

Santander UK Group Holdings plc

Taxation Strategy 2025

About this report

The Taxation Strategy Report sets out the policy and approach of Santander UK Group Holdings plc and its subsidiaries to conducting their tax affairs and dealing with tax risk for the year ended 31 December 2025.

By order of the Board.

Mahesh Aditya
Chief Executive Officer
5 March 2026

TAXATION STRATEGY 2025

Introduction

This document sets out the policy and approach of Santander UK Group Holdings plc and its subsidiaries to conducting their tax affairs and dealing with tax risk for the year ended 31 December 2025. This document has been approved by the Santander UK Group Holdings plc Board of Directors.

We aim to comply with all our tax obligations, making appropriate returns and payments in a timely and responsible manner.

Level of Tax Risk

We have a low appetite for tax risk which is consistent with our adherence to His Majesty's Revenue and Customs (HMRC) Code of Practice on Taxation for Banks (the Code) and supported by our Tax Management Policy Standard (the Policy).

Tax Risk Management

We define tax risk as the risk that we fail to comply with domestic and international tax regulations because we misinterpret legislation, regulations or guidance, or we report to the tax authorities inaccurately or late. This could lead to financial penalties, additional tax charges or reputational damage.

Tax risk is mitigated by:

- Ensuring that our internal governance in relation to all tax matters is appropriate and relevant;
- Ensuring that we comply with all applicable tax laws and regulations; and
- Embodying the tax planning strategy envisaged by the Code, noting that a failure by us to fulfil our obligations under the Code is likely to lead to significant reputational damage.

Operating the Policy supports our low risk tax strategy, ensures compliance with the Code, mitigates any reputational risk by delivering accurate and timely tax information, and achieves compliance with our Senior Accounting Officer obligations as required by Schedule 46 of Finance Act 2009. The Policy is reviewed at least annually and is approved by the Executive Committee.

The Policy is embedded within the business operations and the Tax Department reviews, prior to contracting or inception, all potentially contentious or complex transactions to ensure they are compliant with the Policy and in particular are considered to have low tax risk. These transactions will include, but are not limited to, new product proposals, changes to corporate structure or shareholdings, new ventures, significant business contracts and changes arising from regulatory reform. The Tax Department review is completed at an appropriate level to provide the relevant tax expertise and challenge and is documented.

Where the outcome of the review undertaken by the Tax Department does not result in a conclusive tax treatment, written advice evidencing the facts, risks and conclusions will be sought from external advisers. Advice will also be sought from external advisers on all material transactions. We will consult with HMRC where there is significant uncertainty over the application of tax law.

We deal with other Banco Santander group companies in the ordinary course of business. We do this where we have a particular commercial advantage or expertise, where they can offer us commercial opportunities or where we support the activities of, or with, larger multinational corporate clients and financial institutions which may deal with other Banco Santander companies. These transactions are undertaken on substantially the same terms as for comparable transactions with third party counterparties and when entering into them we respect the regulations on transfer pricing.

We have a zero tolerance approach to tax evasion and do not provide services with the aim of facilitating tax evasion. We aim to maintain effective systems and controls which are designed to prevent the facilitation of tax evasion in line with our legal and regulatory requirements.

Tax Planning

We have adopted the Code and we have embedded the tax planning strategy envisaged by the Code. This requires us to comply with the spirit, as well as the letter of the tax law by discerning and following the intentions of Parliament.

We consider it important for us to maintain a competitive position and to continue to be innovative in both our funding and the products and services we provide to our customers.

To facilitate this, we may enter into tax planning whilst adhering to the following general principles:

- Any tax planning must support genuine commercial activity;
- The tax results it produces should be consistent with the underlying economics of the arrangements; or if not, the tax results it produces are not contrary to the intentions of Parliament;
- Rejection of any transactions or business activities that are clearly artificial or which serve no economic purpose other than tax avoidance;
- Rejection of any tax planning that we consider to be aggressive;
- Rejection of the use of structures or special purpose vehicles via jurisdictions that do not cooperate with the tax authorities, which are designed with the purpose of preventing the tax authorities from knowing the party ultimately responsible for the respective activities;
- All relevant transactions should be supported by a tax opinion from an appropriate external adviser and this opinion should provide a high level of comfort on all material tax points; and
- Any tax planning should be compliant with the Code.

Governance

The Board delegates responsibility for our business activities and managing risk on a day-to-day basis to the Chief Executive Officer (CEO). The CEO is responsible for ensuring that we have a suitable system of controls to manage risk.

The Chief Financial Officer (CFO) reports to the CEO and is head of the Finance Division. The CFO has ultimate responsibility for the tax strategy, policies and management of tax risk, with day-to-day responsibility for the operation of these functions resting with the Deputy CFO, the Head of Taxation and the Tax Department.

The CFO receives regular updates on tax matters and reports our tax position regularly to the Board Audit Committee.

Relationship with Tax Authorities

We maintain an open, professional and transparent relationship with the tax authorities in all territories where we have a presence, as either a taxpayer or in providing support in the management of tax systems. Our main tax authority is HMRC, with whom we engage in a co-operative, supportive and professional manner in all interactions.

We are open in our discussions with tax authorities and, in particular, aim to establish a clear "no surprises" relationship with both our Customer Compliance Manager (CCM) at HMRC and HMRC more generally. We maintain regular dialogue with our CCM, in which we discuss current, past and future taxation matters and business transactions.

In exceptional cases where matters cannot be settled by agreement with the tax authorities, or where we have a contractual obligation to do so, we may need to have recourse to the courts to clarify the interpretation of the law. In such cases we would continue to interact with tax authorities in a professional and helpful manner.

We support global and domestic initiatives to modernise the international tax system and to improve tax transparency. We aim to comply with our information sharing obligations including those arising under the Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act (FATCA).

Finance Act 2016

This document is considered to comply with the requirements of Paragraph 19(2) Schedule 19 of the Finance Act 2016.

Adoption by other UK subsidiaries and operations of Banco Santander SA

This Strategy has also been adopted by the other UK subsidiaries and operations of Banco Santander SA. It has been approved by the relevant boards or management bodies of those entities and is considered to comply with the requirements of Paragraphs 19(2) or 22(2) of Schedule 19 of the Finance Act 2016 as appropriate.

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