



ASSURANCE STATEMENT

SGS UNITED KINGDOM LTD'S STATEMENT ON SUSTAINABILITY ACTIVITIES IN SANTANDER UK PLC'S STAKEHOLDER REVIEW 2017

NATURE AND SCOPE OF THE ASSURANCE/VERIFICATION

SGS United Kingdom Ltd was contracted by Santander UK plc to perform Sustainability Report Assurance of the non-financial information contained in the Stakeholder Review section of the Santander UK plc Strategic Report 2017 (hereafter referred to as 'the Report').

The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and 2017 data in accompanying tables, contained on pages 22, 24, 25, 26 and 27 of the Stakeholder Review section of Santander UK plc's Strategic Report 2017.

Our assurance did not include any text, data or other information contained in other sections of the Strategic Report. All financial data included in the Stakeholder Review, including all data on salaries, the gender pay gap and taxes paid, was excluded from this assurance. This assurance also excluded all information and data relating to the activities and operation of Banco Santander group, or Banco Santander outside the UK.

The information in Santander UK plc's Stakeholder Review 2017 and its presentation are the responsibility of the directors and the management of Santander UK plc. SGS United Kingdom Ltd has not been involved in the preparation of any of the material included in the Santander UK plc Stakeholder Review 2017.

Our responsibility is to express an opinion on the text, data, graphs and statements within the scope of the verification set out above with the intention to inform all Santander UK plc's stakeholders.

This report has been assured at a moderate level of scrutiny using our protocols for evaluation of content veracity. The SGS protocols are based upon internationally recognised guidance, including the Principles contained within the Global Reporting Initiative (GRI) Sustainability Reporting Standards for accuracy and reliability and the guidance on levels of assurance contained within the AA1000 series of standards and guidance for Assurance Providers.

The assurance comprised a combination of pre-assurance research, interviews with relevant employees at the Head Office in London and Milton Keynes; documentation and record review; and validation with external bodies and/or stakeholders where relevant.

STATEMENT OF INDEPENDENCE AND COMPETENCE

The SGS Group of companies is the world leader in inspection, testing and verification, operating in more than 140 countries and providing services including management systems and service certification; quality, environmental, social and ethical auditing and training; environmental, social and sustainability report assurance.

SGS United Kingdom Ltd affirm our independence from Santander UK plc, being free from bias and conflicts of interest with the organisation, its subsidiaries and stakeholders. The assurance team was assembled based on their knowledge, experience and qualifications for this assignment.

VERIFICATION/ ASSURANCE OPINION

On the basis of the assurance scope, the methodology described and the verification work performed, we are satisfied that the verified information and data contained within the Stakeholder Review 2017 is accurate, reliable and provides a fair representation of Santander UK plc's activities in 2017.

The assurance team is of the opinion that the Report can be used by the Reporting Organisation's Stakeholders. We believe that the organisation has chosen an appropriate level of assurance for this stage in their reporting.

SUMMARY OF FINDINGS

Overall, the communication and presentation of information is appropriate to the size of the bank, and its sustainability impacts, risks and opportunities, and the 'summary' nature of the Report. There has been little change in report structure and format this year, however we note increased reporting on measures to address the social impacts of the bank, such as support for vulnerable customers, and addressing the gender pay gap.

Santander UK plc's reporting has been established over a number of years and the recommendations and improvement opportunities made as part of the assurance aim to encourage the organisation to continue developing their reporting, and more detail is provided on these in this management report. We strongly suggest that Santander UK takes these into consideration in future reporting cycles to ensure continual improvement. The recommendations are:

- The materiality assessment carried out in 2014 must now be updated, especially in the light of the strategic importance of social impact and sustainability for the sector. This assessment should inform the structure and content of the Stakeholder Review, and the selection of KPIs for reporting.
- We recommend that target audiences are asked for their views on the Stakeholder Review and on what information on management and performance they wish to see it include
- The Review would benefit from more future-facing statements and details of Santander UK's strategy and objectives, in particular regarding strategically important areas such as financial inclusion and social impact. This includes linkage of performance to medium and long-term sustainability goals.
- Inclusion of more detail on how data is put together and the assumptions and conversation factors used, would enable stakeholders to better compare data to other organisations.

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Authorised by:-



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