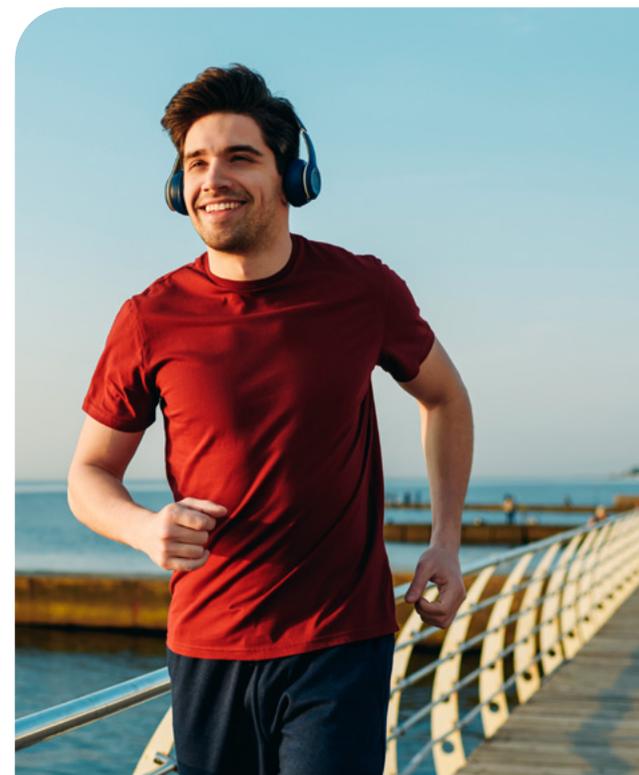




Helping people and businesses prosper responsibly

Environmental, Social and Governance (ESG) Supplement 2023
Santander UK Group Holdings plc



A word from our CEO

Mike Regnier

Businesses of all shapes and sizes will need to embrace a more sustainable future if we want to make a meaningful difference to some of the material challenges we face as a society. At Santander UK, we want to play our part, and our ambition is to become a sustainable and responsible bank in everything we do.

In 2022 and 2023 we have faced some of the toughest years in recent times. The rapid increase in inflation has hit household incomes hard and this continues to be felt to this day. Interest rates have risen around the world in the face of economic headwinds, and this has come against a backdrop of international unrest and newsfeeds filled with alarming stories on climate change and the deteriorating state of the planet. At Santander UK, our customers feel these challenges, so it's more important than ever that we continue to focus on ensuring our approach to ESG is transparent and centred on delivering real life results.

At several levels we have revised and refined our ESG strategies. This includes our overarching Sustainability and Responsible Banking strategy, which is now structured around three pillars – Environment, Social, and Governance. Within this, we've updated our Climate strategy and are developing a new Social strategy. These strategies are aligned with our parent Banco Santander S.A. and will continue to guide how all parts of Santander UK work together to tackle our ESG priorities. Strong governance is also a non-negotiable and drives action and accountability. In this area, we have reviewed and revised our ESG operating model to make it much simpler and with roles and responsibilities for every ESG focus area now allocated from the Executive team down to each individual business unit.

It's difficult in a short introduction to do justice to the progress we've made with ESG this year. I do, however, have a few personal highlights. Cost of living challenges remained central to our thinking throughout 2023 and we have continued to identify and engage with customers who may be facing financial difficulty. In 2023, we have identified and contacted 2.49 million customers who were showing some sign of financial pressure and pointed them towards the help we have available. The importance of financial wellbeing and resilience also become clear when times are tough which is why our approach to financial inclusion and education continue to be important areas of focus. A solid financial education, especially when young, is crucial to building money confidence and I'm pleased to report that since 2019, we've provided 3.1 million children and young people with a meaningful financial education, surpassing our target for 2025 and adding more than 1.4 million in 2023 alone.

Lastly, climate change is one of the biggest challenges we're facing and must remain a priority. Along with the Board, I am pleased to have signed-off the first iteration of our internal climate transition plan, which will provide a strong foundation for us to deliver our 2050 net zero ambition.

As we look back at 2023, I'd like to recognise and thank all of the dedicated people around Santander UK who work so hard to deliver good customer outcomes and move us further towards our ambition of being a sustainable and responsible bank in everything we do.

Mike Regnier,
Chief Executive Officer UK



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 2023 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 dedicated Sustainability and Responsible Banking section.

Our reporting suite	 Annual Report and Accounts	 Environmental, Social, and Governance Supplement	 Sustainability website	 UK Taxation strategy	 Modern Slavery Statement	 Everyday Inclusion and Pay Gap Report
Topics covered						
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	🔥	🔥	🔥		🔥	

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ACCESS BANCO SANTANDER'S FULL REPORTING SUITE AT [SANTANDER.COM/EN/OUR-APPROACH/REPORTS](https://santander.com/en/our-approach/reports) →

How we report continued

Our 2023 year end ESG reporting is split between our Annual Report and Accounts and ESG Supplement with a contents table for both below.

Annual Report and Accounts		ESG Supplement	
Strategic Report			
Sustainability review	25		
Environment			
Strategic environmental priorities	26		
Decarbonizing our portfolios	26		
Supporting our customers in the green transition	26		
Environment highlights	26		
Reducing our environmental impact	27		
Embedding climate in risk management	27		
Social			
Customers	28		
Communities	28		
Social highlights	28		
Our people	29		
Governance			
Governance of SRB strategy	30		
ESG framework in our SRB Strategy	30		
Re-mapping all ESG activities	30		
Update of SRB management forums	30		
Update of SMF accountability for ESG	30		
Being responsible in everything we do	30		
Governance highlights	30		
Sustainability and Responsible Banking			
Introduction	34		
Sustainability strategy, progress, and ambitions	35		
Medium-term scorecard and performance highlights	37		
Climate-related financial disclosures			
Introduction	38		
Governance			
Our climate change governance structure	39		
Climate change governance activities in 2023	39		
Approved governance structure for 2024	40		
Risk organisational structure	40		
SMF accountabilities	40		
Strategy			
Net zero by 2050	41		
Climate strategy	41		
Climate transition plan	41		
Progress within our climate strategy in 2023	41		
Climate-related risks and opportunities	42		
Climate-related risks	42		
Climate change impact on financial planning	42		
The resilience of our climate strategy	42		
Climate-related risks	43		
Climate-related opportunities	44		
Climate stress testing and scenario analysis	45		
Risk management			
Climate risk on our key risk types	46		
Climate change risk taxonomy	46		
Climate risk operating model	46		
Managing climate-related risks	46		
Risk management framework	46		
Developments in 2023	47		
– Climate-related risk appetite			
– Credit risk			
– Operational risk & resilience			
– Liquidity risk			
– Reputational risk			
– Pension risk			
– Third-party risk			
– Climate risks in our pension scheme			
Metrics and targets			
Climate change targets and 2023 performance	48		
Aligning our portfolios to meet the Paris Agreement goals	48		
Supporting our customers in the green transition	49		
Embedding climate in risk management	49		
Reducing our own environmental impact	51		
Introduction			
A word from our CEO	1		
How we report	2		
Materiality	4		
Strategy, progress, and ambitions	5		
Medium-term scorecard	7		
UN Sustainable Development Goals	8		
Environment			
Climate strategy	9		
Decarbonizing portfolios	9		
Supporting our customers in the green transition	10		
Reducing our environmental impact	12		
Climate in risk management	12		
Strategy enablers	13		
Environment metrics	15		
Social			
Customers	18		
Communities	19		
Our people	20		
Social metrics	21		
Governance			
Governance of SRB Strategy	25		
Responsible supply chain and procurement	26		
Ethics & compliance	27		
Privacy and data	27		
Data protection & cyber security	27		
Metric methodologies and data criteria	28		
GRI index & SASB	51		
Directors' statement	58		
Assurance opinion	59		
Read more	63		

Our Sustainability and Responsible Banking strategy

Materiality

Identifying our most material issues

Our Sustainability and Responsible Banking (SRB) strategy focuses on our material issues. These are the most relevant ESG issues for Santander UK. We conducted a detailed materiality assessment in 2020. It identified the sustainability topics, or material issues, that are most important to our business and our stakeholders. In 2023, we refreshed our materiality matrix in line with technical guidance issued by Banco Santander. This defines a coordinated global approach, methodology and timelines for future materiality assessments and updates. Given this is a refresh to our 2020 assessment our material topics remain broadly the same this year. They continue to form the basis of our SRB strategy and our reporting. Our next full materiality assessment is planned for 2024 and will update the current approach significantly to reflect upcoming regulatory requirements including the EU's Corporate Sustainability Reporting Directive (CSRD) and associated European Sustainability Reporting Standards (ESRS).

Process

Our materiality process uses an evidence-based analysis. In our last full assessment, we used a big data approach, powered by Datamaran. This analysed millions of data points covering regulatory frameworks, social media, news, and financial and sustainability reports of industry peers. The findings were overlaid with consumer insights and inputs from colleague surveys including our Executive Committee. Our assessment also included a review of sustainability megatrends to identify emerging issues. We considered the principle of double materiality by analysing both sustainability and financial reports of peers. In total 100 peers were benchmarked, including non-traditional financial services companies and financial sector disruptors. For the 2023 refresh, we considered many different inputs including:

- Banco Santander material issues
- Our business strategy and SRB strategy documentation
- Key external documents including ratings, standards, regulations, and megatrends relevant to our business and financial services
- Reviewing key competitors' material issues.

We used the results of the materiality assessment to help refine our strategy.

Evolving our strategy further

In a fast changing world, we review our SRB Strategy regularly to make sure it is fit for purpose. In 2023, to further align with Banco Santander priorities we have restructured our SRB Strategy to focus on an ESG framework. Within our new framework, we have also revised the focus areas of our environmental and social strategies to concentrate on the areas where we can have the most impact. We have assigned ExCo accountability for each focus area. In the case of environment we are focused on:

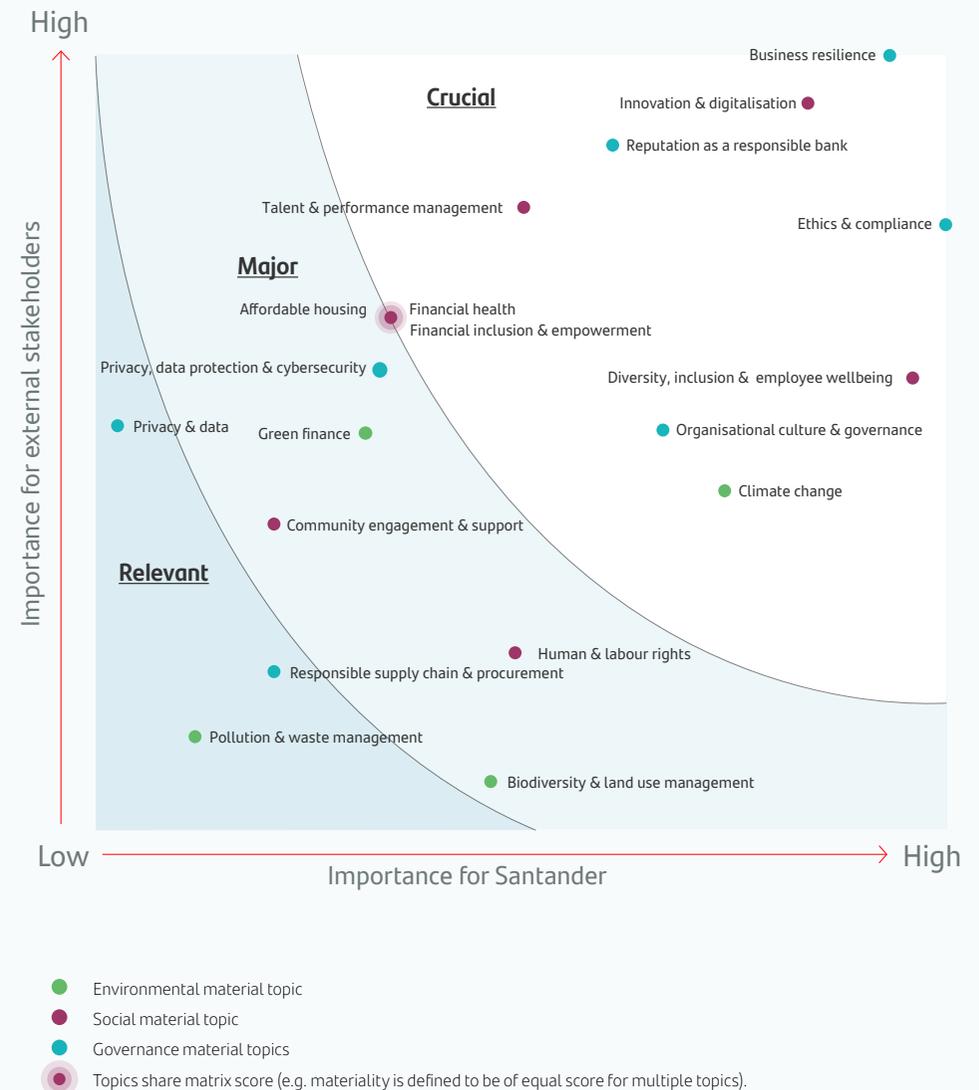
- Decarbonizing our lending portfolios to contribute to limiting global temperature increase to 1.5°C
- Helping our customers make the transition to a low carbon economy
- Becoming net zero in our own operations by 2030
- Integrating climate-related risks and adhering to regulatory and supervisory expectations.

The social element focuses on:

- Customers: Our passion is to be the easiest way to make our customers' better happen
- Communities: Deliver long-lasting, sustainable growth and positive socio-economic impact
- Our People: Create a thriving workplace that develops a culture of inclusivity and belonging.

In 2024, we will take a similar approach to updating our approach to governance as we fully transition to an ESG Framework for our Sustainability and Responsible Banking Strategy.

Santander UK Materiality Matrix 2023



Our Sustainability and Responsible Banking strategy continued

Being a **responsible business** is a key business priority and part of our **core strategy**. Our Sustainability and Responsible Banking 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: **Environment**, **Social**, and **Governance**.

Environment



Aim:

Contribute towards Group ambitions to be net zero carbon by 2050 and meet regulatory requirements.

Strategic pillars:

1. Aligning our portfolios to meet the Paris Agreement goals
2. Supporting our customers in the green transition
3. Reducing our environmental impact
4. Embedding climate in risk management

Material topics:

- Climate change
- Green finance
- Biodiversity and land use management
- Pollution and waste management

UN SDGs:



READ MORE ON ENVIRONMENT ON PAGES 9-17



Social



Aim:

Support productive inclusive growth across our key stakeholder groups: Customers, Communities and Our People.

Strategic pillars:

1. Customers: Making their better happen
2. Communities: Better Communities
3. Our People: Thriving Workplace

Material topics:

- Diversity, inclusion and employee wellbeing
- Talent and performance management
- Affordable housing
- Financial health
- Financial inclusion and empowerment
- Community engagement and support
- Human and labour rights

UN SDGs:



READ MORE ON SOCIAL ON PAGES 18-24



Governance



Aim:

We will aim to be responsible in everything we do with ethics and integrity being a solid foundation of our SRB strategy.

Material topics:

- Innovation and digitalisation
- Reputation as a responsible bank
- Ethics and compliance
- Organisational culture and governance
- Privacy, data protection and cybersecurity
- Responsible supply chain and procurement

UN SDGs



READ MORE ON GOVERNANCE ON PAGES 25-27



Our progress and ambitions

Environment



Aim

Contribute towards Group ambitions to be net zero carbon by 2050 and meet regulatory requirements.

2023 Progress

In 2023, we updated our climate strategy to align with the four pillars of the Banco Santander approach. To support the implementation of this strategy we also developed the first iteration of our internal climate transition plan.

- 1. Portfolio alignment** – We have undertaken assessment of the emissions arising from our mortgage, autofinance and commercial lending are disclosing baselines for mortgage and autofinance.
- 2. Supporting customers** – We've spent much of 2023 on the groundwork for developing new customer propositions which will come online in early 2024.
- 3. Our own emissions** – We have a property strategy in place which runs until 2025 and we are currently on track to deliver emissions reductions of 45% from our 2019 baseline.
- 4. Climate risk** – Our Line 2 risk function continues to develop Santander UK's internal climate risk modelling capabilities.

2024 Ambitions

In 2024, continue to enhance our internal climate transition plan:

- 1. Portfolio alignment** – We intend to further integrate our internal Climate Transition Plan with our green finance and financial planning processes.
- 2. Supporting our customers** – We intend to launch a number of test and learn propositions to gain greater insight into how we can best support our retail customers in the transition to a net zero economy.
- 3. Our own emissions** – We will undertake work to extend our strategy to 2030. We also intend to expand our internal climate transition plan to include supply chain emissions.
- 4. Climate risk** – We will undertake an internal Climate Stress Test using the capability we have been developing in 2023. The results of this will be used to inform future targets, risk appetite and enhance our assessments of how the impact of climate change can affect our customers businesses and resilience.

READ MORE ON ENVIRONMENT ON PAGES 9-17 →

Social



Aim

Support productive inclusive growth across our key stakeholders: Customers, Communities and Our People.

2023 Progress

We started to update our Social Strategy and have agreed the following pillars of our approach for which the key results were:

- 1. Customers** – We focused on supporting our customers resources to gain financial education. We contacted over 2.49m of our customers experiencing financial difficulty and helped them put plans in place to get back to financial fitness or signpost them to help.
- 2. Communities** – Santander Universities have awarded 100 students from underrepresented groups £30,000 of funding each over three years. We also continued to provide financial education to young people through The Numbers Game and My Money Week.
- 3. Our People** – We have executed the last phase of our three-year strategy "Everyday Inclusion" and focused on being a leader in Social Mobility. We have achieved multiple awards and positive benchmarks to our DEI work.

2024 Ambitions

Into 2024 we will look to finalise our Social Strategy focusing on our three key pillars and aim to develop key targets and associated delivery plans for each.

- 1. Customers** – We will continue to help our customers improve their financial resilience by ensuring everyone has access to the financial tools and resources they need.
- 2. Communities** – We will work to improve education, employability and entrepreneurship throughout the UK. We'll continue to work to evolve our volunteering programme, community investment and the Santander UK Foundation.
- 3. Our People** – We will continue to put Social Mobility at the centre of our DEI work, using our skills and resources to enable people to make the most of their potential.

READ MORE ON SOCIAL ON PAGES 18-24 →

Governance



Aim

We will aim to be responsible in everything we do; with ethics and integrity being a solid foundation of our strategy.

2023 Progress

We completed a full review and update to our ESG operating model. Key outputs include:

- 1. Adoption of an ESG Framework in our SRB Strategy** – To align with Banco Santander priorities, we have restructured our SRB strategy around an ESG framework.
- 2. Re-mapping all ESG activities across the business** – Re-mapping all ESG activities across the business with clear ownership: With all divisions across the bank expected to deliver against our SRB strategy, we also defined clear involvement, roles, and responsibilities.
- 3. Updating SRB governance and management structures** – Reviewed our governance and management forums to ensure they have clear authority and accountability to deliver our SRB strategy.
- 4. Update of Senior Management Function accountability for ESG** – Considers the importance of senior management responsibilities and reviewed overall SMF accountability for ESG..

2024 Ambitions

We will look to continue our work to finalise a specific governance strategy for the organisation to ensure this aligns with Banco Santander, upcoming regulatory requirements, and fits within the wider context of our Environmental and Social pillars.

Work will continue into 2024 to further embed ESG within a range of areas of the business including but not limited to processes, policies, risk appetite, roles, responsibilities, and remuneration to create an ESG culture within the business.

READ MORE ON GOVERNANCE ON PAGES 25-27 →

Medium-term scorecard

Strengthening public commitments and prioritising sustainability for 2022-2025

Strategic pillar	Medium-term target	Cumulative 2021-2023	Performance 2023	Performance 2022	Performance 2021	Notes
 Environment	£20bn of green finance raised and facilitated by 2025	£13.3bn	£2.8bn	£6.5bn	£3.97bn	
	180,000 customers supported to become greener with products and services by 2025	105,403	32,061	49,572	23,770	
 Social	50% (+/-10%) senior female employees by 2025	33.9%	33.9%	33.2%	31.9%	
	14% (+/-2%) senior Asian, Black, and other Minority Ethnic employees by 2025	12.8%	12.8%	11.1%	9.8%	
	35% of senior employees from a lower socio-economic background by 2030	29%	29%	29%	29%	
	3 million people financially empowered by 2025	3,701,467	1,484,360	1,389,814	827,293 – cumulative since 2019	
	2.2 million children and young people given a meaningful financial education by 2025 (cumulative since 2019)	3,107,607	1,391,532	1,293,105	422,970 – cumulative since 2019	
 Governance	40% of women on the Board by 2030	38%	38%	33%	33%	



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

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

UN Sustainable Development Goals

Quality education



Key SDG targets

By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including persons with disabilities, indigenous peoples and children in vulnerable situations.

By 2030, ensure that all youth and a substantial proportion of adults, both men and women, achieve literacy and numeracy skills.

Our commitment and contribution

In partnership with Twinkl, our flagship 'The Numbers Game' initiative has thrived again this year having been used by over 1.2 million children and young people. In June 2023, we launched the new Financial Education Recognition Scheme for schools in the UK that commit to teaching financial education each year – over 180 educators have signed up so far. Over two-thirds of parents believe that teaching children about money should start young and be on the primary school curriculum. Three in four adults in the UK state that they received either inadequate or non-existent financial education at school. Our aim is that we can help develop better awareness of money and money management skills earlier in life.

[READ MORE ON PAGE 19](#) →

Reduced inequalities



Key SDG targets

Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality.

Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations.

Our commitment and contribution

Santander UK is proud to be recognised as a Top Employer and be accredited by Great Place To Work as one of the UK's Best Workplaces, Best Workplaces for Women, and Best Workplaces for Wellbeing. We're proud to be leading the way for Social Mobility as a Founding Member of Progress Together, the first independent membership body for advancing socio-economic diversity within financial services. Our Black Talent Programme showcases and develops Santander's existing Black Talent by providing three modules: sponsorship circles, keynotes and LEAD mindset masterclasses. It also allows people to network, share experiences with senior sponsors, and build a community.

[READ MORE ON PAGE 20](#) →

There are many SDGs relevant to Santander UK but we have chosen to do a deep dive into the following four as they are the most material to the organisation.

Decent work and economic growth



Key SDG targets

Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including

recruitment and use of child soldiers, and by 2025 end child labour in all its forms.

Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all.

Our commitment and contribution

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 newly refreshed Supplier Code of Conduct, which is complemented by our recently published Responsible Procurement Policy standard and Diversity and Inclusion standard. We updated our supplier control questionnaire again in 2023 to maintain alignment to best practices, including reviewing suppliers' Modern Slavery Statements and labour standards policies.

[READ MORE ON PAGE 26](#) →

Climate action



Key SDG targets

Integrate climate change measures into national policies, strategies and planning.

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

Our commitment and contribution

In 2023 we updated our climate change strategy and created an internal climate transition plan to deliver this. A key focus has been on understanding the baseline emissions of our mortgages and auto finance businesses and the levers behind their decarbonization. We also continue to focus on our customers net zero transition and we spent much of 2023 on the groundwork for developing new partnership propositions which will come online in early 2024. We also intend to be net zero in our own operations by 2030. In September we made steps towards a more sustainable property portfolio by consolidating our office spaces in Milton Keynes into Unity Place.

[READ MORE ON PAGE 9](#) →

Environment

Fighting **climate change** and supporting the **green economy**

Tackling Climate change

Our ambition

Banco Santander is a founding member of the Net Zero Banking Alliance (NZBA) and the Glasgow Financial Alliance for Net Zero (GFANZ). Through these alliances, Banco Santander has stated its ambition to become net zero by 2050. At Santander UK, we are playing our part in achieving this ambition. Our new climate strategy (see graphic opposite) states the four areas we will focus on to help fight climate change. Supporting our strategy are five enablers.

For more on our climate strategy, see the Climate-related Financial Disclosures section of our Annual Report.

Santander UK's climate strategy

Meet regulatory requirements and contribute towards Banco Santander's ambition to be net zero by 2050

Aligning portfolios to meet Paris Agreement goals	Supporting our customers in the green transition	Reducing our environmental impact	Embedding climate in risk management	
				
Decarbonize portfolios to contribute to limiting global temperature increase to 1.5°C	Help our customers transition to a low-carbon economy	Become net zero in our own operational footprint	Integrate climate-related risks and adhere to regulatory and supervisory expectations	
Interim targets but calling out our dependencies	Green finance targets with focus on building decarbonization	Net zero in our own operations by 2030	Climate as a principal risk and meet all regulatory requirements	
Data and systems	Communication and disclosures	Partnerships	Policy engagement	People and skills

Aligning our portfolios to meet the Paris Agreement goals

In 2023 we created a transition plan aligned to the Transition Plan Taskforce (TPT) and GFANZ recommendations. It has enabled us to disclose our baseline emissions intensity for residential mortgages and autofinance this year.

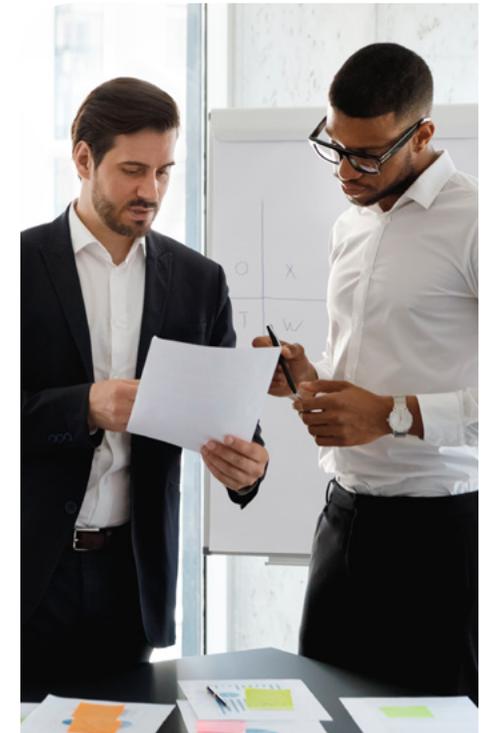
Baseline financed emissions

In our internal climate transition plan we have considered portfolios that together make up the majority of Santander UK's total assets with existing methodologies for calculating financed emissions. Our efforts will mostly focus on helping customers in our mortgages, autofinance and commercial real estate (social housing and care homes, and hotels segments of Corporate and Commercial Banking) portfolios to decarbonize.

For each portfolio we have: (i) baselined our financed emissions; (ii) chosen relevant pathway(s) against which to set reduction targets and assessed reduction targets; (iii) defined the scenarios that inform the impact of levers that will deliver change; and (iv) assessed the levers for change and their likely impact, whether they be internal (e.g. product related) or external (e.g. public policy).

Investment in ESG assets

Investing in ESG-labelled liquid assets has been part of our approach to liquidity management since 2014. We aim to align our investment in liquid assets with Santander UK and Banco Santander sustainability targets and guidelines. Climate risk is integrated into our risk framework, driving ESG considerations in liquidity investment decisions.



We hold around £0.5bn of ESG bonds. These are issued by supranational and financial institution entities that use the proceeds to fund green, social, and sustainable projects globally. The bonds are labelled ESG in line with the ICMA principles for Sustainability, Social, and Green Bonds. Our goal is to maintain ongoing support of this asset class.

Environment continued

Supporting our customers in the green transition

Our core purpose as a bank is to be the easiest way to make our customers' better happen. We support all our customers' transition to a low-carbon economy and drive inclusive and sustainable growth.

Homes

Our Greener Homes Hub helps Santander UK customers access resources to make their homes more energy efficient. From 2021 to 2023, the Hub provided customers with free EnergyFact Reports



containing information on the energy efficiency of their home and guidance on how to improve it. In 2023, we provided 3,086 EnergyFact reports to our mortgage holders. This takes the total number of reports we've provided to 14,640 since 2021. This first phase of engaging with customers on home energy efficiency has given some fantastic insight that is being used to design new customer propositions during 2024. Providing EnergyFact reports was an important first step in raising homeowner awareness and interest. This created a natural start point from which we are now evolving the customer journey. This has also enabled us to think smarter about how we use data, develop

new partnerships that link customers to verified installers and vendors, and build financial products and offerings that meet real consumer needs and address barriers. The project also assisted us in creating end-to-end customer journeys that measure the effectiveness of making home energy efficiency upgrades.

We also offer a discounted home improvement loan to customers who are borrowing to make energy efficient home improvements. The loan can be used to make green improvements such as upgrading heating systems, installing solar panels and batteries, and adding insulation to homes.

Autofinance

In 2023, our Consumer Finance division (SCUK) continued to support the transition to a low-carbon economy through its autofinance offering. SCUK has issued more than £1.3bn of green auto finance in the UK since 2021 – increasing our lending portfolio to more than 57,000 greener vehicles. These are defined as vehicles that emit less than 50 grams of CO₂ per km travelled.

Work on our internal climate transition plan informs SCF's Group-level 2030 target. To help us hit our target, we have identified commercial activities that will support decarbonization. In 2024, we will develop these activities further. This includes research to understand better the challenges electric vehicle dealers face in making sales and how we can support them.

To support our dealers and their customers, we have added significant new information on sustainability to the SCUK website. This includes a carbon footprint calculator and links to supporting information, developed in partnership with Net Zero Group.

SCUK has developed its own draft Sustainability and Responsible Banking strategy. This is aligned with Santander UK and Santander Group sustainability strategies and will be further developed in 2024.

The SCUK risk team is working to add climate change risk factors to existing consumer modelling. SCUK already has several metrics on climate change and green transition within its risk appetite statement. In addition, a climate risk paper is in production. This will provide detailed analysis of elements such as portfolio evolution, and transitional and physical risk.

In 2023, the Sustainability and Development Services teams jointly launched a pilot Carbon Literacy training using the Carbon Literacy Project automotive toolkit. The training will be rolled out further within SCUK during 2024. Internally, the Green Ambassadors have continued to deliver staff-focused initiatives including an extensive survey of staff commuting choices in Q4 2023.

Carbon footprint tracking for our retail customers

Research shows that an 'eco' class of consumers represents 35% of the UK population over 18. In 2023, we launched a Carbon Footprint tool through My Money Manager, the personal financial management tool on the Santander mobile app. The Carbon Footprint tool provides insight into customers' estimated carbon footprint. It also offers sustainable living tips and a quiz to test customers' knowledge of how spending habits can affect their carbon footprint.



Financing social housing

In the UK, social housing plays a fundamental role in helping those on low incomes and some of the more vulnerable people in society gain access to a home. Not having a warm and safe home can have a significant impact on physical and mental health. It can limit opportunities in life and can ultimately have a potential wider impact on the UK economy. Lending to the sector, therefore, has a significant social impact in the UK by funding affordable homes and upgrading existing social housing stock to improve energy efficiency and help reduce fuel poverty. In 2023, Santander UK provided an additional £0.8 billion of new lending taking the current total sector funding to c.£8 billion. Of this, £355 million is sustainability linked to ESG performance targets.

TO LEARN MORE,
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Environment continued

Supporting our customers in the green transition continued

Corporate and Commercial Banking

The Corporate and Commercial Bank (CCB) understands the importance of providing sustainable finance options to companies in all industries. We offer two types of sustainable loans for our clients: Green and Social loans and Sustainability Linked Lending (SLL) loans. Throughout 2023, CCB continued to support business customers' sustainability journeys with our sustainable finance proposition. We raised and facilitated over 659m in 2023, up from £590m of sustainability-linked finance in 2022.

Through our sustainable finance, CCB provided Chester Zoo – who have committed to improve sustainability across all their activities – with a green loan to support the construction of a new hotel. The hotel will be designed and built to achieve a BREEAM Very Good standard and will strive to achieve an EPC A rating.

CCB continues to provide funding to the expanding UK renewables sector. 2023 examples include funding for a new 49.9MW solar farm to help power the City of London Corporation and supporting the construction and operation of four new battery storage facilities. This aligns with Banco Santander's efforts to fund renewable energy projects globally.

Sustainability Linked Lending supports clients on their transition to net zero by linking their sustainability commitments to their finances. We provided Lancaster University with a £60m facility in 2023 linked to five sustainability performance targets measured over five years. Their performance targets are aligned to their net-zero ambition.



TO LEARN MORE,
VISIT [SANTANDER.CO.UK](https://www.santander.co.uk) →

Financing renewable energy

Santander UK's Specialised and Project Finance team continue to support existing client Gore Street Energy Storage Fund plc (GSF), the UK listed internationally diversified energy storage fund.

In H1 2023 Santander supported GSF with the issuance of US\$60.5m standby letter of credit to support GSF's ongoing expansion in the US with the purchase of its first asset in the CAISO market in California. We also increased funding to £50m* to fund the development of the company's broader energy storage portfolio.

GSF's approach to sustainability aligns with the UN Sustainable Development Goals, recommendations by the Task Force on Climate-Related Financial Disclosures (TCFD) and the UN's PRI principles of sustainable investment. It has been awarded the London Stock Exchange's Green Economy Mark and also qualifies as an Article 8 fund under the European Union's Sustainable Finance Disclosure Regulation (SFDR).

*£50m split 50:50 between Santander UK and Banco Santander London Branch.

Environment continued



Bringing sustainability into our new head office – Unity Place

In 2023, we moved to our new head office, Unity Place in Milton Keynes. The mixed-use building hosts between 4,500-5,000 Santander colleagues.

Designed by LOM architects, sustainability has been a key consideration throughout design and construction. This approach is on track to deliver a Building Research Establishment Environmental Assessment Method (BREEAM) certification of Excellent. A BREEAM rating of excellent demonstrates good practice in sustainable building design, construction and operation.

The workspaces have been designed to be open and collaborative to encourage casual employee meetings. Milton Keynes University is occupying part of the building, highlighting the close relationship our Santander Universities programme maintains with academic institutions. The ground floor provides retail space for local businesses supporting the mixing of Santander operations and colleagues with the local community.

Sustainability measures at the site include rainwater harvesting, onsite generation of around 120,000 kWh of solar electricity, and using air source heat pumps for heating, which avoids the use of natural gas. There is parking for 434 bicycles and 13 charging points for electric vehicles.

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Reducing our environmental impact

We intend to be net zero in our own operations by 2030. This includes our Scope 1, Scope 2, and Scope 3 business travel emissions.

We have calculated our baseline operational emissions and, through our internal climate transition plan, have created emission reduction targets aligned to our existing 2025 property strategy. We also mapped out the actions we need to take to meet them. During 2024, we will continue to enhance our approach, validate our assumptions, and will look to identify additional actions beyond our current strategy.

Approach to carbon credits

There will always be a need to use carbon removal credits to offset residual emissions, as we will not be able to achieve absolute zero emissions. We do aim, however, to minimise the use of carbon offsets over time as we reduce our emissions. Santander UK aligns to Banco Santander's approach for procuring high quality carbon credits are purchased.

In addition, as part of our climate strategy, we have a partnership with National Parks supporting their projects, such as restoring woodland in the Lake District and peatland in the Cairngorms. These projects generate UK-specific verified carbon credits.

Sustainable procurement

We continue to work with our suppliers to reduce the environmental impact of our operations. A key part of this is tracking and reducing our Scope 3 supply chain emissions. This is a priority in our new responsible procurement strategy and the Procurement team is working with suppliers and internal stakeholders to identify and reduce our indirect emissions.

We have started to use an industry-leading technology solution that identifies emissions hot spots in our supply chain. Once identified, we can work with our suppliers to help them to reduce their emissions. Our focus on reducing Scope 3 emissions from our supply chain has resulted in a World Green award for responsible procurement in 2023. We have also won a Chartered Institute of Procurement and Supply award for a Scope 3 community insight project in partnership with Deloitte and Pearson. 100% REGO-backed renewable electricity is powering our UK offices and we ensure we are buying from responsible sources.

Embedding climate risk management in strategy

Embedding climate risk involves assessing the risks that a changing climate has, and will have, on Santander's operations. It also involves assessing the risks that Santander's operations cause for the climate. For information on climate risk, please see our Climate-related Financial Disclosures report which can be found within our Annual Report and Accounts.

Environment continued

Enablers

Data and systems

Our climate transition will be an iterative process and we will build on our approach in 2024.

Partnership for Carbon Accounting Financials (PCAF) data scores provide a good indication of the reliability of data that has been used in Scope 3 financed emissions calculations. We currently use the PCAF methodology for Commercial Real Estate, Mortgages, and Motor Vehicle Loans. In 2022, our homes data had a PCAF score of 3.3 and our autofinance data had a PCAF score of 3.1 (where 1 is highest and 5 is lowest quality).

Improving access to, and quality of, data is key to being able to set and monitor meaningful transition targets. We are currently running a programme that aims to increase the quality and availability of our ESG data in 2024.

Partnerships

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. A table of industry initiatives that Santander UK participates in can be seen on the next page.

Communications and disclosures

In 2024, we intend to undertake a review of ESG communications and marketing. This will help us deliver a consistent and clear message with regards to our climate strategy and internal climate transition plan. We will also undertake a review of all of the environmental disclosure requirements we are currently subject to, or will become subject to in the coming years, including transition planning, to identify how we can continue to meet our external requirements in the most meaningful and efficient way.

Policy engagement

Engagement with the UK Government is a key part of our strategy to support the transition to net zero because we depend on timely and appropriate government policies to support our climate ambitions – and those of our customers. Throughout 2023, we have engaged with the UK government on net-zero policy through a range of Santander and externally-organised events. In October, we held a panel event at the Conservative Party Conference with Lord Callanan, Green Finance Minister, focusing on supporting homeowners to make energy efficiency improvements to their properties.

The key policies we have identified that support decarbonization of our portfolios are:

- Owner Occupier minimum EPC requirements
- Buy to let minimum EPC requirements
- The Future Homes Standard
- Internal combustion engine ban
- Commercial property minimum EPC requirements
- Social housing minimum EPC requirements.

Regulator engagement

The case for tackling climate change has become increasingly clear and at Santander we engage with regulators to help us reach our decarbonization goals. In 2023, we provided multiple updates to PRA. These updates cover Climate Scenario Analysis and Risk Management and the Homes Transition

Strategy. Additionally, we also contributed to PRA's thematic review which focused on Climate.

Investor engagement

Our Sustainability and Responsible Banking and Investor Relations teams held ESG-related meetings and roundtables with investors in 2023. We continue to provide a sustainability update to our credit rating agencies. These discussions focused on our overall ESG strategy and our net-zero ambition and methodology.

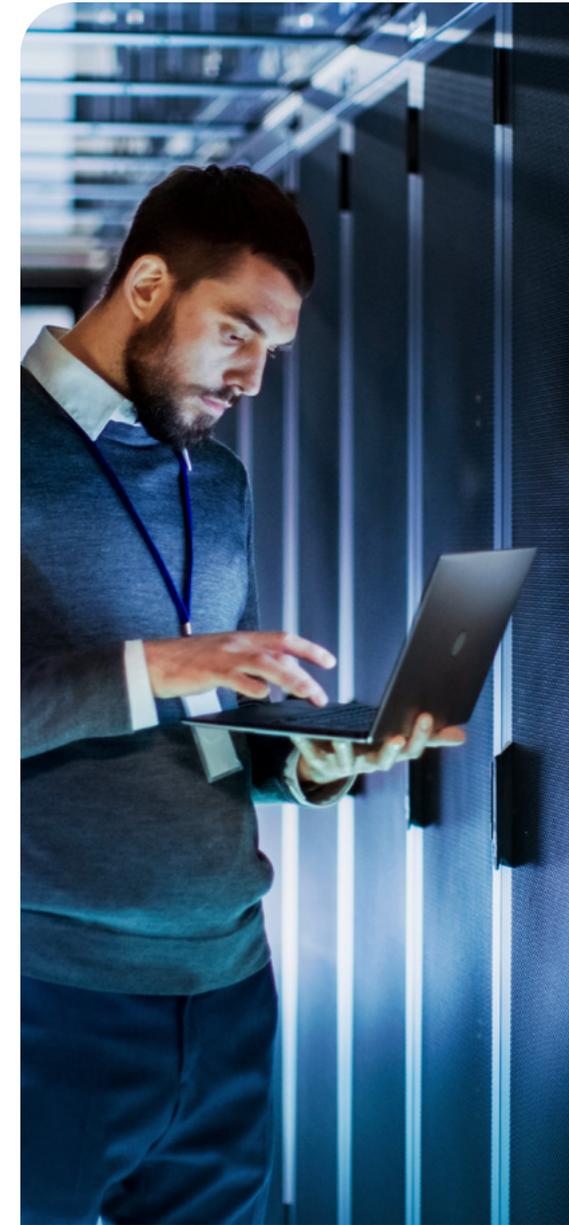
In 2023, we continued the ESG disclosures within our quarterly Investor Update presentation and Quarterly Management Statements.

People and skills

Moving forward, we will ensure that colleagues have the knowledge, skills, and capability to deliver our climate strategy. We maintained our focus on upskilling colleagues on sustainability during 2023. All new colleagues must complete our mandatory training module on responsible banking and all existing employees must retake the module once a year. The module is updated yearly to maintain relevance. In 2024, we intend to undertake a full review of the ESG training needs across the organisation.

More detailed ESG training is currently provided to 2,000 employees – mostly from our Corporate and Commercial Bank – through our partnership with Sustainability Unlocked. This platform provides educational videos featuring a variety of ESG experts from scientists to finance industry leaders.

In May, we hosted Chris Stark, then CEO of the Climate Change Committee, to present a webinar to key internal stakeholders. The webinar raised awareness of both climate change challenges and opportunities.

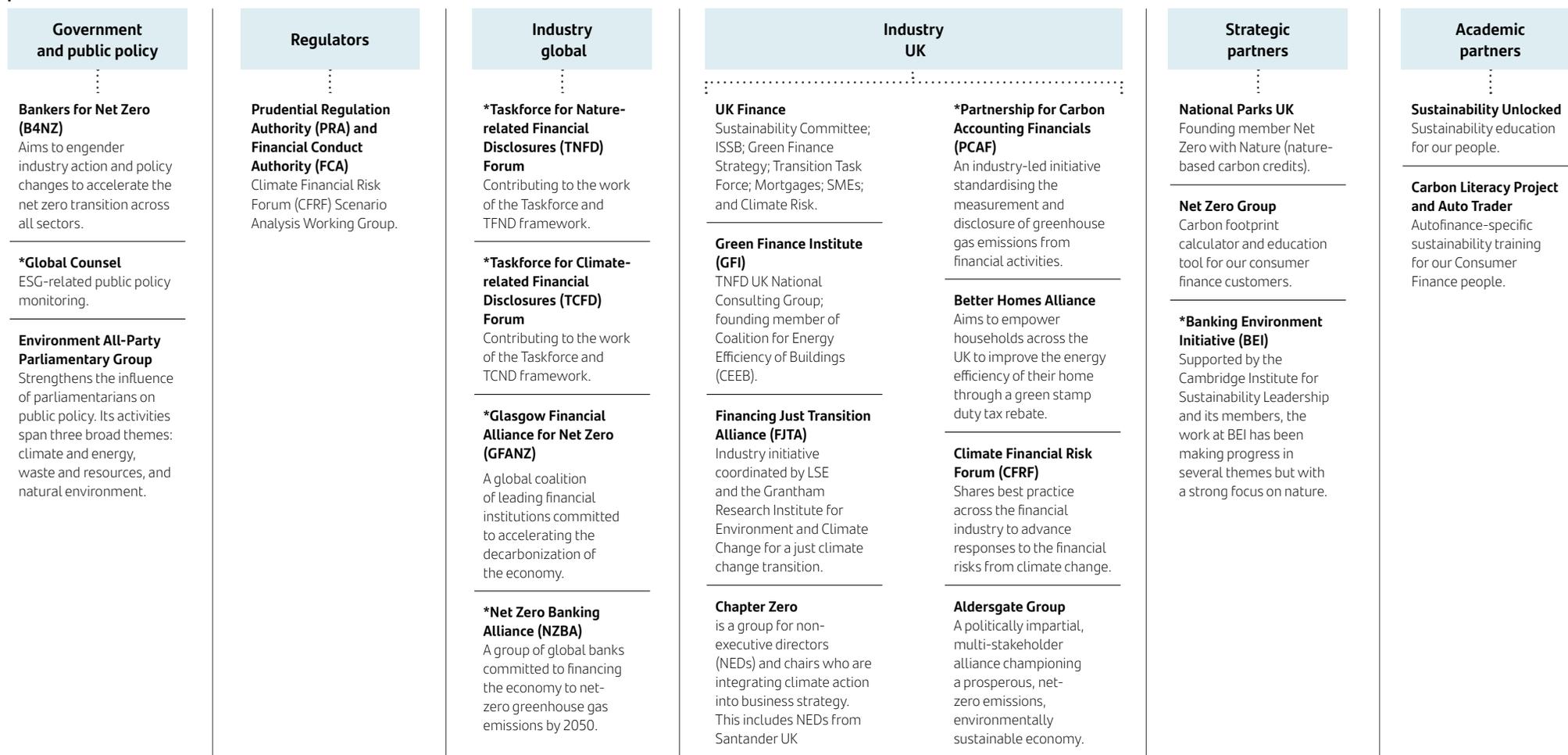


Environment continued

Overview of external partners and initiatives

To support the Santander UK Climate Change strategy we are engaged with external partners and initiatives

*Group-led



Environment continued

Environment



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Category	Unit	2023	2022	2021	Notes
Energy use					
Electricity	kWh	78,286,478	80,791,655	88,824,038	
Gas	kWh	14,188,603	19,180,382	29,349,057	
Oil	kWh	208,717	924,651	353,160	
Transport fuel used	kWh	703,594	374,105	1,036,158	
Total energy use	kWh	93,387,392	103,156,234	119,562,413	
Waste					
Waste collected	tonnes	1,699	1,910	2,315	
Waste diverted from landfill	tonnes	1,698	1,906	2,310	
Waste diverted from landfill	%	99.9	99.8	99.8	
Paper use					
Other consumables use	kg	1,040,937	599,848	3,480	
Paper use	kg	1,297,066	1,554,432 ¹	879,088	
Financing					
Green finance raised and facilitated according to the SFCS (total)*	£m	AS 2,782	6,523	3,967	
Sustainability Linked Loans according to the SFCS (total)*	£m	659	–	–	
Water use					
Water	m ³	123,355	107,719	133,663	

*Santander's Sustainable Finance Classification System (SFCS) lays down the methodology for categorizing sustainable financial products and services, and specifically how the group defines Green, Social, Sustainability and Sustainable Finance. It provides the scope, criteria, environmental and social due diligence requirements, and verification approach that serve as a reference for creating sustainable finance products and services for customers. The SFCS draws upon international industry and official guidelines and principles, such as ICMA's Social and Green Bond Principles, the Climate Bond Standards and the EU Taxonomy. The SFCS was developed by Santander with support from Sustainalytics, a Morningstar company and a leading global independent ESG and corporate governance research, ratings and analytics firm.

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¹ 2022 number restated to include data from missing supplier

Environment continued

Environment continued



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Category	Unit		2023	2022	2021	Notes
Travel						
Air travel – domestic	km		2,080,075	909,964	135,023	
Air travel – short haul (Europe)	km		2,697,570	1,667,309	300,396	
Air travel – long haul (international)	km		2,084,546	1,794,336	187,317	
Car	km		2,966,747	1,917,953	743,259	
Rail	km		5,315,005	399,499	66,354	
Total travel	km		15,143,943	6,689,061	1,432,349	
Emissions						
Scope 1 CO ₂ e emissions	tCO ₂ e	AS	2,827	4,512	6,074	
Scope 2 CO ₂ e emissions:			–	–	–	
location based	tCO ₂ e		16,211	15,624	18,860	
market based	tCO ₂ e	AS	84	53	0	
Scope 3 CO ₂ e emissions (business travel only)	tCO ₂ e	AS	2,527	1,398	289	
Total CO ₂ e emissions (excluding financed emissions)	tCO ₂ e	AS	5,438	5,963	6,363	
CO ₂ e emissions per employee (excluding financed emissions)	tCO ₂ e/FTE	AS	0.27	0.31	0.35	
Retired Verified Carbon Units	#		5,438	5,963	6,363	
Net emissions	tCO ₂ e		0	0	0	

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Environment continued

Environment continued



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Category	Unit		2023	2022	2021	Notes
Financed Emissions—residential mortgages						
Total exposure as per Annual Report & Accounts 2022	£bn		-	187.141	-	
Total exposure ¹	£bn	AS	-	187.452	-	
Total absolute emissions ²	tCO ₂ e	AS	-	2,632,263	-	
Exposure used for emissions intensity ³	£bn	AS	-	179.346	-	
Absolute emissions ⁴	tCO ₂ e	AS	-	2,561,459	-	
Baseline emissions intensity ⁵	kgCO ₂ e/m ²	AS	-	39.7	-	
PCAF data quality score ⁵	#	AS	-	3.3	-	
Financed Emissions – autofinance						
Total exposure as per Annual Report & Accounts	£bn		-	8.475	-	
Total exposure 'covered' ⁶	£bn	AS	-	8.252	-	
Total absolute emissions ⁷	tCO ₂ e	AS	-	1,366,311	-	
Baseline emissions intensity ⁸	gCO ₂ e/km	AS	-	142.5	-	
PCAF data quality score ⁸	#	AS	-	3.1	-	

Footnotes

- 1 Includes exposure disclosed within the Annual Report & Accounts for the year ended 31 December 2022 and accrued interest
- 2 Absolute emissions of all properties, including those with unknown floor area. Relates to total exposure of £187.452bn
- 3 Exposure calculated using outstanding loan value (including accrued interest) for properties with known floor area.
- 4 Relates to total exposure based on properties with known floor area
- 5 Intensity and PCAF data quality score calculated using properties with known floor area. The share excluded from the intensity calculation for not having floor area about 4% difference.
- 6 Total exposure covered excludes vehicles where the underlying data is unknown and cannot be estimated.
- 7 Relates to total exposure covered of £8.252. Excludes vehicles where engine and fuel type is unknown (less than 0.1% of the portfolio). Uses 100% attribution for lease contracts.
- 8 Intensity and PCAF quality score calculated using total exposure covered.

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Social

Our social ambition

Throughout 2023, we reviewed our social engagement initiatives, and we are developing a new social strategy centred around our customers, our communities, and our people. The implementation of consumer duty at Santander UK in 2023 has also provided additional focus on putting our customers at the heart of everything we do ensure good customer outcomes. Our goal is to address the pressing societal challenges and to help people, business and communities prosper. Our main areas of focus will be financial inclusion & financial health, education, entrepreneurship, employability, social mobility, and diversity & inclusion. We will leverage our resources, expertise, and influence to make a long-lasting positive impact, promote economic empowerment, and contribute to sustainable development.

Our Customers

As part of the evolution of our agenda, we have a commitment to financially include people through access and finance initiatives. We will continue to expand our efforts to offer products and services to ensure everyone has access to the financial tools and resources they need. In 2023, Santander was recognised as the first bank to receive the Inclusive Service Kitemark from the British Standards Institute (BSI). So, we'll continue to work collaboratively with our people and partners to help our customers' better happen.

Financial support through the cost of living crisis

We expanded our financial support team in 2023 and now have 600 trained staff who are ready to support customers directly to manage their money.

We continue to identify and contact customers who might be facing financial pressure. We have identified and contacted 2.49 million in 2023 who are showing some sign of financial pressure and pointed them towards the help we have available

including our support resources, encouraging greater financial inclusion. We also help them to put plans in place to get back to financial fitness or signpost them to external sources of help.

Our support resources include a bespoke hub on our website which is updated frequently and provides customers with tools and guidance on managing their money.

Our financial health check tool helps customers to understand their financial resilience. It gives tailored support and tips to improve financial education and health. 87,600 customers used the tool in 2023.

Mortgage customers are a particular focus because of increasing mortgage repayments resulting from recent interest rate rises. During 2023, we signed up to the Government's Mortgage Charter, which offers solutions to mortgage holders in the UK who are struggling with increasing mortgage costs. Budgetsmart is also being offered to our mortgage customers who may be at more risk of experiencing financial difficulty. It offers a bespoke budgeting service to help mortgage customers to optimise their income and expenditure.

Mobile app

Our mobile banking app also provides tools to help customers looking for support with financial pressures. In 2023, we opened an additional channel of engagement within our mobile app. Here customers in financial support arrangements can see detail of their arrangement and the support available. More than 300,000 customers have visited our financial support digital hub in 2023.

My Money Manager is our long-standing free money management tool within our mobile app. It empowers our customers to make better financial decisions by helping them better understand their financial outlook. My Money Manager gives customers regular Insights based on their account activity. This helps them make more informed decisions about ways to spend or save their money. Customers also have access to spend trackers

and in 2023 we launched a 'smart budgets' tool. Smart budgets allows customers to set budgets and track spending for different spending categories.

For our business customers we have our SME support toolkit providing a range of guidance and useful tools.

Our Financial Inclusion Strategy

Findings from the Financial Inclusion Commission show the importance of financial inclusion in the UK. The Commission states that 12.5 million UK adults have little or no confidence in their ability to manage money and 22% have less than £100 in savings.

Our financial inclusion strategy sets the ambition for Santander UK to be financially inclusive. Our goal is to help people improve their financial skills, gain access to financial services and develop financial resilience. This means care and support need to be at the heart of our products and services, and the guidance and education we provide to customers.

The strategy consists of three pillars: financial education and knowledge; an inclusive portfolio of products; and, services and customer care.

Vulnerable customers

In January, we were proud to be named the first bank to achieve certification to the Inclusive Service Kitemark™, demonstrating our commitment to financial inclusion and ensuring our products and services are simple, personal, and fair. This is an indication of the progress we have made in supporting our vulnerable customers, and our dedication to continually improve and develop accessibility to our products and services for all our customers.

Our work to support people who are financially harmed through gambling has continued and following publication of the Gambling White Paper in April, we launched an initiative to engage with those customers whose gambling activity suggested they were heading towards potential financial harm.

In October we rolled out Safe Spaces across our branch network, supporting this national scheme to offer a Safe Space to victims of domestic abuse. Safe Space provide a safe and discreet way to reach out to friends and family, and contact specialist support services. This initiative is part of our broader programme of work to help people who are victims of domestic, financial and economic abuse.

Our ATM network has also been improved by the introduction of personalised settings for people with visual impairments, to improve their experience and provide options to help navigate screens.

The capability of our customer facing colleagues continues to be a focus in delivering good outcomes and to provide information and guidance for colleagues we have introduced a new Vulnerability Hub.

We are now at a point where we are able to review our Vulnerable Customer Strategy, considering the delivery of initiatives and the maturity shown against our ambition to be better able to understand and support our vulnerable customers. Our revised Strategy has been developed with a bolder ambition, building upon our existing capability and aligning to our new Strategic Blueprint.



Social continued

Our Communities

Education, employability and entrepreneurship

Education, employability and entrepreneurship are key focus areas for our community engagement agenda. In May 2023, Ana Botin, Santander Global Executive Chair, announced an investment of an extra 400m euros between 2023 and 2026 in these priority areas because we believe education and lifelong learning are the best social investment. Over the last 27 years, we have supported higher education worldwide. As part of the evolution of our agenda in 2024, our ambition is to expand our reach and help a growing number of people build the skills they need to improve their career prospects. We believe that education and lifelong learning are today's solution to a prosperous future, and we will work to connect anyone, anywhere, with the learning, skills, and opportunities to build a brighter future. We will continue to work in collaboration with civil society to support our communities through our volunteering programme, community investment and the Santander UK Foundation.

The Numbers Game

The Numbers Game is our flagship financial education programme delivered in partnership with Twinkl. Twinkl supply over one million learning resources to schools globally. The Numbers Game is designed to build number and money confidence in five to 16 year olds.

We use our ambassadors, Ant and Dec, to make our digital learning packs fun and engaging, which helps remove barriers to learning about money. The packs can be used by teachers in school or parents/guardians at home. Since January 2022, The Numbers Game materials have been used by over 2.56 million children and young people, 100,000 educators and 8,300 schools. More than 1,000 teachers have given us extremely strong confidence impact scores.



Image: Santander UK's 2023 university scholars.

This year we launched a first-of-its-kind Financial Education Recognition Scheme for schools. To achieve financial education recognition, the free scheme asks schools to teach at least six hours of The Numbers Game resources per pupil per year. Over 180 schools have signed up since we launched in the summer.

Finally, as part of our Group partnership with Ferrari, we continued to deliver learning packs on STEM subjects (science, technology, engineering and maths). The packs are available globally in multiple languages and since July 2022, over 800,000 5 to 16 year olds globally have used our 650+ resources, in 22 different countries and in 9 different languages.

Wise Sessions

Wise Sessions is a volunteering initiative for our people to help students improve their money skills. MoneyWise sessions provide financial information and support, which isn't always on primary and secondary school curriculums. In 2023, our MoneyWise Sessions reached more than 2,000 students across the UK.

Like our secondary school resources were in 2022, our primary school resources for MoneyWise sessions also received a Quality Mark from Young Money in 2023. This means both our primary and secondary resources have been assessed and recommended by independent financial education experts.

This year, we also encouraged our people to deliver sessions in 'cold spot' areas, aligning with our social mobility work.

My Money Week

In 2023 Santander sponsored 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 112,822 students with financial education.

Universities Scholars: Case Study

The Santander Universities scholars programme is our flagship initiative to support higher-education students from underrepresented groups. From 2023, 100 students attending 72 universities across the UK, are receiving £30,000 of funding over three years. They also have access to a dedicated mentor and training and development opportunities.

The scholars programme is a central part of Santander's education and skills programme launched in November 2022. The programme is directed at students who are most likely to face challenges in higher education. It aims to break down barriers and help them to access the educational opportunities and skills development they need to fulfil their true potential.

"The Santander Universities scholars programme helped me at a time when I've faced health and financial challenges due to recent surgery. It has not only allowed me to continue my studies but has also eased the financial stress. It's more than just a scholarship – it's a lifeline that's helped me navigate this challenging period." Peter Dewey.

"In terms of networking, the opportunities that I have, the opportunities that Santander can provide is something that I've never had before. The scholarship has given me the opportunity to succeed." Tom Delaney.

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Social continued

Our People

Recognition for our approach to inclusion, belonging and wellbeing

Santander UK is proud to be accredited by Great Places to Work as one of the UK's Best Workplaces, Best Workplaces for Women and Best Workplaces for Wellbeing. We received recognition as the Most Open Workplace award at the Menopause Friendly Employer Awards, Top 30 employer for Working Families, Foster Friendly Employer and achieved accreditation as an Investing in Ethnicity Exemplary Employer and signed the Halo code, in addition to continuing to be a Race at Work Charter signatory.



Skills development

We believe continuous learning is a key enabler to help our people adapt to a fast-paced ever-changing environment. Our Talent and 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.

Our approach to internal career mobility 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. In 2023 58% of all hires in non-entry level roles came from internal talent.

Leaders for social mobility

We're proud to be leading the way for social mobility as a Founding Member of Progress Together, the first independent membership body for advancing socio-economic diversity within financial services. Through our Social Mobility Strategy and implementation squads we're taking action to support our people, our customers and our communities, and advocating for positive change externally.

Our Mobilise Programme, developed with The Lead Curriculum, is the first of its kind. It supports disadvantaged students from our local communities through a guided programme and connects them with Santander Goal Models from lower Socio-economic backgrounds for mentoring.

Funded for three years, the programme will support students through their educational journey and create much needed research on actions organisations can take to improve career outcomes for children from lower socio-economic backgrounds to truly break the class ceiling.

Our ways of working

We recognise the importance of spending purpose-driven time together face-to-face to collaborate, develop, and ultimately continue to meet our

cultural ambitions. Our flexible working approach for those on office-based contracts seeks to have everyone in the office at least two days a week.

Our new Milton Keynes HQ, Unity Place opened in 2023 and was created with inclusion at its heart. Our HQ provides contemplation, parenting, multi-faith and first aid rooms, as well as on site fitness facilities, gender neutral toilets and outdoor spaces that have all been designed to ensure our people have a great experience in the office.

Our priorities going forward

In 2024 and beyond, we will continue to focus on building a high-performing, purpose-driven culture through our TEAMS (think customer, embrace change, act now, move together and speak up) behaviours and our employee value proposition – Our People Deal. We will put our People Managers at the heart of this and launch The Santander School Management. This will shape our culture, building the mindset and capability through a set of leadership expectations for our people managers.

To continue to put good customer outcomes at the heart of everything we do, we will launch the Branch Connect programme. This will partner each of our Top 250 leaders with a Branch across the UK. This new partnership will be valuable in providing regular access to the customer voice and customer driven decision making in all parts of our organisation. We will continue to place focus on being an inclusive and responsible employer and developing the skills of our people and business capabilities we need for future success.

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). We maintained stable industrial relations during the year and consultation with union representatives on changes associated with our business transformation have continued.



Unleashing diverse potential

The Place to Be Yourself is part of Our People Deal and we have taken steps to unleash the potential of diverse talent through our talent development Programmes.

Our headline Acceler8 Programme is open to all our people annually, supported by bespoke programmes in key opportunity areas: Our Black Talent and Women in STEM Leadership Programmes. All our programmes are intersectional by design, with participation at least in line with our public ambitions for gender, ethnicity, social mobility, sexual orientation, and disability.

All programmes have a focus on sponsorship from existing senior leaders to ensure tangible development and progress. Our data shows that participants are up to three times more likely to be promoted and half as likely to leave.

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Social continued

Social



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Category	Unit		2023	2022	2021	Notes
Our people						
Employees – Santander UK plc	#		19,802	18,572	17,967	
Employees – UK HoldCo	#		19,988	18,749	18,049	
Salaries and other staff costs – UK HoldCo	£m		1,264	1,179	1,202	
Full-time employees	#		17,442	16,086	15,208	
Part-time employees	#		2,550	2,664	2,841	
Employees – diversity						
Asian, Black and Minority Ethnic employees	#	AS	4,294	3,359	2,545	
Employees aged over 50	#		3,913	3,359	3,910	
Female Board Directors (Non-Executive)	#		4	4	4	
Male Board Directors (Non-Executive)	#		6	6	6	
Female Board Directors (Executive)	#		0	0	0	
Male Board Directors (Executive)	#		1	2	2	
Female Executive Committee	#		3	3	3	
Male Executive Committee	#		8	9	8	
Female employees	#	AS	10,660	10,187	9,783	
Male employees	#	AS	9,328	8,562	8,266	

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Social continued

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Category	Unit		2023	2022	2021	Notes
Employees – miscellaneous						
Average absence per employee	days		9.4	11.1	12.4	
Employee turnover	%	AS	9.8	11.4	9.8	
Average length of service	years		9.98	10.5	9.8	
Pension participation	%		95	92	93	
Colleague engagement	#		8.2	7.8	7.3	
Employee learning						
Training days	days	AS	120,271	100,411	48,701	
Training days per employee	days		6.02	5.4	2.7	
Investment in training	£m		6.5	8.6	10.4	
Accidents at work						
Minor accidents	#		84	66	125	
Accidents resulting in over seven days absence	#		2	3	5	
Major accidents	#		1	2	6	

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

Social continued

Social continued



Key: **AS** 2023 data has been subject to Independent Limited Assurance by PricewaterhouseCoopers LLP, please refer to page 28-50 of this supplement. See our 2020, 2021 and 2022 supplements 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 2023 data.

Category	Unit		2023	2022	2021	Notes
Customers						
Active customers	#million		13.8	14	14	
Net Promoter Score (NPS)	#		17.9	14.4	1.1	
Customer complaints	#		153,344	169,485	160,381	
Number of branches	#		444	449	450	
Suppliers						
Value of procurement	£m		1,569	1,684	1,629	
Suppliers	#		966	949	992	
Payment days beyond terms	days		-14.4	25	11	
New SME contracts	#		14	31	13	
Value of new SME contracts	£m		1.3	4.6	3.1	
SME supplier contracts as % of total supplier contracts	%		35	36	18	
Communities						
People Financially Empowered (cumulative)	#		3,701,467	2,141,163	751,720	
Other people supported	#		275,748	20,282	21,082	
Support for communities	£m	AS	11.7	10.1	12.8	

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

Social continued

Social continued



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Category	Unit	2023	2022	2021	Notes
Santander Foundation					
Matched donations	£	471,674	625,579	450,218	
Grants paid in year	£	1.9m	0.9m	1.6m	
Value of grant commitments in year	£m	1.9	2.47	3.45	
Number of donations	#	420	465	362	
Volunteering					
Staff volunteers	#	1,498	709	464	
Santander Universities					
Value of donations and grants	£m	7.2	8.1	9.2	
University partners	#	84	75	86	
Total scholarships and awards	#	4424	8,130	10,225	
Santander Breakthrough					
Total investment	£	294,524	418,993	670,258	
Total Breakthrough beneficiaries	#	18,996	7,159	1,307	

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Governance

Our ambition

We must get the basics right before we can excel in the environmental and social pillars of our strategy and therefore see good governance as an important underpin within ESG. As part of this high standards of ethics and integrity are the foundation to prosperous businesses and society. They are also 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, we believe in treating our customers fairly and we deal with any form of fraud against our customers or other financial crime as a priority. We are also determined to uphold the highest ethical standards in our operations, promote human rights and ensure a responsible corporate culture.

Within this section we consider both updates we've made to the governance of our Sustainability and Responsible Banking agenda in 2023 in addition to the broader Governance topics raised from our latest materiality assessment refresh.

Governance of our Sustainability and Responsible Banking Strategy

In 2023 to future proof the delivery of our SRB strategy and to ensure the organisation is equipped to respond to new regulatory requirements we completed a full review and update to our ESG operating model. Given the fast-evolving nature of ESG this work will continue into 2024 to further embed ESG criteria into all aspects of the organisation. Key outputs in 2023 include:

Adoption of an ESG framework in our SRB Strategy

To further align with Banco Santander priorities we have restructured our SRB Strategy to focus on an ESG framework. Within our new framework we have also revised the focus areas of our Environment and Social strategies so they align to the areas we can have the most impact with ExCo accountability for each. We will be undertaking a more detailed review of our Governance strategy within 2024.



Update of all ESG management forums to ensure delivery of strategy and operating model

Recognising the change in our approach to ESG we have also reviewed our management level forums to ensure they have clear authority and accountability for delivering the operating model and our SRB strategy. Further details are outlined in the graphic with the main outcome being more senior leadership accountability for ESG through the updated ESG Leadership Forum. In addition to the above our ESCC Risk team continues to provide oversight to the SRB strategy and the ESG Data Programme is a dedicated change programme aimed to support the improvement of ESG data across the organisation.

Update of SMF accountability for ESG

In 2023 we also considered the importance of senior management responsibilities for ESG. In addition to ExCo responsibility for different component parts of the SRB strategy, we have also reviewed overall SMF accountability for ESG. The CEO oversees development and delivery of the Bank's sustainability and responsible banking (ESG) strategy ensuring alignment with the strategic blueprint and successfully embedding the strategy throughout the organisation. The CEO is assisted with this by the Director of Communications and Responsible Banking who manages and oversees the development and delivery of the firm's sustainability (ESG) strategy. The Chief Risk Officer continues to oversee the identification and

management of financial risks from climate change. The Chief Financial Officer (CFO) is also accountable for ESG reporting and disclosure including auditing and assurance of ESG data.

Re-mapping all ESG activities across the business with clear ownership

To date we have made good progress embedding the SRB Strategy throughout the business. As the regulatory and stakeholder expectations for the SRB agenda increase, we need to ensure all areas within the business are set up to respond in a consistent and appropriate manner with clear accountability. In 2023 we completed a re-mapping of all ESG activities taking place in the organisation to ensure this aligned to our new ESG framework.

Governance continued

Responsible supply chain and procurement

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 newly refreshed Supplier Code of Conduct, which is aligned to our recently launched Responsible Procurement Policy Standard and Diversity and Inclusion standard.

We updated our supplier control questionnaire again in 2023 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. Using data and insight provided by our own tools and external market information, we are deploying our responsible procurement resources to work with our higher risk suppliers to mitigate their exposure to Modern Slavery. Supplier action plans are developed when risks are identified to work to mitigate any actions in collaboration with the suppliers using four key measures to track the suppliers progress. We also continue to enhance our Third Party Supplier Assessment approach, and are working with a leading Modern Slavery Consultancy and Ethical Audit provider to assess higher risk suppliers for Modern Slavery, working with suppliers to complete remediation as necessary.

Humanitarian focus

Access to banking for resettled people: The external environment in 2023 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 UK¹.

Humanitarian exceptions to Financial Sanctions policy²: 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, which is reflected in our Financial Crime policy and standards.

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

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).

Governance continued

Measure	2023
% of colleagues trained on anti-financial crime (AFC)	99.5%
Employees who completed enhanced AFC training	16,738

Ethics & compliance 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.

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 Economic Crime Academy (ECA). We remain committed to increasing awareness of financial crime linked to environmental crimes, such as wildlife trafficking, illegal logging and greenwashing.

Protecting customers from fraud

Protecting customers from fraud and scams remained a top priority in 2023. Santander continued to raise awareness with customers and the general public in a variety of ways.

Preventing romance scams with 'Love Hurts'

Santander UK consumer research in 2023 showed that almost a third (31%) of Brits have been targeted by a romance scammer at some point in their lives. More than four in five (83%) of those who fell victim to romance fraud said it was because of the clever language used by the scammer, the way they were

spoken to, or the intimate conversations they had with them.

In August, we teamed up with dating guru Anna Williamson to launch Love Hurts, a romance scam awareness campaign designed to help people protect themselves from potential romance scams. The campaign focused on the 'love language' to look out for and urged people to think twice on whether a romance is real, particularly where the conversation veered towards finances. The campaign achieved 30 pieces of media coverage.

Preventing scams through our digital channels

In March, we completed our roll out of specific scam warnings through our online and mobile banking channels. These alert customers to high-risk transactions at the point they make the payment, providing them with key advice on how to protect their money. This initiative was a finalist in the Outstanding New Product, Software or Technology category at November's Tackling Economic Crime Awards.

We gave customers more control over their money when we introduced configurable limits in April. This was a new feature in the mobile and online banking channels allowing customers to set their preferred payment limit to protect themselves from fraud. The functionality lets customers amend their personal payment limits at any time.

Raising scam awareness

Throughout 2023, we have provided customers with regular fraud and scam awareness messages on a range of high-risk topics. These messages have been shared with our customers directly and digitally. Topics have included investment, social engineering, cryptocurrency, holiday and WhatsApp scams.

Privacy and data

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.

Data Protection & Cyber Security

Cyber risk management Information and cyber security is a main priority for Santander UK. In 2023, 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.

Our performance metrics

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.

Environment



Energy use

Waste

Paper use

Paper use

Financing

Water use

Travel

Emissions

Social



Our People

Diversity

Employee learning

Accidents at work

Customers

Suppliers

Communities

Santander Foundation

Volunteering

Santander Universities

Santander Breakthrough

Governance



Percentage of colleagues trained on anti-financial crime

Percentage of colleagues trained on anti-bribery and corruption

Number completed enhanced fighting financial crime training

2023 methodologies and data criteria continued

Environment



Metric	Definition	Scope	Units	Method	Source
Energy use					
Electricity	Billed consumption of grid electricity.	Santander UK estate: Large offices, small offices, Carlton Park data centres, retail branches, charging of electric vehicles.	kWh	Emissions derived from consumption are converted using Government Department for Energy Security and Net Zero (DESNZ). Electricity: external supplier invoices validated against consumption data gained direct from smart meters (remote dial-up).	Supplier Invoices and meter readings.
Gas	Billed consumption of mains gas.	Santander UK estate: Large offices, small offices, Carlton Park data centres, retail branches.	kWh	Emissions derived from consumption are converted using Government Department for Energy Security and Net Zero (DESNZ). Gas: external supplier invoices validated against consumption data gained direct from smart meters (remote dial-up).	Supplier Invoices and meter readings.
Oil	Billed consumption of oil.	Santander UK estate: Large offices, small offices, Carlton Park data centres, retail branches.	kWh	Emissions derived from consumption are converted using Government Department for Energy Security and Net Zero (DESNZ). Oil: manual meter readings taken on sites.	Supplier Invoices and meter readings.
Transport fuel used	Billed consumption of transport fuel. This is the energy relating to any business travel via road done by staff	Santander UK estate: Large offices, small offices, Carlton Park data centres, retail branches, business travel emissions via road.	kWh	Transport fuel: records for the distance travelled by road is extracted from relevant internal systems or provided by the third-party travel admin operator. Km travelled is then converted into energy (kWh).	Supplier Invoices and meter readings.
Energy use continued					
Total energy use	Summation of all energy use (electricity, gas, oil and transport fuel used)	Santander UK estate: Large offices, small offices, Carlton Park data centres, retail branches, business travel emissions via road.	kWh	Electricity: external supplier invoices validated against consumption data gained direct from smart meters (remote dial-up). 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. Km travelled is then converted into energy (kWh).	Supplier Invoices and meter readings.

2023 methodologies and data criteria continued

Environment continued



Metric	Definition	Scope	Units	Method	Source
Waste					
Waste collected	Tonnes of waste produced. Types of waste include; General, mixed recycling, confidential paper waste, food waste and IT waste	Santander UK Group HoldCo: 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.
Waste diverted from landfill	Tonnes of waste diverted from landfill All waste is either diverted from landfill through recycling or through energy recovery via incineration. The small amount of landfill is from a handful of retail general waste collections in remote locations	Santander UK Group HoldCo: 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.
Percentage of waste diverted from landfill.	Percentage of waste diverted from landfill. Waste diverted from landfill tonnes/ total waste tonnes x 100	Santander UK Group HoldCo: Large offices, small offices, Carlton Park data centres, retail branches (grouped).	%	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					
Consumables	Under consumables there are 4 categories. This metric includes literature, envelopes, card and toner cartridges.	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 and supplier invoices.
Total 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 and supplier invoices.

2023 methodologies and data criteria continued

Environment continued



Metric	Definition	Scope	Units	Method	Source
Financing					
Green finance raised and facilitated according to the SFCS (total)	Includes Santander UK's contribution to green finance facilitated to customers by three segments of Santander UK: Mortgages, CCB, and Autofinance. These three segments This metric measures our activity towards our strategic goal to help customers transition to a low-carbon economy. To identify new business and transactions within the period 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.	<p>This metric is made up of green finance raised and facilitated across three segments of Santander UK: Mortgages, CCB, and Autofinance. This is because they are the more material UK activities that are aligned to the Group's SCFS.</p> <p>Mortgages – currently covering new business mortgage finance to properties with an EPC rating of A and B for Santander UK HoldCo</p> <p>Corporate and Commercial Banking (CCB) – structured project financing for renewable energy installations, other green energy and infrastructure solutions such as real estate and transport (including lending and other facilities such as potential future exposure) within CCB</p> <p>Autofinance – electric vehicles and other green vehicles including bicycles and e-bikes. Under the SFCS criteria, green finance to vehicles includes financing vehicles that emit less than 50g/Co2 per km, any bicycles and any EVs, for Santander UK Consumer Finance</p>	£m	<p>For mortgages, CCB and autofinance we use the business-as-usual lending platforms to report against this metric and the strong governance criteria for green lending following the SFCS.</p> <p>In the context of CCB additional analysis is conducted with all deals having to be approved through ESGM (Environmental, Social, Governance Meeting) to ensure that the deals and/or products fit within the definitions of the SFCS and can therefore contribute to this metric.</p>	<p>Mortgages: Completions data comes direct from our core mortgage platform (SANMF and in some cases legacy platforms). Landmark data is used to match EPC data to mortgage completions and was completed Q1 and Q2 of 2023 but then moved to being a monthly process post Q2. Landmark data is dependent on when the updated data is available from the relevant UK Government website. Although it is possible that EPC ratings have changed in the period they relate to (higher or lower) this is likely to only impact new build properties where no previous EPCs are available.</p> <p>CCB: Financial data that has been classified as green, as determined by Santander's Sustainable Financial Classification System, is reported, and governed through CCB internal accounting systems which is supplemented by additional oversight in accordance with the Green Finance Reporting Governance framework.</p> <p>Consumer Finance: CAP HPI automotive industry data is gathered for all cars (Electric, Hybrid and ICE) and is 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>

2023 methodologies and data criteria continued

Environment continued



Metric	Definition	Scope	Units	Method	Source
Financing continued					
Sustainability Linked Loans (SLLs) raised and facilitated according to the SFCS (total)	Includes Santander UK's provision of SLLs 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 and transactions 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 an SLL.	Santander UK; Corporate and Commercial Banking (CCB); Any loan that is classified as a SLL by the SFCS will be included in this metric.	£m	In all cases we use the business-as-usual lending platforms to report against this metric (primarily nCino) and the strong governance criteria for SLLs following the SFCS. Analysis is conducted and challenged through ESGM (Environmental, Social, Governance Meeting) to ensure that they meet the LMA SLL Principles and Guidance and the SFCS criteria.	Reporting through nCino, supplemented by additional oversight by the ESG & Climate Change Team who receive monthly excel worksheets which are then reported and submitted in one document to Head of ESG and OIP Reporting, providing evidence of reporting platforms i.e. Alfa.
Water use					
Water	Mains water use: cubic metres (m ³) consumed.	Santander UK estate: Large offices, small offices, Carlton Park data centres, retail branches (grouped).	m ³	Metered mains water use determined from external supplier invoices.	Supplier invoices
Travel					
Air travel – domestic	Total domestic travel by air in kilometres (km). Domestic means within the country – A domestic flight is a flight that takes off from one destination in the UK, and touches down in another destination in the UK.	Santander UK estate, including offices and retail branches. Excludes home workers and employees based at business centres. Excludes employees that left Santander UK during each reporting period. Not all employees who left during the reporting period would have undertaken business travel for Santander UK.	km	Data is made up of total km travelled by employees across our Head Offices and retail branches using various means of travel and the converted CO ₂ e figure using UK Government Department for Energy Security and Net Zero (DESNZ) conversion factors. The total figure is then reported each year. Flight data is provided by the third-party provider on a monthly basis.	Third party travel system administrators
Air travel – short haul (Europe)	Total short haul business travel by air in kilometres (km). Short Haul flight means flights within Europe.	Santander UK estate, including offices and retail branches. Excludes home workers and employees based at business centres. Excludes employees that left Santander UK during each reporting period. Not all employees who left during the reporting period would have undertaken business travel for Santander UK.	km	Data is made up of total km travelled by employees across our Head Offices and retail branches using various means of travel and the converted CO ₂ e figure using UK Government Department for Energy Security and Net Zero (DESNZ) conversion factors. The total figure is then reported each year. Flight data is provided by the third-party provider on a monthly basis.	Third party travel system administrators

2023 methodologies and data criteria continued

Environment continued



Metric	Definition	Scope	Units	Method	Source
Travel continued					
Air travel – long haul (international)	Total long haul business travel by air in kilometres (km). Long haul means international flights to countries outside Europe.	Santander UK estate, including offices and retail branches. Excludes home workers and employees based at business centres. Excludes employees that left Santander UK during each reporting period. Not all employees who left during the reporting period would have undertaken business travel for Santander UK.	km	Data is made up of total km travelled by employees across our Head Offices and retail branches using various means of. The total figure is then reported each year. Flight data is provided by the third-party provider on a monthly basis.	Third party travel system administrators
Car	Total business travel by car in kilometres (km). This includes all cars, whether employee owned, car scheme, hire cars (per travel policies) that have claimed miles for business in alignment with our travel policy (No mileage is claimed for employees commuting to their contracted place of work). This is all car types; diesel, petrol, EV, hybrid etc. no taxi.	Santander UK estate, including offices and retail branches. Excludes home workers and employees based at business centres. Excludes employees that left Santander UK during each reporting period. Not all employees who left during the reporting period would have undertaken business travel for Santander UK.	km	Data is made up of total km travelled by employees across our Head Offices and retail branches using various means of car travel. The total figure is then reported each year.	Third party travel system administrators
Rail	Total business travel by rail in kilometres (km). This includes both domestic and international travel.	Santander UK estate, including offices and retail branches. Excludes home workers and employees based at business centres. Excludes employees that left Santander UK during each reporting period. Not all employees who left during the reporting period would have undertaken business travel for Santander UK.	km	Data is made up of total km travelled by employees across our Head Offices and retail branches using various means of rail travel. The total figure is then reported each year.	Third party travel system administrators
Total travel	Summation of air, rail and car travel.	Santander UK estate, including offices and retail branches. Excludes home workers and employees based at business centres. Excludes employees that left Santander UK during each reporting period. Not all employees who left during the reporting period would have undertaken business travel for Santander UK.	km	Data is made up of total km travelled by employees across our Head Offices and retail branches using various means of travel and the converted CO ₂ e figure using UK Government Department for Energy Security and Net Zero (DESNZ) conversion factors. The total figure is then reported each year. Flight data is provided by the third-party provider on a monthly basis.	Certify and Capita

2023 methodologies and data criteria continued

Environment continued



Metric	Definition	Scope	Units	Method	Source
Emissions					
Scope 1 CO ₂ e emissions	Direct emissions from owned or controlled sources.	The Scope 1-3 GHG emissions include the activities and facilities owned under the operational control of the Santander UK Group HoldCo.	tCO ₂ e	Our Scope 1 GHG emissions encompasses oil, gas, direct transport, and fugitive gas emissions. Consumption and transport data is extracted from relevant source systems and records. Data is sourced from internal systems, including meter readings, maintenance records and internal travel systems and external systems such as; bill validation systems and external supplier invoices. Emissions calculated for gas, oil, direct travel, and fugitive gases following the GHG Protocol Corporate Standard using the relevant UK Government Department for Energy Security and Net Zero (DESNZ) conversion factors and collated into a total Scope 1 emissions figure. We use billing invoices, meter readings, mileage claims and maintenance records to obtain our consumption data.	SMS – Billing invoices, meter readings, mileage claims, maintenance records Department for Energy Security and Net Zero (DESNZ) and Department for Business, Energy & Industrial Strategy (BEIS): Government conversion factors for company reporting of greenhouse gas emissions
Scope 2 CO ₂ e emissions: location based	Indirect emissions from owned or controlled sources.	The Scope 1-3 GHG emissions include the activities and facilities owned under the operational control of the Santander UK Group HoldCo.	tCO ₂ e	Scope 2 "Location Based" GHG emissions encompass purchased electricity (and electric fleet/company cars). The Scope 2 emissions for electricity consumption and our electric vehicle fleet are calculated using the relevant UK Government Department for Energy Security and Net Zero (DESNZ) conversion factors and guidance. The data for electricity consumption and travel data (for electric fleet/cars) are extracted from relevant source systems. This is collated into a total Scope 2 emissions figure. We use billing invoices and mileage claims for our consumption data.	SMS – billing invoices, mileage claims Department for Energy Security and Net Zero (DESNZ) and Department for Business, Energy & Industrial Strategy (BEIS): Government conversion factors for company reporting of greenhouse gas emissions

2023 methodologies and data criteria continued

Environment continued



Metric	Definition	Scope	Units	Method	Source
Emissions continued					
Scope 2 CO ₂ e emissions: market based	Indirect emissions from owned or controlled sources.	The Scope 1-3 GHG emissions include the activities and facilities owned under the operational control of the Santander UK Group HoldCo.	tCO ₂ e	<p>Scope 2 GHG emissions encompass purchased electricity (and electric fleet/company cars). We use the 'Market-based' approach to quantify our emissions, meaning we use emissions factors provided by our electricity suppliers. For our Scope 2 emissions this reflects the emissions for the electricity we have purchased via our green tariffs which provides electricity generated via green sources including biomass and wind generation. Therefore the market based Scope 2 emissions for electricity consumption are zero for RFB. However, the disclosed figure for HoldCo includes SFS electricity consumption, which is not from renewable sources and therefore is captured in its entirety.</p> <p>The emissions from the electric fleet are calculated using the Residual Mix from AIB Fuel Mix Disclosure, as this shows the market share of electricity once all purchased renewables have been removed from the grid.</p> <p>The data for electricity consumption and travel data (for electric fleet/cars) are extracted from relevant source systems. This is collated into a total Scope 2 emissions figure. We use billing invoices and mileage claims for our consumption data.</p>	SMS – billing invoices, mileage claims.
Scope 3 CO ₂ e emissions (business travel only)	Indirect emissions in our value chain arising from business travel. Business travel includes all travel by Santander UK employees that Santander UK pays for. This includes train and plane travel. Taxi travel is excluded for all HoldCo due to lack of mileage data. Business travel undertaken by employees that have left HoldCo during the year were incorrectly excluded from the calculation in 2021-2023. An uplift factor has been provided to compensate (see method for more information). Business travel for the excluded population will be look at as part of planned enhancements for future reporting periods.	Scope 3 business travel includes train and plane travel but excludes taxi travel for all HoldCo due to lack of mileage data. The emissions reflect travel undertaken by employees still employed by HoldCo as at year end. Employees that had left Santander UK or were temporarily absent during each reporting period for 2021-2023 had been excluded from Scope 3 business travel, but should have been included. For 2023 we have estimated this exclusion based on available data. We have made the assumption that the profile of employees and the nature of the travel has not materially changed in 2022 and 2021 and we have used the 2023 estimated uplift to restate 2022 and 2021 business travel. This estimation also impacts the Total CO ₂ e emissions, CO ₂ e emissions per employee, and year-on-year percentage for 2021-2023. Business travel for the excluded population will be reviewed as part of planned enhancements for future reporting periods.	tCO ₂ e	<p>Scope 3 GHG emissions are indirect emissions created through our value chain that have not been included in Scope 1 and 2. Our Scope 3 reporting encompasses the emissions caused through business travel (air, road and train). Business travel records extracted from relevant internal systems or provided by the third-party travel admin operator through self-disclosed expenses. The distance (kilometres) travelled is then converted into carbon emissions using relevant factors from UK Government Department for Energy, Security and Net Zero (DESNZ) and collated into a total Scope 3 emissions figure. Car figures are based on engine size (using mileage and engine size and relevant emission factor), flight figures are based on average cabin seat class and for rail they are based on average cabin seat class and rail figures are based on national rail conversion factor and are reliant on employee correct disclosure. We source data from mileage claims and third-party travel reports. Our Scope 3 emissions exclude emissions incurred through working from home.</p>	<p>Mileage claims (Certify) and third party travel reports (Agiito) which captures information on all business travel for HoldCo.</p> <p>Department for Energy Security and Net Zero (DESNZ) and Department for Business, Energy & Industrial Strategy (BEIS); Government conversion factors for company reporting of greenhouse gas emissions</p>

2023 methodologies and data criteria continued

Environment continued



Metric	Definition	Scope	Units	Method	Source
Emissions continued					
Scope 3 financed emissions (mortgages)	Financed emissions link the financing we provide to our customers and their activities in the real economy to greenhouse gas emissions.	This metric covers the Scope 3 (cat 15) emissions for Holdco from lending on residential mortgages. A small number of mortgages located in the channel islands have been excluded from the mortgage book analysis due to data availability, however these are not deemed material to the overall assessment.	<p>tCO₂e</p> <p>kgCO₂e/ m²</p> <p>PCAF score</p>	<p>We align to the PCAF methodology for the assessment of mortgages and autofinance loans.</p> <p>Residential mortgages: We define this asset class as on-balance sheet loans for specific consumer purposes – namely the purchase and refinance of residential property, including individual homes and multifamily housing with a small number of units – not for commercial purposes. Under the PCAF guidance we account for scope 1 and scope 2 emissions of the buildings being financed. The attribution factor is the outstanding amount of the loan as per the reporting year for each mortgage, divided by the total property value at origination for each building (where this is unavailable, latest valuation is used). Building emissions (in tCO₂e) and floor area were provided to Santander UK by Landmark using the following hierarchy: most recent actual EPC where available (PCAF score 3), modelled EPC using a postcode average (PCAF score 4), modelled EPC using a regression model trained on known property variables (PCAF score 4), where an EPC has expired, the postcode average model is used to calculate emissions and the corresponding PCAF score applied. Within the calculation of emissions, attribution is capped at 100%, this is to prevent cases where historic valuations would generate an LTV in excesses of 100% which would lead to greater than the total amount of emissions being applied to the property. In addition where no valuation is available we conservatively apply 100% of emissions. Where no floor area is available for a property these emissions are included in the absolute emissions category, however they are excluded from the emissions intensity measure so as not to distort the calculation.</p>	Residential mortgages: Landmark Autofinance: internal data with support from ERM Corporate & Commercial Clients: PCAF Database.

2023 methodologies and data criteria continued

Environment continued



Metric	Definition	Scope	Units	Method	Source
Emissions continued					
Scope 3 financed emissions (auto finance)	Financed emissions link the financing we provide to our customers and their activities in the real economy to greenhouse gas emissions.	This metric covers the Scope 3 (cat 15) emissions for Holdco from auto finance within the SCUK entity. Financed emissions link the financing we provide to our customers and their activities in the real economy to greenhouse gas emissions.	tcCO ₂ e gCO ₂ e/ km PCAF score	Autofinance: In calculating our financed emissions metrics, we account for scope 1 and scope 2 emissions of the vehicles being financed in line with PCAF guidance. In the calculation, the attribution factor is defined as the outstanding amount of each loan as per the reporting year for each vehicle, divided by the total asset value for each vehicle. Vehicle emissions are calculated through multiplying the vehicle-specific emission intensity values (measured in kgCO ₂ e/km) by the expected vehicle distance travelled. In the case for leases 100% attribution factor used. Where available, the vehicle-specific emission intensity is based on the Worldwide Harmonised Light Vehicle Test Procedure (WLTP), in line with PCAF guidance. No further adjustments were made to this value to account for real driving conditions, which may result in a potential underestimation of emissions. Where the emission intensity was not available in the WLTP standard, this was converted to a WLTP emission intensity. For those passenger car entries with missing emission intensities, this was estimated for those entries where powertrain, make and model was available. The remaining vehicles were excluded from the analysis due to insufficient data availability. In some cases, the emissions intensity value did not include Scope 2 emissions for BEVs and PHEVs. For these entries, the Scope 2 emission intensity was calculated by using electricity use per vehicle type (kWh/km) and an appropriate UK grid emissions factors (gCO ₂ /kWh), and, if relevant, added to the Scope 1 emission intensity figures associated with fuel consumed. The emission intensity values were converted from CO ₂ to CO ₂ e using an appropriate conversion factor. The distance travelled used was based on contract values or a PCAF average for the UK, when contract values were not available. The data quality score has been calculated in line with guidance provided in PCAF's Standard Part A-Financed Emissions, with consideration of the data sources used for distance and emissions values. Where both mileage and emission intensity values were estimated, a PCAF score of 4 was applied. Where mileage was estimated, but a fuel-type specific emission intensity was available, a PCAF score of 3 was applied.	Auto finance loans: Data taken from internal loan and lease management systems. Emissions values and modelled values obtained third party service providers.

2023 methodologies and data criteria continued

Environment continued

Metric	Definition	Scope	Units	Method	Source
Emissions continued					
Total CO ₂ e emissions	Total reported emissions in 2021, Scope 1, 2 (market-based) and 3 emissions (business travel only).	<p>Scope 1 emissions encompass gas, oil, direct transport, and fugitive gas emissions. Excludes emissions from home working.</p> <p>Scope 2 emissions encompass purchased electricity (and electric fleet/company cars). 'Market-based' reflects 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.</p> <p>Scope 3 emissions encompass indirect business travel emissions via road, air, and rail.</p> <p>Business travel undertaken by employees that have left HoldCo during the year were incorrectly excluded from the calculation in 2021-2023. An uplift factor has been provided to compensate (see scope 3 business travel method for more information). Business travel for the excluded population will be look at as part of planned enhancements for future reporting periods.</p>	tCO ₂ e	Summation of Scope 1, 2 (market-based) and 3 emissions (business travel only).	<p>Scope 1, 2, 3 emissions incorporating market-based Scope 2 emissions.</p> <p>Department for Energy Security and Net Zero (DESNZ) and Department for Business, Energy & Industrial Strategy (BEIS): Government conversion factors for company reporting of greenhouse gas emissions</p>
CO ₂ e emissions per employee	Emissions per employee (intensity ratio).	<p>Total CO₂e emissions (as defined by Scope 1, 2 and 3) divided by total full-time employee equivalent numbers in Santander UK HoldCo.</p> <p>Business travel undertaken by employees that have left HoldCo during the year were incorrectly excluded from the calculation in 2021-2023. An uplift factor has been provided to compensate (see scope 3 business travel method for more information). Business travel for the excluded population will be look at as part of planned enhancements for future reporting periods.</p>	tCO ₂ e / Total HoldCo Employee	Total emissions in 2023 divided by total HoldCo employees in Santander UK HoldCo reported in this ESG Supplement.	Total CO ₂ 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	SMS collates data for Scope 1, 2 and 3 Emissions. They work with Properties and Procurement to get this data. We add f-gas emissions because it is mandatory in the UK. These are offset by purchasing carbon credits by investing in projects verified by group.	Third-party partner SMS.
Net CO ₂ e emissions	Net CO ₂ e emissions in Santander UK operations accounting for retired VCUs.	Total CO ₂ e Emissions after the Retirement of carbon units by Santander UK plc via certified scheme (2023 Scheme TBC).	tCO ₂ e	Total CO ₂ e emissions incorporating our retirement of VCUs.	SMS, Properties, SFS.

2023 methodologies and data criteria continued

Social



Metric	Definition	Scope	Units	Method	Source
Our people					
Employees – Santander UK plc	Total number of full-time employees (FTE) and part-time employees (PTE).	Santander UK plc FTE that work 35 hours or Santander UK PTE that work less than 35 hours (excludes UK offshore employees).	#	The total number of active employees at the required date for the required companies.	Workday
Employees – UK HoldCo	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).	#	The total number of active employees at the required date for the required companies.	Workday
Salaries and other staff costs – UK HoldCo	Total salary cost and other costs of Employees working across the UK Holding Company. Examples of other costs are variable pay (bonus), Overtime, and allowances.	Santander UK HoldCo FTE that work 35 hours or Santander UK PTE that work less than 35 hours (excludes UK offshore employees). It consists of the following Companies: Santander UK plc, Santander UK plc, Cater Allen Ltd, Santander Consumer (UK), SPK Santander International. Total salary cost of Employees working across the UK Holding Company. Santander UK plc consists of the following Companies: Santander UK plc, Santander UK plc, Cater Allen Ltd, Santander Consumer (UK), SPK Santander International.	£m	The sum of the salaries and other costs of every employee working across the UK Holding Company.	Workday
Full-time employees	Total number of full-time employees (FTE).	Santander UK HoldCo FTE that work 35 hours (excludes UK offshore employees).	#	The total number of active full-time employees at the required date for the required companies.	Workday
Part-time employees	Total number of part-time employees (PTE).	Santander UK HoldCo FTE that work less than 35 hours (excludes UK offshore employees).	#	The total number of active part-time employees at the required date for the required companies, which are calculated on a pro-rata basis.	Workday
Employees – diversity					
Asian, Black and Minority Ethnic employees	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 aged over 50	Total number of full-time employees (FTE) and part-time employees (PTE) aged over 50.	Santander UK HoldCo FTEs that work 35 hours or Santander UK HoldCo PTEs 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
Female Board Directors (Non-Executive)	Total number of non-executive members of the board of directors that are defined as female under UK law.	Members of the Board of Directors.	#	Employees' sexes are extracted from workday records containing the sex they are defined as under UK law on their legal identification documents.	Workday
Male Board Directors (Non-Executive)	Total number of non-executive members of the board of directors that are defined as male under UK law.	Members of the Board of Directors.	#	Employees' sexes are extracted from workday records containing the sex they are defined as under UK law on their legal identification documents.	Workday

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Employees – diversity continued					
Female Board Directors (Executive)	Total number of executive members of the board of directors that are defined as female under UK law.	Members of the Board of Directors.	#	Employees' sexes are extracted from workday records containing the sex they are defined as under UK law on their legal identification documents.	Workday
Male Board Directors (Executive)	Total number of executive members of the board of directors that are defined as male under UK law.	Members of the Board of Directors.	#	Employees' sexes are extracted from workday records containing the sex they are defined as under UK law on their legal identification documents.	Workday
Female Executive Committee	Total number of executive committee members that are defined as female under UK law.	Members of the Executive Committee.	#	Employees' sexes are extracted from workday records containing the sex they are defined as under UK law on their legal identification documents.	Workday
Male Executive Committee	Total number of executive committee members that are defined as male under UK law.	Members of the Executive Committee.	#	Employees' sexes are extracted from workday records containing the sex they are defined as under UK law on their legal identification documents.	Workday
Female employees	Female representation across different categories of employees, including executive and non-executive board directors.	Santander UK HoldCo FTEs that work 35 hours or Santander UK HoldCo PTEs that work less than 35 hours (excludes UK offshore employees).	#	Employees' sexes are extracted from workday records containing the sex they are defined as under UK law on their legal identification documents.	Workday
Male employees	Male representation across different categories of employees, including executive and non-executive board directors.	Santander UK HoldCo FTEs that work 35 hours or Santander UK HoldCo PTEs that work less than 35 hours (excludes UK offshore employees).	#	Employees' sexes are extracted from workday records containing the sex they are defined as under UK law on their legal identification documents.	Workday
Employees – miscellaneous					
Average absence per employee	Rolling 12 months figure showing absence per employee.	Santander UK HoldCo FTE that work 35 hours or Santander UK PTE that work less than 35 hours (excludes UK offshore employees).	Days	The total number of absence hours in the year by the total number of contract hours in the year, divided by seven to get the days.	Workday, Oracle PeopleSoft
Employee 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
Average length of service	Arithmetic mean of all active employees length of service, calculated since Original Hire date.	Santander UK HoldCo FTE that work 35 hours or Santander UK PTE that work less than 35 hours (excludes UK offshore employees).	Years	Employee's original hire date with the result being a certain number of days. The second calculation is: taking the average of these days across all active employees. Then, convert these days into years with one decimal place.	Workday

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Employees – miscellaneous continued					
Pension participation	Percentage of employees participating in a Santander UK pension scheme in December 2023.	All Santander UK HoldCo employees.	%	Report run from internal HR systems.	Workday, Oracle PeopleSoft.
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.	Score out of 10	Your Voice, 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. 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 four questions: – How likely is it you would recommend Santander as a place to work? – I feel proud to work for Santander? – If you were offered the same job at another organisation, how likely is it you would stay at Santander? – How likely is it you would recommend Santander's products or services to friends and family? – Overall, how satisfied are you working at Santander?	Workday, Peakon.
Employee learning					
Training days	Total 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).	All 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 – based on the estimated time to complete these courses. Face-to-face/ one-day courses are estimated as seven hours – the length of a Santander UK working day. LMS does not record actual 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. Workday.

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Employee learning continued					
Training days per employee	Total days spent on training per employee. 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).	All 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-learnings), 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. The total number of training days is then divided by the number of Santander UK HoldCo employees.	Cornerstone, Workday.
Employee learning continued					
Investment in training	Sum of all expenditures accrued in Learning Activities, during the period (quarterly, annually), expressed in local currency.	Santander UK HoldCo. Direct costs from trainers who are employed as employees (i.e. Total Compensation prorated for the dedication to training activities), but not including Salaries of Learning and Development Employees, External suppliers / vendors expenses paid and budgeted by the Learning Department (for any type of service: training design, training sessions delivery, communications, consulting), logistic and facilities costs (training rooms, catering, accommodation and travel, materials), Labour cost of employees within the Learning Department (actual amounts accrued during the period, including gross compensation – all items, plus company taxes – contributions), IT costs and licences plus their applicable services; expenditures in Marketing and Communications paid and budgeted by the Learning Department; Other expenses.	£m	Report run from FMR to establish bankwide spend on Training Account codes Report run from Cornerstone to identify total calculation including: Direct costs from trainers who are employed as Employees (not including Salaries of Learning and Development Employees) External suppliers / vendors expenses paid and budgeted by the Learning department (for any type of service: training design, training sessions delivery, communications, consulting) logistic and facilities costs (training rooms, catering, accommodation and travel, materials), Labour cost of employees within the Learning Department (actual amounts accrued during the period, including gross compensation – all items-, plus company taxes – contributions), IT costs and licenses plus their applicable services; expenditures in Marketing and Communications paid and budgeted by the Learning Department; Other expenses.	FMR, Cornerstone.

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Accidents at work					
Minor accidents	A minor accident is one that causes non serious injury or damage to property. This can range from a papercut to pulling a muscle in your back which heals after a few weeks rest.	Santander UK.	#	Each accident record is submitted as either an Injury/ill-health, Damage Only or Near Miss. Each record is reviewed and marked according to the severity noted. Classification of accidents can only be reviewed and processed by regional Health and Safety consultants in data owners' team.	ServiceNow – raw data exported and verified/corrected where applicable to provide total.
Accidents resulting in over seven days absence	Data comprises all accidents recorded in our HR online accident reporting tool (AskHR link) that results in an employee being absent from work for more than seven days.	Santander UK.	#	Each accident record is submitted that results in an employee being absent from work for more than seven days. Classification of accidents can only be reviewed and processed by regional Health and Safety consultants in data owners' team.	ServiceNow – raw data exported and verified/corrected where applicable to provide total.
Major accidents	Major accidents are those which result in life changing, life-threatening or fatal injuries or would have resulted in a death had anyone been in the area. They can result in disability, hospitalisation and may involve surgery. Examples can include fractures (other than fingers, toes, or minor facial fractures), serious burns, deep wounds, traumatic brain injuries, spinal injuries, and injuries that might impair vital functions or death.	Santander UK.	#	Each accident record is submitted as either an Injury/ill-health, Damage Only or Near Miss. Each record is reviewed and marked according to the severity noted. Classification of accidents can only be reviewed and processed by regional Health and Safety consultants in data owners' team.	ServiceNow – raw data exported and verified/corrected where applicable to provide total.
Customers					
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 Essbase.
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 31/08/2023. The competitor set we monitor to benchmark ourselves against includes Barclays, Halifax, HSBC, Lloyds Bank, Nationwide, NatWest Group and TSB. Our customer experience research is independently audited by Stiga.	Ipsos.

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Customers continued					
Customer complaints	Reportable customer complaints received during 2023 as defined by the Financial Conduct Authority.	All complaints received during 2023 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 2023 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.
Suppliers					
Value of procurement	The dataset includes the amount paid to Santander UK third-party suppliers.	All Santander UK suppliers paid through SAP. (Excludes Estates suppliers and intermediaries; and suppliers not set up through the Santander UK procurement process).	£m	Supplier spend data is extracted from SAP and exclusion criteria applied and checked.	SAP/ GESBAN Payment Report.
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 terms	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.
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.

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Suppliers continued					
Value of new 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: 1. If the SME was onboarded because of a tender/negotiation the Total Award Amount is taken from Aquanima's Negotiation Reports 2. Where a SME was not onboarded because of a tender/negotiation, the total invoice value paid to the SME is taken for the year using data derived from SAP.	SAP, FSQS, Aquanima.
SME supplier contracts as % of total supplier contracts	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.
Communities					
People Financially Empowered (cumulative)	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. 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.	In 2023, nine initiatives were considered: 1. Financial education provided by Santander UK colleagues through WorkWise and MoneyWise sessions to students and young people 2. Financial education provided by Young Enterprise to children and young people through My Money Week 3. Financial education provided by The Numbers Game in partnership with Twinkl 4. Support provided by Money Advice Trust 5. Support provided to vulnerable customers by the Specialist Support team 6. Support provided by Stepchange 7. Support provided by PayPlan 8. Support provided by Christians Against Poverty 9. Support provided to customers in arrears, where we have enabled them to come out of arrears via self service tools or direct colleague support.	#	Report on the number of individual beneficiaries from different initiatives delivered or sponsored by Santander UK that provide access, tailored financial solutions and resilience. Access: helping people access and use basic financial services (accounts, transactions, payments, digital services, etc.). Finance: provide credit to individuals and SMEs.	Supplier Reports and internal databases.

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Communities continued					
People Financially Included (cumulative)	Number of people unbanked, underbanked, in financial distress or with difficulty to access credit to whom we provide tailored access and finance solutions, aiming to meet local financial inclusion needs in a recurrent, comprehensive, affordable and effective way.	Unbanked groups: people who do not have a current account. Underbanked groups, based on the FDIC definition for 'Underbanked households': people that have a bank account but obtained (nonbank) alternative financial services in the past 12 months. For Grupo Santander, alternative financial services are also considered providers of informal and/or high-cost financing (in many cases abusive). Other targeted groups: people with difficulties in accessing basic transactional activity (such as deposits, withdrawals, etc.), people with difficulties in accessing credit or other financial difficulties. People with financial difficulties include those who do not reach the minimum wage established in each country, or those who cannot cover their basic living expenses with their professional salary. Each geography should take into account its local situation and include in this metric vulnerable people on that basis.	#	Report on the number of individual beneficiaries from different initiatives delivered or sponsored by Santander UK that provide access, tailored financial solutions and resilience. Access: helping people access and use basic financial services (accounts, transactions, payments, digital services, etc.). Finance: provide credit to individuals and SMEs.	Internal databases.
People helped	A person helped is any person receiving a benefit of personal, economic, or any other nature as the ultimate result of a program, service or product with a social and/or environmental focus financed by the bank, its employees or its customers. Excludes people unbanked, underbanked or in financial distress that benefit from access and financial solutions from the bank (as this is covered in 'People Financially Included' metric), beneficiaries from Santander Universities programmes (as this is covered in their own metric) and beneficiaries from financial education programmes (as this is covered in the 'Financial Education' metric).	This metric is people supported by multiple initiatives across the organisation: Santander Breakthrough, Santander Foundation Matched Donations and Financial & Digital Empowerment, Digital Champion Programme delivered by Age UK and volunteering initiatives.	#	Considering the new methodology from Santander Group implemented in 2023, there is a 30% deduction to all figures to avoid double counting.	Internal data systems. Third party data systems (e.g. Macmillan, AgeUK etc.).

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Communities continued					
People supported through volunteering	Number of people who through our colleagues volunteering projects have benefited from the initiatives. It is a sub metric from our 'other people supported' metric.	In 2023, five initiatives were considered. They included volunteers through: <ol style="list-style-type: none"> 1. Santander's Moneywise scheme 2. Alzheimer's Society's companion call scheme 3. Macmillan volunteering opportunities 4. Individual volunteering 5. Team volunteering days 		Report on the number of beneficiaries from different volunteering initiatives delivered or sponsored by Santander UK that provide support to those in the community.	Internal database and supplier reports.
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"> 1. Santander Foundation (all of Santander Foundation's 2023 matched donations and grants) 2. Universities (total donations made in 2023 to Santander UK's 75 university partners) 3. Breakthrough (all 2023 Breakthrough & additional SME investment) 4. Sustainability and Responsible Banking spend from Santander UK Ring Fenced Bank (2023 CSR programmes and memberships spend). Excluded: internal, operational spend improving internal processes, hosting and security for website. <p>This metric only considers direct community impact amounts and, therefore, excludes 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. Figures reported are exclusive of VAT.</p>	£m	Spend across the highlighted programmes is calculated and totalled to give one overall community investment figure. <ol style="list-style-type: none"> 1. The Santander Foundation amounts are calculated as spend budgeted and committed from 2023 budgets. 2. University spend is calculated as payments made in 2023. 3. Breakthrough amounts are calculated as spend budgeted and committed from 2023 budgets. 4. Santander Foundation, Breakthrough, Sustainability and Responsible Banking amounts are calculated as spend budgeted and committed from 2023 budgets. <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. Figures reported are exclusive of VAT.</p>	Santander Foundation matched donations and grants are sourced from Santander Foundation reports; Sustainability and Responsible Banking Spend is extracted from the bank's payments system and manual reconciliation aligned to Finance's report; Universities donations are extracted from Salesforce.

2023 methodologies and data criteria continued

Social continued



Metric	Definition	Scope	Units	Method	Source
Santander Foundation					
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.
Grants paid in year	Value of Santander Foundation grants awarded in 2023.	Santander Foundation grants donated in 2023.	£	Santander Foundation report.	Santander Foundation report.
Value of grant commitments in year	Value of Santander Foundation grants committed in 2023.	Santander Foundation grants committed in 2023.	£	Santander Foundation report.	Santander Foundation report.
Number of donations	Number of Santander Foundation donations awarded in 2023.	Santander Foundation donations in 2023.	£	Santander Foundation report.	Santander Foundation report.
Volunteering					
Staff volunteers	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					
Value of donations and grants	Total donations through our Universities programme in 2023.	Spend includes the total donations paid in 2023, including 2022 accruals paid in 2023.	£m	Manual monthly reconciliation.	Salesforce.
University partners	The number of universities that Santander Universities had a partnership agreement with in 2023.	Santander Universities UK.	#	Manual monthly reconciliation.	Internal data systems.
Total scholarships and awards	Total number of scholarships and awards given through our Universities programme in 2023.	Santander Universities UK.	#	Manual monthly reconciliation.	Salesforce.
Santander Breakthrough					
Total investment	Funds invested by Santander to support businesses (customers and prospects) through digital programmes and educational content.	Breakthrough-led and Breakthrough-supported specific to Business Banking and the Corporate and Commercial Bank.	£	Calculating the amount of money paid to third parties to design and deliver Santander Breakthrough content.	Internal systems, processes and invoices.
Total Breakthrough beneficiaries	Number of businesses (customers and prospects) benefiting from support delivered digitally throughout 2023. 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.

2023 methodologies and data criteria continued

Governance



Metric	Definition	Scope	Units	Method	Source
Anti financial crime					
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 threshold).	#	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 ECA (Economic Crime Academy) using data from learning needs analysis, business unit risk assessments and skills matrix.	#	Report from internal systems.	LMS (Cornerstone), People Analytics Sharepoint.

2023 methodologies and data criteria continued

Non-financial information disclaimer

This report contains environmental, social and governance-related (ESG) metrics, statements, goals, commitments and opinions. ESG information is prepared following various external and internal frameworks, reporting guidelines and measurement, collection and verification methods and practices, which are materially different from those applicable to financial information and are in many cases emerging and evolving. The methodologies used to prepare our ESG metrics and independent assurance of selected metrics can be found in this 2023 ESG Supplement. The ESG metrics are based on various materiality thresholds, estimates, assumptions, judgments, and underlying data derived internally and from third parties. The ESG metrics are thus subject to significant measurement uncertainties, may not be comparable to ESG metrics of other companies or over time or across periods and its inclusion is not meant to imply that the information is fit for any particular purpose or that it is material to us under mandatory reporting standards. The ESG data is for informational purposes only, without any liability being accepted in connection with it except where such liability cannot be limited under overriding provisions of applicable law.

Restatement policy

The measuring and reporting of ESG metrics involves a degree of estimation. In certain circumstances restatements of information reported in prior periods may be necessary. Restatements are considered where there is a change in calculation methodology, an error carrying out the methodology or an error in our data that will have a 5% or greater impact on the total previously reported. Where this happens, a disclosure is made alongside the restated data.

GRI Index and SASB

Key: ■ GRI ■ SASB

We report in accordance with the Global Reporting Initiative (GRI) and use the Sustainability Accounting Standards Board (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 detailed in the tables below with references across our reporting.

Our reporting also considers the 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
GRI 2 General Disclosures 2022			
Organisational Profile			
Disclosure 2-1	Organisational details		Annual Report, About this report, page 0-1
Disclosure 2-2	Entities included in the organisation's sustainability reporting		Annual Report, About this report, page 1 ESG Supplement, page 2, 3
Disclosure 2-3	Reporting period, frequency and contact point	With regards to contact point, please refer to www.santander.co.uk/about-santander/investor-relations	Annual Report, About this report, page 1
Disclosure 2-4	Restatements of information		ESG Supplement, page 28
Disclosure 2-5	External assurance		ESG Supplement, page 59-61
Activities and workers			
Disclosure 2-6	Activities, value chain and other business relationships		Annual Report, About this report, page 1, 3, 23, 24 ESG Supplement, page 13, 26
Disclosure 2-7	Employees	Breakdown by region is not reported	Annual Report, Strategic Report, page 3 ESG Supplement, page 21-22, 28-50
Disclosure 2-8	Workers who are not employees		Not reported
Governance			
Disclosure 2-9	Governance structure and composition		Annual Report, Strategic Report, page 30 Annual Report, Sustainability and Responsible Banking, page 38-40 Annual Report, governance, 53-55, 57, 59, 60 ESG Supplement, page 25
Disclosure 2-10	Nomination and selection of the highest governance body		Annual Report, Governance, page 55, 58, 60, 61 ESG Supplement, page 21
Disclosure 2-11	Chair of the highest governance body		Annual Report, Governance, page 55, 58
Disclosure 2-12	Role of the highest governance body in overseeing the management of impacts		Annual Report, Governance, page 54, 55

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
GRI 2 General Disclosures 2022 continued			
Disclosure 2-13	Delegation of responsibility for managing impacts		Annual Report, Governance, page 53, 54, 57-59, 70 Annual Report, Sustainability and Responsible Banking, page 39, 40
Disclosure 2-14	Role of the highest governance body in sustainability reporting		Annual Report, Sustainability and Responsible Banking, page 53, 54, 57-59, 70 Annual Report, Sustainability and Responsible Banking, page 39, 40
Disclosure 2-15	Conflicts of interest		Annual Report, Governance, page 61
Disclosure 2-16	Communication of critical concerns		Annual Report, Governance, page 54-57, 61 ESG Supplement, page 25
Disclosure 2-17	Collective knowledge of the highest governance body		Annual Report, Sustainability and Responsible Banking, page 40 Annual Report, Governance, page 70
Disclosure 2-18	Evaluation of the performance of the highest governance body		Annual Report, Governance, page 59-62
Disclosure 2-19	Remuneration policies		Annual Report, Governance, page 61, 69, 71-80
Disclosure 2-20	Process to determine remuneration		Annual Report, Governance, page 61, 69, 71-80
Disclosure 2-21	Annual total compensation ratio		Annual Report, Governance, Remuneration implementation report, page 77-79
Strategy, policies and practices			
Disclosure 2-22	Statement on sustainable development strategy		Annual Report, Strategic Report, page 6-10
Disclosure 2-23	Policy commitments		Annual Report, Strategic report, page 30 2023 Modern Slavery and Human Trafficking Report
Disclosure 2-24	Embedding policy commitments		Annual Report, Strategic report, page 30 Annual Report, Sustainability and Responsible Banking, page 39 Annual Report, Governance, page 53-55
Disclosure 2-25	Processes to remediate negative impacts		Not reported
Disclosure 2-26	Mechanisms for seeking advice and raising concerns		Annual Report, Governance, page 69, 83
Disclosure 2-27	Compliance with laws and regulations		Annual Report, Strategic Report, page 23 Annual Report, Governance, page 82 Annual report, Financial Review, 168 Annual Report, Financial Statements, page 210, 226, 234
Disclosure 2-28	Membership associations		Annual Report, TCFD, page 46 Annual Report, Risk Review, page 173
Stakeholder engagement			
Disclosure 2-29	Approach to stakeholder engagement		Annual Report, Strategic Report, page 2, 16, 17, 31, 32 Annual Report, Governance, page 56, 57, 78, 80
Disclosure 2-30	Collective bargaining agreements		Annual Report, Governance, Remuneration implementation report, page 81 Annual Report, Governance, page 80

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
GRI 3 Material Topics 2022			
Disclosure 3-1	Process to determine material topics		Annual Report, Sustainable and Responsible Banking, page 35, 39, 45, 50 ESG Supplement, page 4, 5
Disclosure 3-2	List of material topics		Annual Report, Sustainability and Responsible Banking, page 35 ESG Supplement, page 4, 5
Climate Change: Own Operational Footprint, Climate Risk Management and Portfolio Alignment to Net-Zero			
Disclosure 3-3	Management of material topics		Annual Report, Strategic Report, page 26, 27 Annual Report, Sustainability and Responsible Banking, page 37, 39-51 Annual Report, Shareholder Information, page 277 ESG Supplement, page 5-17
GRI 305: Emissions			
Disclosure 305-1	Direct (Scope 1) GHG emission		Annual Report, Strategic report, page 27 Annual Report, Sustainability and Responsible Banking, page 51 ESG Supplement, page 16, 17
Disclosure 305-2	Energy indirect (Scope 2) GHG emissions		Annual Report, Strategic report, page 27 Annual Report, Sustainability and Responsible Banking, TCFD, page 51 ESG Supplement, page 16, 17
Disclosure 305-3	Other indirect (Scope 3) GHG emissions		Annual Report, Strategic report, page 27 Annual Report, Sustainability and Responsible Banking, page 51 ESG Supplement, page 16, 17
Disclosure 305-4	GHG emissions intensity		Annual Report, Strategic Report, page 27 ESG Supplement, page 16, 17
GRI 201: Economic Impact			
201-2	Financial implications and other risks and opportunities due to climate change		Annual Report, Sustainability and Responsible Banking, page 42-44 ESG Supplement, page 9-14
Mortgage Finance SASB			
Physical Impacts of Climate Change	Environmental Risk to Mortgaged Properties	FN-MF-450a.1: (1) Number and (2) value of mortgage loans in 100-year flood zones – FN-MF-450a.2: (1) Total expected loss and (2) Loss Given Default (LGD) attributable to mortgage loan default and delinquency due to weather related natural catastrophes, by geographic region	Annual Report, Sustainability and Responsible Banking, TCFD, page 49, 50

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
Financial Inclusion and Empowerment			
GRI 3 Material Topics 2022			
Disclosure 3-3	Management of material topics		Annual Report, Strategic Report, page 25, 28, 29 Annual Report, Sustainability and Responsible Banking, page 37 ESG Supplement, page 18, 19, 23, 24
Commercial Banks SASB			
Access and Affordability	Financial inclusion and capacity building	Information on financial inclusion is referenced but granular data is excluded from these reports	Annual Report, Strategic Report, page 28 Annual Report, Sustainability and Responsible Banking, page 37 Annual report, Shareholder information, glossary, page 266 ESG Supplement, page 23, 24
Diversity, Inclusion, and Employee Wellbeing			
GRI 3 Material Topics 2022			
Disclosure 3-3	Management of material topics		Annual Report, strategic report, page 9, 10, 29 Annual Report, Sustainability and Responsible Banking, page 29, 37 Annual Report, Governance, page 56, 60, 61, 76
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees		Annual Report, Sustainable and Responsible Banking, page 37 Annual Report, Governance, page 55, 61 ESG Supplement, page 21
405-2	Ratio of basic salary and remuneration of women to men		0
Talent and Performance			
Disclosure 3-3	Management of material topics		Annual Report, Strategic Report, page 9, 10, 18, 29 Annual Report, Governance, page 59, 64, 72 Annual Report, Shareholder Information, page 281 ESG Supplement, page 20, 22, 24
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	Data is available per days as opposed to per hours	ESG Supplement, page 22, 27
404-2	Programs for upgrading employee skills and transition assistance programs	Annual Report, Strategic Report, page 22, 27, 28, 29, 30	Annual Report, Strategic Report, page 23, 28-31 Annual Report, Sustainability and Responsible Banking, page 40 Annual Report, Governance, page 54, 59, 61, 64, 70, 80 Annual Report, Risk Review, page 87, 158, 159, 161, 163 Annual report, Shareholder Information, page 278, 280 ESG Supplement, page 20, 22, 27
404-3	Percentage of employees receiving regular performance and career development reviews		Not reported

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system		Not externally reported
GRI 401: Employment			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees		Not reported
Business Resilience			
GRI 3 Material Topics 2022			
Disclosure 3-3	Management of material topics		Annual Report, Strategic Report, page 19-22 Annual Report, Sustainability and Responsible, page 42, 46-48 Annual Report, Governance, page 56, 62-64, 68, 69, 82 Annual Report, Risk Review, page 86, 91, 157-160
Ethics and Compliance			
Disclosure 3-3	Management of material topics		Annual Report, Strategic Report, page 12, 18-20, 32 Annual Report, Sustainability and Responsible Banking, page 35, 40, 46 Annual Report, Governance, page 53, 61, 63-65, 70, 71, 75 Annual Report, Risk Review, page 159, 161-163 Annual Report, Financial Statements, page 177, 179 Annual Report, Annual Report, Shareholder Information, page 265, 267, 270, 275-281
GRI 419: Socioeconomic compliance (Now titled Disclosure 2-27)			
419-1	Non-compliance with laws and regulations in the social and economic area		Annual Report, Strategic Report, page 23 Annual Report, Governance, page 82 Annual report, Financial Review, 168 Annual Report, Financial Statements, page 210, 234
Commercial Banks SASB			
Business Ethics	Business Ethics		Annual Report, Governance, page 58, 65, 69 Annual Report, Financial statement, page 179 Annual report, Financial Statements, page 210 Annual Report, Shareholder Information, 288

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
Sustainable Finance			
GRI 3 Material Topics 2022			
Disclosure 3-3	Management of material topics		Annual Report, Strategic Report, page 9, 17, 26, 27, 30 Annual Report, Sustainability and Responsible Banking, page 36-41, 44, 47-50 Annual Report, Risk Review, page 155 ESG Supplement, page 9-12, 15
Commercial Banks SASB			
Commercial Banks SASB	Incorporation of ESG Factors in Credit Analysis		Annual Report, Strategic report, page 27 Annual Report, Sustainability and Responsible Banking, page 39, 40, 42, 45-47
Commercial Banks SASB			
Consumer Finance SASB	Selling Practices		Annual Report, Sustainability and Responsible Banking, page 44 ESG Supplement, page 10
Mortgage Finance SASB			
Mortgage Finance SASB	Selling Practices and Product Labelling		Annual Report, Risk Review, page 109-118 Annual Report, Financial Statements, page 219, 245, 247 ESG Supplement, page 10
Innovation and Digitalisation & Privacy, Data Protection and Cyber Security			
GRI 3 Material Topics 2022			
Disclosure 3-3	Management of material topics		Annual Report, Strategic Report, page 18-21 Annual Report, Governance, page 62, 64 Annual Report, Risk review, page 86-88, 157, 159, 160 Annual Report, Financial Statements, page 232 Annual Report, Shareholder Information, page 267, 276 280, 281, 284, 290
GRI 418: Customer Privacy			
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data		Not reported
Commercial Banks SASB			
Data security	Data security		Annual Report, Governance, page 64, 67 Annual Report, Risk Review, page 88, 157, 159 ESG Supplement, page 27

GRI Index and SASB continued

Key: ■ GRI ■ SASB

Disclosure	Description	Notes	Reference
Consumer Finance SASB			
Data security	Data security		Annual Report, Governance, page 64, 67 Annual Report, Risk Review, page 88, 157, 159 ESG Supplement, page 27
Customer Privacy	Customer Privacy		Annual Report, Governance, page 64, 67 Annual Report, Risk Review, page 88, 157, 159 ESG Supplement, page 27
Organisational culture and governance			
GRI 3 Material Topics 2022			
Disclosure 3-3	Management of material topics		Annual Report, Strategic Report, page 12, 29, 30 Annual Report, Sustainability and Responsible Banking, page 36, 37 Annual Report, Governance, page 53-84 Annual Report, Risk Review, page 87 ESG Supplement, page 20, 22, 25-27
GRI 205: Anti-Corruption			
Disclosure 205-1	Operations assessed for risks related to corruption	Quantitative assessment of operations assessed for risks related to corruption is not reported	Annual Report, Risk Review, page 86, 88, 91, 161, 173 Annual Report, Shareholder Information, page 278, 284
Disclosure 205-2	Communication and training about anti-corruption policies and procedures	The report covers data surrounding anti-bribery and corruption (ABC) and anti-financial crime (AFC) training	ESG Supplement, page 27
Disclosure 205-3	Confirmed incidents of corruption and steps taken		Not reported
GRI 412: Human Rights (Now incorporated into universal standards)			
Disclosure 412-2	Employee training on human rights policies or procedures		Not reported
Commercial Banks SASB			
Systemic Risk Management	Systemic Risk Management		Annual Report, Risk Review, page 85-164
Reputation as a responsible bank			
GRI 3 Material Topics 2022			
Disclosure 3-3	Management of material topics		Annual Report, Sustainability and Responsible Banking, page 39, 40, 42, 43, 46, 47

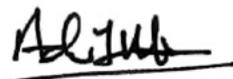
Directors' Statement

Directors' Statement on Santander UK Group Holdings plc's selected Subject Matter Information within the Annual Report and Accounts ("ARA") and the Environment, Social and Governance ("ESG") Supplement for the year ended 31 December 2023

As the Directors of Santander UK Group Holdings plc ("Santander") we confirm that we are solely responsible for the preparation of selected Subject Matter Information within the ARA and ESG Supplement for the year ended 31 December 2023 including this Directors' Statement and for reporting the selected Subject Matter Information in accordance with the reporting criteria set out on page(s) 28 to 50.

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.



**Director of Corporate Communications
and Responsible Banking**

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

29 February 2024

Assurance opinion

Independent Limited Assurance Report to the Directors of Santander UK Group Holdings plc on selected Subject Matter Information within the Environment, Social and Governance Supplement and the Annual Report and Accounts for the year ended 31 December 2023

Our limited assurance conclusion

Based on the procedures we have performed, as described under the "Summary of work performed" and in the "Key Assurance Matters" sections below, and the evidence we have obtained, nothing has come to our attention that causes us to believe that the selected Subject Matter Information marked with the symbol 'AS' in the Santander UK Group Holdings plc ("Santander") Environment, Social and Governance Supplement ("ESG Supplement") and the Annual Report and Accounts ("Annual Report") for the year ended 31 December 2023, and summarised in Appendix A of this report, has not been prepared, in all material respects, in accordance with Santander's Reporting Criteria (the "Reporting Criteria") set out on pages 28 to 50 of Santander's ESG Supplement available on Santander's website¹.

Emphasis of a matter – Scope 3 business travel estimation

We draw attention to the Scope 3, business travel, note on pages 16 and 35 of the ESG Supplement and Note 1 on pages 27 and 51 of the Annual Report, which sets out that business travel emissions for employees who had left, or were temporarily absent from, Santander during the reporting period are estimated. Our conclusion is not modified in respect of this matter.

What we were engaged to assure

The Subject Matter Information subject to our limited assurance is set out in Appendix A. The Subject Matter Information needs to be read and understood together with the Reporting Criteria which Santander's Directors are solely responsible for selecting and applying. The Reporting Criteria are set out on pages 28 to 50 of Santander's ESG Supplement.

The scope of our work did not extend to information in respect of earlier periods or to any other information included in, or linked from, the ESG Supplement or the Annual Report.

Our work

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 (GHG) 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 Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code).

We apply International Standard on Quality Management (UK) 1 and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Summary of work performed

We performed a limited assurance engagement. Because the level of assurance obtained in a limited assurance engagement can vary, we have set out the details of the procedures we performed below, so that the intended users of the Subject Matter Information can understand the nature and extent of our work as context for our conclusion. These procedures performed vary in nature, 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.

In performing our limited assurance procedures, which were based on our professional judgement, we performed the following:

- Obtained an understanding of the Reporting Criteria and assessed whether they are consistent with relevant industry guidance for the Subject Matter Information;
- Obtained an understanding of the control environment, processes and systems relevant to the preparation of the Subject Matter Information;
- Comparing year on year movements for the Subject Matter Information (except for financed emissions) and making inquiries of management to obtain explanations for any significant differences identified;
- Performed limited substantive testing on a selective basis of the Subject Matter Information including:

- Agreeing arithmetical accuracy of calculations, and comparing data points to, or from, source information and assessing whether the underlying subject matter had been appropriately evaluated or measured, recorded, collated and reported;

Environment:

- Comparing records maintained by Santander on energy/fuel consumption and business travel to underlying information used to prepare the Scope 1, 2 and 3 (business travel) emissions Subject Matter Information, which included invoice data for the use of energy/fuel, renewable energy supply contracts, employee travel records, emissions conversion rates and third party prepared data, and performing analytical review of estimated Scope 3 (business travel) emissions;
- Comparing information on the underlying green finance transactions to relevant internal and external evidence and assessing whether its classification was consistent with the Reporting Criteria, and whether the financing values were consistent to those recorded in Santander's loan management systems;
- Inspecting supporting internal evidence to determine whether Santander's mortgage and auto-finance exposures and transactions are consistent with the Reporting Criteria for the financed emissions Subject Matter Information;
- Testing input data for the calculation of the financed emissions Subject Matter Information, including outstanding loan amounts, value of the underlying assets, vehicle mileage, GHG emissions and emissions factors to internal and external evidence;
- Testing the calculated values for the financed emissions Subject Matter information to source information to assess whether the calculations were consistent with the Reporting Criteria, and made inquiries of management and their third party service providers to obtain explanations for any significant differences identified;

Assurance opinion continued

Social:

- Comparing records maintained in Santander's HR and training systems to data used to prepare the people related Subject Matter Information and assessing whether its classification and aggregation was consistent with the Reporting Criteria;
- Comparing records maintained in Santander's internal systems to data used to prepare the support for communities related Subject Matter Information, including payments made to beneficiary organisations.
- Evaluated the disclosures in, and overall presentation of, the Subject Matter Information in Santander's ESG Supplement and Annual Report for the year ended 31 December 2023, including assessing the completeness and clarity of disclosures on sources, limitations and key judgements taken.

Our limited assurance procedures specifically did not include:

- Evaluating the suitability of design or the operating effectiveness of control activities over the preparation of the subject matter information;
- Testing the accuracy of employee self-disclosed information on ethnicity and gender; and
- Testing the completeness and accuracy of information supplied to Santander by third parties on the use of community investment funds and financed emissions (EPC ratings, floor area and vehicle emissions).

Materiality

We are required to plan and perform our work to address the areas where we have identified that a material misstatement of the Subject Matter Information is likely to arise. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our procedures in support of our conclusion. We believe that it is important that the intended

users of the Subject Matter Information have the information they need to understand the concept and the level of materiality to place our conclusion in context. Based on our professional judgement, we determined materiality for the Subject Matter Information as follows:

Overall materiality

Materiality may differ depending upon the nature of the Subject Matter Information. We apply professional judgement to consider the most appropriate materiality benchmark for each aspect of the Subject Matter Information, having considered how the intended users of the Subject Matter Information may use the information.

The benchmark approach for each aspect of the selected Subject Matter Information is indicated in the table in Appendix A by one of the following numbers:

1. This metric is an absolute number. A benchmark materiality of 5% has been applied.
2. This metric is a percentage. A benchmark materiality of 5% has been applied to both the numerator and denominator used in the percentage calculation.
3. This metric is a ratio or intensity measure, each of which is calculated as a ratio between 2 different numbers. A benchmark of 5% has been applied to both the numerator and denominator used in the calculation; and
4. This metric is a weighted average. A benchmark of 1 decimal place has been applied.

We also agreed to report to the Directors misstatements ('reportable misstatements') identified during our work at a level below overall materiality, as well as misstatements below that lower level that in our view warranted reporting for qualitative reasons. The Directors are responsible for deciding whether adjustments should be made to the Subject Matter Information in respect of those items.

We considered the following areas to be Key Assurance Matters and discussed these with Santander's management:

Key assurance matters

Key Assurance Matters are those areas of our work that in our professional judgement required particular focus and attention, including those which had the greatest effect on the overall assurance strategy, the allocation of resources, and directing the efforts of the engagement team.

Calculation of the financed emissions metrics for residential mortgages and auto finance

Nature of the issue	Santander prepares the metrics for financed emissions using data from internal management information systems, supplemented by data from third party providers. The preparation of the metrics is dependent on the nature of the available information, including the preparation and use of proxy values when actual data is not available, such as EPC ratings, vehicle emissions and vehicle mileage. We identified a heightened risk of error in relation to the estimation of financed emissions and associated data quality score due to the complexity of the methodology and calculation processes
How our work addressed the key assurance matter	The following procedures were performed in addition to those set out above: <ul style="list-style-type: none"> – Assessed the consistency of Santander's methodology for the calculation of financed emissions with the Partnership for Carbon Accounting Financial ('PCAF') methodology (Part A, 2nd edition, 2022); – Performed a recalculation of financed emissions, proxy values and weighted data quality scores for all residential mortgages and auto financing using Santander's documented methodology and independently sourced inputs for proxy values; and – Compared the recalculated values with those prepared by Santander and made inquiries of management to obtain explanations and supporting analysis for any significant differences identified.
Element(s) of the Subject Matter Information most significantly impacted	<ul style="list-style-type: none"> – Residential Mortgages Portfolio financed emissions 2022 baseline metrics; and – Auto finance Portfolio financed emissions 2022 baseline metrics.

Assurance opinion continued

Challenges of non-financial information

The absence of a significant body of established practice upon 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 information is subject to more inherent limitations than financial information, given the characteristics of the underlying subject matter and the methods used for measuring or evaluating it. The precision of different measurement techniques may also vary.

Furthermore, it is generally acknowledged by stakeholders globally, including regulators, that there are significant limitations in the availability and quality of company specific information, including GHG emissions data from third parties, resulting in reliance on proxy data. These limitations are reflected in the assigned PCAF data quality categories for reported Subject Matter Information. It is anticipated that the principles and methodologies used to measure and report the Subject Matter Information will develop over time and may be subject to change in line with market practice and regulation, impacting comparability year-on-year.

Reporting on Other Information

The other information comprises all of the information in the ESG Supplement and the Annual Report, other than the Subject Matter Information and our assurance report. The Directors are responsible for the other information. As explained above, our 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. In doing so, we 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.

Responsibilities of the Directors

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 ESG Supplement and Annual Report;
- the preparation of the Subject Matter Information in accordance with the Reporting Criteria including designing, implementing and maintaining systems, processes and internal controls over the evaluation or measurement of the underlying subject matter to result in Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- documenting and retaining underlying data and records to support the Subject Matter Information;
- producing the ESG Supplement and the Annual Report that provides a balanced reflection of Santander's performance in this area and discloses, with supporting rationale, matters relevant to the intended users of the ESG Supplement and Annual Report; and
- producing a statement of Santander's responsibility, as set out on page 58 of the ESG Supplement.

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.

Use of our report

Our report, including our conclusion, has been prepared solely for the Directors of Santander in accordance with the agreement between us dated 18 October 2023 (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 our report except where terms are expressly agreed between us in writing.

PricewaterhouseCoopers LLP
Chartered Accountants
London
29 February 2024

Assurance opinion continued

Appendix A – Subject Matter Information

Reporting Criteria for the selected Subject Matter Information are set out on pages 28 to 50 of Santander's ESG Supplement for the year ended 31 December 2023, which can be found on the following website:

www.santandersustainability.co.ukⁱ

Subject Matter Information	Unit/Measure	Performance in 2023
Environment		
Scope 1 CO ₂ e emissions ¹	tCO ₂ e	2,827
Scope 2 CO ₂ e emissions (market based) ¹	tCO ₂ e	84
Scope 3 CO ₂ e emissions (business travel only) ¹	tCO ₂ e	2,527
Total CO ₂ e emissions (Scope 1, 2 and 3) ¹	tCO ₂ e	5,438
CO ₂ e emissions per employee ³	tCO ₂ e/FTE	0.27
Green finance raised and facilitated according to the SFCS (total) ¹	£m	2,782
Residential Mortgages Portfolio financed emissions		Baseline 2022
Total exposure ¹	£bn	187.452
Total absolute emissions on total exposure	tCO ₂ e	2,632,263
Total exposure for properties with known floor area	£bn	179.346
Total absolute emissions for properties with known floor area ¹	tCO ₂ e	2,561,459
Baseline emissions 2022 intensity calculated using properties with known floor area ³	kgCO ₂ e/m ²	39.7
PCAF data quality Score calculated using properties with known floor area ⁴	Number	3.3
Auto finance Portfolio financed emissions		Baseline 2022
Exposure covered excluding vehicles where data cannot be estimated ¹	£bn	8.252
Total absolute emissions ¹	tCO ₂ e	1,366,311
Baseline emissions 2022 intensity ³	gCO ₂ e/ km	142.5
PCAF Data Quality Score ⁴	Number	3.1
Social		
Asian, Black and Minority Ethnic Employees ¹	#	4,294
Female employees ¹	#	10,660
Male employees ¹	#	9,328
Employee turnover ²	%	9.8
Training days ¹	Days	120,271
Support for Communities ¹	£m	11.7

1, 2, 3 and 4 Please refer to "Overall materiality" table for materiality thresholds.

ⁱ The maintenance and integrity of Santander's website (www.santander.co.uk/about-santander/investor-relations) 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.

Read more



For more information visit

> www.santandersustainability.co.uk

Annual Report 2023

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

Diversity

> www.santander.com/en/careers/uk-careers/we-care-about-you/diversity-inclusion

Taxation strategy

> www.santander.co.uk/about-santander/investor-relations/taxation-strategy

Modern slavery statement

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

Environment policy statement

> <https://www.santandersustainability.co.uk/sites/default/files/2022-08/EnvironmentalPolicyStatement.pdf>