REDD) scheme.	Verra VCS certification for 2022
Net CO <sub>2</sub> e emissions	Net CO <sub>2</sub> e emissions in Santander UK operations accounting for retired VCUs.		tCO <sub>2</sub> e	Total CO <sub>2</sub> e emissions incorporating our retirement of VCUs.	





### Being responsible, in everything we do



Category	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 of the assessment (80% pass rate).	#	Report from internal systems based on completion. Data is held on a dashboard by Learning and Development.	LMS (Cornerstone), People Analytics Sharepoint
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 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 and skills matrix.	#	Report from internal systems.	LMS (Cornerstone), People Analytics Sharepoint

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

## Key SDGs

UN SDG	Key SDG targets	Key highlight	Our commitment and contribution
 <p><b>Goal 4</b> Quality education</p>	<ul style="list-style-type: none"> <li>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.</li> <li>By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy skills.</li> </ul>	<p><b>1.3m</b> children and young people financially empowered through the Numbers Game</p>	<ul style="list-style-type: none"> <li>Our work with our partner Twinkl has been successful this year. Through our flagship financial education programme, The Numbers Game, we reached more than 1.3 million children and young people with financial education resources in 2022. These are distributed virtually and can be accessed by parents and school teachers alike. Our work with Young Enterprise has also been very impactful this year empowering over 105,000 school children through the My Money Week initiative.</li> <li>In 2022 Santander Universities launched its new scholarship, skills and entrepreneurship programme designed to fuel the success of a new generations of university students from underrepresented groups. In 2022 we provided more than 8,000 scholarships and awards.</li> <li>In 2022 the Santander Foundation awarded £1.85m to 13 charities as part of its Financial and Digital Empowerment Fund. These new partners will receive grants ranging from £125,000 to £150,000 over the next three years to deliver services that will empower people with the skills, support and confidence needed to improve digital and financial capabilities</li> <li>Our bold plan to promote lifelong learning aims to support 1 million adults to develop of new skills. The launch of our new online Learning Room will help people already in the workplace to access information and materials they need to learn new skills.</li> </ul>
 <p><b>Goal 8</b> Decent work and economic growth</p>	<ul style="list-style-type: none"> <li>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.</li> <li>Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.</li> </ul>	<p><b>7,159</b> SME's and entrepreneurs supported through Breakthrough</p>	<ul style="list-style-type: none"> <li>Customer engagement was delivered at a greater scale in 2022 as the cost of living challenges emerged. We saw an increase in the number of customers being supported through on-demand content as well as our ongoing face-to-face activities.</li> <li>We continued our work on supplier risk mapping with Stop the Traffik. We engaged an independent ethical audit provider to complete audits on high-risk suppliers we have identified. The comprehensive audits are based on an industry best practice questionnaire, site visits, policy and employment practice reviews, and worker interviews. 12 audits are due for completion in 2022 and early 2023.</li> <li>We continue to enhance our third-party supplier assessment (TPSA) approach with improved remote and on-site supplier assessments. In 2022, 32 suppliers went through the TPSA. We updated our supplier control questionnaire again in 2022 to maintain alignment to best practices, including reviewing suppliers' Modern Slavery Statements and labour standards policies. We now request suppliers to ensure that temporary staff and employees of third-parties working for our suppliers are vetted to the same standard as permanent staff.</li> </ul>
 <p><b>Goal 10</b> Reduced inequalities</p>	<ul style="list-style-type: none"> <li>Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.</li> <li>Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.</li> </ul>	<p><b>Top 10%</b> for the question "A diverse workforce is a clear priority for Santander"</p>	<ul style="list-style-type: none"> <li>Our aim is to be a place where all our people feel they belong and are supported to succeed. We want to provide a workplace with a responsible culture where anyone and everyone can learn and grow while being themselves Through our Everyday Inclusion Strategy, while aim to be a truly inclusive and diverse organisation; one that reflects the customers and communities we serve. Our annual Pay Gap report (available online) gives more details on progress towards our goal of belonging.</li> <li>Santander UK is proud to be recognised as a Top Employer and we are accredited as one of the UK's Best Workplaces, Best Workplaces for Women and Best Workplaces for Wellbeing by Great Place To Work. This year saw us achieve a long-term ambition of appearing in the top 100 of Stonewall's Workplace Equality Index for the first time. We entered the ranking at number 86 and hold a Gold Award for our commitment to LGBTQ+ inclusion.</li> </ul>
 <p><b>Goal 13</b> Climate action</p>	<ul style="list-style-type: none"> <li>Integrate climate change measures into national policies, strategies and planning.</li> <li>Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.</li> </ul>	<p><b>£6.5bn</b> provided for projects and activities classified as green</p>	<ul style="list-style-type: none"> <li>We undertook several initiatives that support financing the green transition in 2022, highlights of which include launching our Greener Homes Hub to help existing and new Santander UK customers to learn more about making their homes more energy efficient. The Hub provides access to a free EnergyFact Report to customers with information on energy efficiency their home and tips and guidance on how to improve it.</li> <li>We conducted research to explore how we can help to improve our customers' awareness and understanding of how they can reduce their contribution to climate change, in order to help them transition to a low-carbon economy. We will be launching a carbon footprint tool in 2023 through My Money Manager, our personal finance management tool on the Santander mobile app.</li> <li>Corporate and Commercial banking (CCB) expanded their sustainability lending proposition with the aim of supporting businesses of all sizes and in all sectors to access sustainable finance. Our Sustainability Linked Lending enables corporate clients to accelerate their sustainability ambitions by aligning their sustainability commitments and targets to their finances. In 2022 we participated in £590 million of sustainability-linked financing in a variety of sectors in the UK.</li> <li>To improve sustainability knowledge and skills in the business, our Sustainability Business Partners and colleagues in key functions undertook sustainability training courses adapted to their technical needs in 2022. These include courses from the Chartered Banker Institute, and the Cambridge Institute for Sustainability Leadership.</li> </ul>

# GRI Index and SASB

Key: ■ GRI ■ 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 continue our voluntary preparation of the GRI Standards: Core option, detailed in the tables below with references across our reporting.

Our reporting also considers the SASB\* Sustainability Accounting Standards Board (SASB) material issues for the categories 'Commercial Banks', 'Consumer Finance' and 'Mortgage Finance'. 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; employee engagement, and diversity and inclusion.

We will continue to enhance our reporting based on common frameworks and collaborate with standard setting bodies.

For more information on each topic, please refer to the references in the table below.

Disclosure	Description	Notes	Reference
<b>GRI 2 General Disclosures 2021</b>			
<b>Organisational Profile</b>			
<b>Disclosure 2-1</b>	Organisational details		<b>Annual Report 2022, 'About this report', page 0</b> <b>Annual Report 2022, Strategic Report, page 3</b>
<b>Disclosure 2-2</b>	Entities included in the organisation's sustainability reporting		<b>Annual Report 2022, 'About this report', page 0</b>
<b>Disclosure 2-3</b>	Reporting period, frequency and contact point	With regards to contact point, please refer to <a href="http://www.santander.co.uk/about-santander/investor-relations">www.santander.co.uk/about-santander/investor-relations</a>	<b>Annual Report 2022, 'About this report', page 0</b>
<b>Disclosure 2-4</b>	Restatements of information		<b>ESG Supplement 2022, page 24</b>
<b>Disclosure 2-5</b>	External assurance		<b>ESG Supplement 2022, page 43-44</b>
<b>Activities and workers</b>			
<b>Disclosure 2-6</b>	Activities, value chain and other business relationships		<b>Annual Report, Above this report, page 0</b> <b>Annual Report, Strategic report, page 1, 4-9, 13, 15, 25-32</b> <b>ESG Supplement 2022, page 22</b>
<b>Disclosure 2-7</b>	Employees	Breakdown by region is not reported	<b>Annual Report, Strategic report, page 2</b> <b>ESG Supplement, page 9, 22</b>
<b>Disclosure 2-8</b>	Workers who are not employees		<b>Not reported</b>
<b>Governance</b>			
<b>Disclosure 2-9</b>	Governance structure and composition		<b>Annual Report, Sustainability and Responsible Banking, page 40-41</b> <b>Annual Report, Governance, page 58-60</b>
<b>Disclosure 2-10</b>	Nomination and selection of the highest governance body		<b>Annual Report, Governance, page 60, 62-63</b>
<b>Disclosure 2-11</b>	Chair of the highest governance body		<b>Annual Report, Governance, page 60</b>
<b>Disclosure 2-12</b>	Role of the highest governance body in overseeing the management of impacts		<b>Annual Report, Governance, page 58-59, 64-73</b>
<b>Disclosure 2-13</b>	Delegation of responsibility for managing impacts		<b>Annual Report, Sustainability and Responsible Banking, page 40-41</b> <b>Annual Report, Governance, page 58-59</b>

# GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
<b>GRI 2 General Disclosures 2021 continued</b>			
<b>Disclosure 2-14</b>	Role of the highest governance body in sustainability reporting		<b>Annual Report, Sustainability and Responsible Banking, page 40-41 Annual Report, Governance, page 74-75</b>
<b>Disclosure 2-15</b>	Conflicts of interest		<b>Annual Report, Governance, page 60, 63</b>
<b>Disclosure 2-16</b>	Communication of critical concerns		<b>Annual Report, Governance, page 64-68</b>
<b>Disclosure 2-17</b>	Collective knowledge of the highest governance body		<b>Annual Report, Sustainability and Responsible Banking, page 41 Annual Report, Governance, page 63, 74-75 ESG Supplement 2022, page 16, 19, 34</b>
<b>Disclosure 2-18</b>	Evaluation of the performance of the highest governance body		<b>Annual Report, Chair's Report on corporate governance, page 58-61</b>
<b>Disclosure 2-19</b>	Remuneration policies		<b>Annual Report, Board Remuneration Committee Chair's report, page 76-84</b>
<b>Disclosure 2-20</b>	Process to determine remuneration		<b>Annual Report, Board Remuneration Committee Chair's report, page 76-84</b>
<b>Disclosure 2-21</b>	Annual total compensation ratio		<b>Annual Report, Board Remuneration Committee Chair's report, page 83</b>
<b>Strategy, policies and practices</b>			
<b>Disclosure 2-22</b>	Statement on sustainable development strategy		<b>Annual Report, Strategic Report, Chair's Statement, page 4-5 CEO Review, page 6-9</b>
<b>Disclosure 2-23</b>	Policy commitments		<b>Annual Report, Sustainability and Responsible Banking, page 30</b>
<b>Disclosure 2-24</b>	Embedding policy commitments		<b>Annual Report, Sustainability and Responsible Banking, page 30-33</b>
<b>Disclosure 2-25</b>	Processes to remediate negative impacts		<b>Not reported</b>
<b>Disclosure 2-26</b>	Mechanisms for seeking advice and raising concerns		<b>Annual Report, Strategic Review, page 30</b>
<b>Disclosure 2-27</b>	Compliance with laws and regulations		<b>Annual Report, Strategic Report, page 9 Annual Report, Board Audit Committee Chair's report, page 69-71 Annual Report, Financial Statements, page 231, 237, 251</b>
<b>Disclosure 2-28</b>	Membership associations		<b>Annual Report, Strategic Review, page 23-28</b>
<b>Stakeholder engagement</b>			
<b>Disclosure 2-29</b>	Approach to stakeholder engagement		<b>Annual Report, Strategic Review, page 1, 13, 24-29</b>
<b>Disclosure 2-30</b>	Collective bargaining agreements		<b>Annual Report, Remuneration implementation report, page 82 ESG Supplement, page 8</b>

# GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
<b>GRI 3 Material Topics 2021</b>			
<b>Disclosure 3-1</b>	Process to determine material topics		<b>Annual Report, Sustainable and Responsible Banking, page 34, 40-41</b>
<b>Disclosure 3-2</b>	List of material topics		<b>Annual Report, Sustainability and Responsible Banking, page 34</b>
<b>GRI 3 Material Topics 2021 continued</b>			
<b>Climate Change: Own Operational Footprint, Climate Risk Management and Portfolio Alignment to Net-Zero</b>			
<b>Disclosure 3-3</b>	Management of material topics		<b>Annual Report, TCFD, page 39-48, 49-50 ESG Supplement, page 15-19</b>
<b>GRI 305: Emissions</b>			
<b>Disclosure 305-1</b>	Direct (Scope 1) GHG emissions		<b>Annual Report, TCFD, page 56 ESG Supplement, page 21, 32</b>
<b>Disclosure 305-2</b>	Energy indirect (Scope 2) GHG emissions		<b>Annual Report, TCFD, page 56 ESG Supplement, page 21, 32</b>
<b>Disclosure 305-3</b>	Other indirect (Scope 3) GHG emissions		<b>Annual Report, TCFD, page 56 ESG Supplement, page 21, 32</b>
<b>Disclosure 305-4</b>	GHG emissions intensity		<b>Annual Report, TCFD, page 56 ESG Supplement, page 21, 33</b>
<b>GRI 201: Economic Impact</b>			
<b>Disclosure 201-2</b>	Financial implications and other risks and opportunities due to climate change		<b>Annual Report, TCFD, page 43-48 ESG Supplement, page 15-18</b>
<b>Mortgage Finance SASB</b>			
<b>Physical Impacts of Climate Change</b>	Environmental Risk to Mortgaged Properties		<b>Annual Report, TCFD, page 54-55</b>
<b>Financial Inclusion and Empowerment</b>			
<b>GRI 3 Material Topics 2021</b>			
<b>Disclosure 3-3</b>	Management of material topics		<b>Annual Report, Strategic Report, page 8 Sustainability and Responsible Banking, page 23-24, 33, 37 ESG Supplement, page 11-12</b>
<b>Commercial Banks SASB</b>			
<b>Access and Affordability</b>	Financial inclusion and capacity building	Information on financial inclusion is referenced but granular data is excluded from these reports	<b>Annual Report, Sustainability and Responsible Banking, page 24, 27, 33, 37 ESG Supplement, page 11-12</b>
<b>Diversity and Inclusion</b>			

# GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
<b>GRI 3 Material Topics 2021</b>			
<b>Disclosure 3-3</b>	Management of material topics		Annual Report, Strategic Report, page 26 Annual Report, Governance, page 63 Annual Report, Responsible Banking Committee Chair's report, page 75 Annual Report, Board Remuneration Committee Chair's Report, page 77 Annual Report, Remuneration Policy report, page 78-84
<b>GRI 405: Diversity and Equal Opportunity</b>			
<b>Disclosure 405-1</b>	Diversity of governance bodies and employees		Annual Report, Board Nomination Committee Chair's Report, page 75-80 ESG Supplement, page 9, 25
<b>Disclosure 405-2</b>	Ratio of basic salary and remuneration of women to men		Everyday Inclusion and Pay Gap Report 2022
<b>Employee Wellbeing and Talent</b>			
<b>Disclosure 3-3</b>	Management of material topics		Annual Report, Strategic Report, page 8, 17, 26 Annual Report, Governance, page 59, 75 ESG Supplement, page 4, 7-8
<b>GRI 404: Training and Education</b>			
<b>Disclosure 404-1</b>	Average hours of training per year per employee	Data is available per days as opposed to per hours	ESG Supplement, page 10
<b>Disclosure 404-2</b>	Programs for upgrading employee skills and transition assistance programs		Annual Report, Strategic Review, page 26, 28, 35 Annual Report, TCFD, page 41, 43 ESG Supplement, page 4-5, 16, 19, 22
<b>Disclosure 404-3</b>	Percentage of employees receiving regular performance and career development reviews		Not reported
<b>GRI 403: Occupational Health and Safety</b>			
<b>Disclosure 403-1</b>	Occupational health and safety management system		Not externally reported
<b>GRI 401: Employment</b>			
<b>Disclosure 401-2</b>	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Not reported
<b>Business Resilience</b>			

# GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
<b>GRI 3 Material Topics 2021</b>			
<b>Disclosure 3-3</b>	Management of material topics		<b>Annual Report, TCFD, page 38-39</b>
<b>Ethics and Compliance</b>			
<b>Disclosure 3-3</b>	Management of material topics		<b>Annual Report, Strategic Review, page 28-29, 30 Annual Report, Sustainability and Responsible Banking, page 33 Annual Report, Board Audit Committee, page 73 Annual Report, Director's report, page 88-89</b>
<b>GRI 419: Socioeconomic compliance (Now titled Disclosure 2-27)</b>			
<b>Disclosure 419-1</b>	Non-compliance with laws and regulations in the social and economic area		<b>Annual Report, Strategic Report, page 9 Annual Report, Board Audit Committee Chair's Report, page 69-71 Annual Report, Financial Statements, page 231, 237, 251</b>
<b>GRI 419: Socioeconomic compliance (Now titled Disclosure 2-27) continued</b>			
<b>Commercial Banks SASB</b>			
<b>Business Ethics</b>	Business Ethics		<b>Annual Report, Strategic Report, page 9 Annual Report, Board Audit Committee Chair's Report, page 69-71 Annual Report, Financial Statements, page 231, 237, 251</b>
<b>Sustainable Finance</b>			
<b>GRI 3 Material Topics 2021</b>			
<b>Disclosure 3-3</b>	Management of material topics		<b>Annual Report, Strategic Report, page 8, 28, 37 Annual Report, TCFD, page 41, 46-47, 50, 53 ESG Supplement, page 6, 17, 31</b>
<b>Commercial Banks SASB</b>			
<b>Commercial Banks SASB</b>	Incorporation of ESG Factors in Credit Analysis		<b>Annual Report, TCFD, page 48</b>
<b>Commercial Banks SASB</b>			
<b>Consumer Finance SASB</b>	Selling Practices		<b>Annual Report, TCFD, page 48</b>
<b>Mortgage Finance SASB</b>			
<b>Mortgage Finance SASB</b>	Selling Practices and Product Labelling		<b>Annual Report, TCFD, page 48</b>
<b>Innovation and Digitalisation &amp; Privacy, Data Protection and Cyber Security</b>			



# GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
<b>GRI 3 Material Topics 2021</b>			
<b>Disclosure 3-3</b>	Management of material topics		Annual Report, Strategic Report, page 4, 6, 17, 24-25 Annual Report, Governance, page 61, 66 Annual Report, Risk review, page 168
<b>GRI 418: Customer Privacy</b>			
<b>Disclosure 418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Annual Report, Strategic Report, page 17 Annual Report, Risk Review, page 169
<b>Commercial Banks SASB</b>			
<b>Data security</b>	Data security		Annual Report, Strategic Review, page 17 Annual Report, Risk Review, page 168 ESG Supplement, page 22-23
<b>GRI 418: Customer Privacy continued</b>			
<b>Consumer Finance SASB</b>			
<b>Data security</b>	Data security		Annual Report, Strategic Review, page 17 Annual Report, Risk Review, page 168 ESG Supplement, page 22-23
<b>Customer Privacy</b>	Customer Privacy		Annual Report, Strategic Review, page 17 Annual Report, Risk Review, page 168 ESG Supplement, page 22-23
<b>Organisational culture and governance</b>			
<b>GRI 3 Material Topics 2021</b>			
<b>Disclosure 3-3</b>	Management of material topics		Annual Report, Strategic Review, page 12, 26, 30 Annual Report, Sustainability and Responsible Banking, page 33, 36 Annual Report, Governance, page 59, 61-63, 73-75

# GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
<b>GRI 205: Anti-Corruption</b>			
<b>Disclosure 205-1</b>	Operations assessed for risks related to corruption	Total number and percentage of operations assessed for risks related to corruption currently not disclosed	<b>Annual Report, Governance, page 88, 91 Annual Report, Risk Review, page 172-173</b>
<b>Disclosure 205-2</b>	Communication and training about anti-corruption policies and procedures		<b>Annual Report, Strategic Review, page 28, 30 ESG Supplement, page 22, 29, 33</b>
<b>Disclosure 205-3</b>	Confirmed incidents of corruption and steps taken		<b>Annual Report, Risk Review, page 172-173</b>
<b>GRI 412: Human Rights (Now incorporated into universal standards)</b>			
<b>Disclosure 412-2</b>	Employee training on human rights policies or procedures		<b>Not reported</b>
<b>Commercial Banks SASB</b>			
<b>Systemic Risk Management</b>	Systemic Risk Management		<b>Annual Report, Governance, page 58-59 Annual Report, Risk review, page 76, 91-175</b>
<b>Reputation as a responsible bank</b>			
<b>GRI 3 Material Topics 2021</b>			
<b>Disclosure 3-3</b>	Management of material topics		<b>Annual Report, Sustainability and Responsible Banking, page 38-39 ESG Supplement, page 2-6</b>

# Directors' Statement

Directors' Statement on Santander UK Group Holdings plc's selected information within the Sustainability & Responsible Banking Section of the Annual Report and Accounts ("ARA") and the Environment, Social and Governance ("ESG") Supplement for the year ended 31 December 2022

As the directors' of Santander UK Group Holdings plc ("Santander") we confirm that we are solely responsible for the preparation of selected information within the Sustainability & Responsible Banking Section of the ARA and the ESG Supplement for the year ended 31 December 2022 including this Directors' Statement and for reporting the selected information in accordance with the reporting criteria set out on pages 24 to 33.

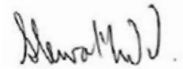
We confirm, to the best of our knowledge and belief, that we have:

- designed, implemented and maintained internal controls and processes over information relevant to the measurement, evaluation and preparation of the Subject Matter Information that is free from material misstatement, whether due to fraud or error;

- established objective reporting criteria for preparing and presenting the Subject Matter Information, including clear definition of the entity's organisational boundaries, and applied them consistently;
- presented information, including the reporting criteria, in a manner that provides relevant, complete, reliable, unbiased/neutral, comparable and understandable information;
- reported the Subject Matter Information in accordance with the reporting criteria.

Interim Director of Corporate Communications & Responsible Banking

Stewart Todd



For and on behalf of the Board of Directors of Santander UK Group Holdings plc

1 March 2023

# Assurance opinion

Independent Limited Assurance Report to the Directors of Santander UK Group Holdings plc on selected information within the Sustainability & Responsible Banking Section of the Annual Report and Accounts ("ARA") and the Environment, Social and Governance ("ESG") Supplement for the year ended 31 December 2022.

The Board of Directors of Santander UK Group Holdings plc ("Santander") engaged us to obtain limited assurance on the selected information within the Sustainability & Responsible Banking Section of the Annual Report and Accounts ("ARA") and the Environment, Social and Governance ("ESG") Supplement (together the "Subject Matter Information") as defined below and marked with the symbol 'AS' in Santander's ESG Supplement for the year ended 31 December 2022 (together the "Reports").

Our assurance conclusion does not extend to information in respect of earlier periods or to any other information included in, or linked from, the Reports.

## Our limited assurance conclusion

Based on the procedures we have performed, as described under the 'Summary of work performed as the basis for our limited assurance conclusion' and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information marked with the symbol 'AS' in Santander's ESG Supplement for the year ended 31 December 2022, has not been prepared, in all material respects, in accordance with the Reporting Criteria set out on pages 24 to 33 of the ESG Supplement and referenced in the 'Subject Matter Information and Reporting Criteria' section below.

## Subject Matter Information and Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Santander is solely responsible for selecting and applying. The Subject Matter Information and the Reporting Criteria are as set out in the next column:

The Reporting Criteria: 2022 basis for reporting: principles and methodologies on pages 24 to 33 of Santander's ESG Supplement for the year ended 31 December 2022<sup>1</sup>.

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 Subject Matter Information or Reporting Criteria when presented on Santander's website.

Subject Matter	Unit/ Measure	Performance in 2022
Asian, Black and Minority Ethnic employees	FTE	3,359
Female employees	FTE	10,187
Male employees	FTE	8,562
Employee turnover	%	11.4
Training days	Days	100,411
Number of branches	#	449
Green finance raised and facilitated according to the SFCS (total)	£m	6,523
Scope 1 CO <sub>2</sub> e emissions	tCO <sub>2</sub> e	4,512
Scope 2 CO <sub>2</sub> e emissions (market based)	tCO <sub>2</sub> e	53
Scope 3 CO <sub>2</sub> e emissions (business travel only)	tCO <sub>2</sub> e	1,196
Total CO <sub>2</sub> e emissions	tCO <sub>2</sub> e	5,761
CO <sub>2</sub> e emissions per employee	tCO <sub>2</sub> e/FTE	0.31
Support for communities	£m	10.1

## Inherent limitations

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, evaluation and measurement techniques that can affect comparability between entities and over time.

Non-financial performance information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for determining such information. The precision of different measurement techniques may also vary.

## Responsibilities of Santander's directors

As explained in the Directors' Statement on page 42 of the ESG Supplement 2022, the Directors of Santander are responsible for:

- determining appropriate reporting topics and selecting or establishing suitable criteria for measuring or evaluating the underlying subject matter;
- ensuring that those criteria are relevant and appropriate to Santander and the intended users of the Reports;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over information relevant to the evaluation or measurement of the Subject Matter Information, which is free from material misstatement, whether due to fraud or error, against the Reporting Criteria; and
- producing the Reports, including underlying information and a statement of Directors' responsibility, which provides accurate, balanced reflection of Santander's performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the Reports.

# Assurance opinion continued

## Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter 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.

## Professional standards applied

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.

## Our independence and quality control

We have complied with the Institute of Chartered Accountants in England and Wales 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 International Ethics Standards Board for Accountants International Code of Ethics for Professional Accountants (including International Independence Standards).

We 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.

## Summary of work performed as the basis for our assurance conclusion

In carrying out our limited assurance engagement we:

- considered the suitability in the circumstances of Santander's use of the Reporting Criteria, as the basis for preparing the Subject Matter Information;
- through inquiries with Santander's management, obtained an understanding of Santander's control environment, processes and systems relevant to the preparation of the Subject Matter Information;
- evaluated whether Santander's methods for developing estimates are appropriate and had been consistently applied;
- performed limited substantive testing on a selective basis of the Subject Matter Information at corporate head office to check that underlying information had been appropriately evaluated or measured, recorded, collated and reported;
- performed analytical procedures by comparing related performance for the Subject Matter Information to the prior period reported performance and made inquiries of management to obtain explanations for significant differences we identified; and
- considered the disclosure and presentation of the Subject Matter Information.

Our procedures did not include evaluating the suitability of design or operating effectiveness of control activities, testing the data on which the estimates are based or separately developing our own estimates against which to evaluate Santander's estimates.

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.

## Other information

The other information comprises all of the information in the Reports other than the Subject Matter Information and our limited assurance report. The directors are responsible for the other information and the Subject Matter Information. As explained above, our assurance conclusion does not extend to the other information and, accordingly, we do not express any form of assurance thereon. In connection with our assurance of the Subject Matter Information, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Subject Matter Information or our knowledge obtained during the assurance engagement, or otherwise appears to contain a material misstatement of fact. If we identify an apparent material inconsistency or material misstatement of fact, we are required to perform procedures to conclude whether there is a material misstatement of the Subject Matter

Information or a material misstatement of the other information, and to take appropriate actions in the circumstances.

## Use and distribution of our report

This report, including our conclusion, has been prepared solely for the Board of Directors of Santander in accordance with the agreement between us dated 28 November 2022 (the "agreement"). Our report must not be made available to any other party save as set out in the agreement. To the fullest extent permitted by law, we do not accept or assume responsibility or liability 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  
1 March 2023

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