

## **BOARD DIVERSITY & INCLUSION POLICY**

Santander UK Group Holdings plc's ("Santander UK") success is integrally linked to the diverse composition of our people and the promotion of an inclusive culture. The basis of this premise applies to our Board as much as it does to any other area of our business. The Board Diversity and Inclusion Policy applies to the Boards of Santander UK Group Holdings plc and Santander UK plc. The Santander Diversity & Inclusion Policy applies to diversity in respect of employees of Santander UK or its subsidiaries.

Board appointments will be made on merit by assessing candidates against measurable objective criteria. We recognise that a diverse and inclusive Board should result in a broad strategic perspective. Therefore, we strive to maintain a Board in which a diverse range of skills, knowledge and experiences are combined in an environment which values the input of every director and due regard will be given to this when identifying and selecting candidates for Board appointments. We want a Board that reflects diversity in the broadest sense to embrace different perspectives and dynamics such as gender, race, age, disability, sexual orientation and socio-economic background. We believe that such an environment is vital in ensuring we achieve our goals as a business.

Santander UK welcomed and supported the recommendations set out in Lord Davies' 2015 Women on Boards Review and has seen an increase in Board-level diversity. We also support the initiative of the European Parliament and Council, enshrined through the Capital Requirements Regulation and associated Directives, to encourage greater representation from the under-represented gender within the management bodies of Financial Services organisations. Our Board aims to have 33% female representation by 2020. We also signed up to the HM Treasury Women in Finance Charter and aim to create gender balance by setting a target of 50% (+/-10%) women in senior roles (excluding Board members) by 2021.

The Board is committed to zero tolerance of harassment and bullying, driving inclusion and increasing diversity overall. Santander UK is taking a progressive approach to promoting diversity throughout its organisation and is actively considering diversity when attracting and securing talented individuals to help us deliver our objectives, particularly at the most senior management and leadership levels. It is vital for us to nurture high-potential and high-performing candidates in less senior management roles, to ensure progression occurs. In this regard, the Board is committed to increasing the pipeline of diverse talent within the organisation.

The Board Nomination Committee ('the Committee') regularly reviews and assesses Board composition on behalf of the Board and recommends appointments of new Directors. The Committee also oversees the evaluation of the performance and effectiveness of the Board. As part of this evaluation, the Committee will consider the balance of skills, experience, independence and knowledge of the Board and its diverse composition. The Committee will report annually, in the corporate governance section of Santander UK's and Santander UK plc's Annual Report, on the progress made in meeting our diversity targets.

**February 2019**