

Environmental, Social and Governance Supplement

2019



How we report

We've changed the way we report Environmental, Social and Governance (ESG) matters, in order to better respond to our stakeholder needs.

This ESG Supplement accompanies our annual report and provides a data-driven summary of our Sustainability performance.

Reporting changes

As part of our strategy to be a more responsible bank, we're committed to greater transparency around our material ESG issues. Our ambition is to provide decision-useful information, tailored to the needs of different audiences. In 2019 we reviewed how different stakeholders use and access ESG information, to help us understand how and what to communicate across multiple channels. We had insights from key stakeholders such as investors, and identified areas of duplication in our reports.

Based on this review, we've made improvements to the way we report Sustainability. We've reduced duplications, integrating more information in our Annual Report and complementing this with a succinct ESG Supplement focused on data.

This ESG Supplement is produced as part of our annual reporting suite and aims to provide investors, regulators, customers and other stakeholders with information that helps them make informed choices. We've also launched a new Sustainability microsite which will host further information and narrative.

Where to find Sustainability information

Our Annual Report and Accounts, in particular the Sustainability Review and Business Overview in the Strategic Report, covers our most financially material ESG topics. It explains how this is part of our business strategy and summarises key performance indicators and narrative.

This ESG Supplement covers key annual performance data for Sustainability, and its assurance. It aims to explain the processes and methodologies that underpin our ESG disclosures, for example the selection of material topics, and it is designed to be read alongside the annual reports.

Our Sustainability microsite provides information on our strategy and activities, including current campaigns and case studies. It also holds our policies and reports, including previous Sustainability Reports.

Additional disclosures for specialist topics such as Modern Slavery Statement and Gender Pay Gap report can be found on our website.

Contents

Materiality assessment and governance	3
Our Sustainability strategy	4
Data highlights	5
Our performance	6
2020 Scorecard	13
GRI Content Index	15
External Assurance	26
Read more	27

Materiality assessment and governance

Our approach to Sustainability is framed around our material issues, where we have the biggest impact. Strong governance is an essential part of managing our ESG risks and opportunities.

Identifying our most material issues

At Santander, we aim to be responsible in everything we do. A materiality assessment is an evidence-based approach to identifying the topics (or 'material issues') that are most important to our business and its stakeholders. In 2018 we followed a robust materiality assessment process which included data gathered through desk research (qualitative and quantitative), artificial intelligence and stakeholder interviews. The results of this assessment are shown in the matrix on this page. These material issues form the basis of our strategy.

Identifying our material issues is important to focus on areas where our business has the highest impact. Reporting on material issues will ensure that stakeholders can access information on our Sustainability approach and performance in a transparent and meaningful manner.

In 2020, we'll refresh our materiality matrix to ensure it's always up to date and select a set of performance metrics to measure progress against our strategic commitments.

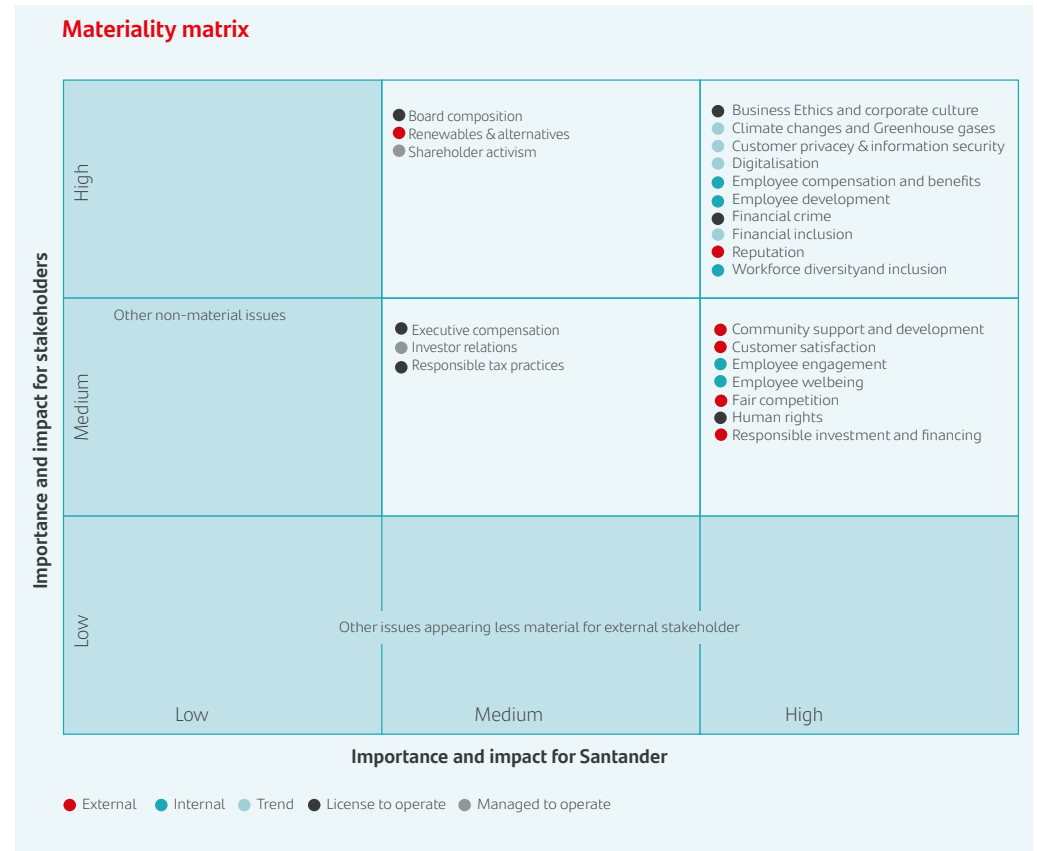
Our governance structure

Our parent company, Banco Santander, sets strategic direction and works closely with Santander entities across the world to provide support and share best practice. As an independent subsidiary, Santander in the UK has the flexibility to determine the most material local issues and set a local strategy, activities and targets, remaining aligned to Group priorities.

The UK Board Responsible Banking Committee (RBC) established in 2017 oversees our Sustainability strategy. The purpose of the RBC is to assist the Board to ensure the business is run in a responsible way and in the interests of all stakeholders. RBC also has oversight on conduct, culture and ethical standards, reputational risk and brand. RBC is the highest-ranking governance body for matters related to Sustainability and is updated biannually by the Sustainability team on our strategy and priorities.

The Sustainability team provides quarterly updates to our two most senior executive management fora, the Executive Committee and the Senior Management Committee, each of which provides valuable insight, support and challenge on relevant issues and oversees all stages of the Sustainability strategy.

To ensure we deliver on our ambition to be one of the most sustainable and responsible banks, in 2019 the Sustainability function was moved from Marketing to the CEO Office with our CEO, Nathan Bostock, as our Executive Committee sponsor. This change reflects the importance of this agenda for the company.



Our Sustainability strategy

Our strategic focus

In 2018, we grouped our material issues into four pillars, covering thriving workplace; sustainable economic growth and financial inclusion; inclusive digitalisation; and ethics and fighting financial crime.

Our activities, partnerships and reporting reflect these priorities and align to international frameworks such as the UN Sustainable Development Goals and Principles for Responsible Banking.

In 2019, we continued to work with various stakeholder groups to embed Sustainability in our business. We worked with teams across all business divisions to develop a 2020 action plan and longer-term commitments. Please see page 13-14 for more detail in our 2020 scorecard.

Our Purpose: Helping People and Businesses Prosper



Creating a thriving workplace

We aim to create a thriving workplace that attracts, retains and rewards the most talented and committed people.



Driving sustainable economic growth and financial inclusion

We want to deliver long lasting, sustainable growth and positive socio-economic impact.



Driving inclusive digitalisation

We aim to use technology in a way that creates value for all of our stakeholders and supports financial inclusion.



Upholding the highest ethical standards and fighting financial crime

Ethics and integrity are the foundation of a prosperous business and society.

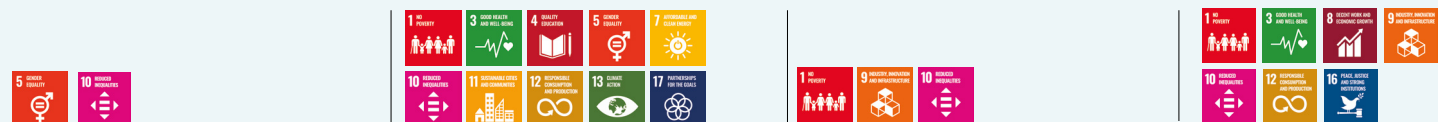
Our commitments

- Be one of the best companies to work for in the UK
- Support vulnerable customers and become the UK's most dementia friendly bank
- Finance a more sustainable future
- Be a valuable and sustainable partner
- Reduce our environmental footprint
- Help the UK transition to a low carbon economy and fight climate change
- Leave no one behind on digital banking
- Deter, detect and disrupt financial crime
- Protect people from frauds and scams
- Be a fairer, more transparent bank

Our material issues

- Employee development
- Diversity and inclusion
- Compensation and benefits
- Employee wellbeing
- Employee engagement
- Financial inclusion
- Climate change and greenhouse gases
- Digitalisation
- Customer privacy and information security
- Financial inclusion
- Business ethics and culture
- Financial crime
- Reputation

UN Sustainable Development Goals



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

Data highlights



248,090
People financially empowered in 2019



4 million
Over 4 million young people reached in award-winning fraud and scams campaign, with Barnardo's support to reach those most vulnerable.




£745,000
Raised for Alzheimer's Society in the first year of partnership, exceeding our target with record employee engagement.




Top 20
Employer in Social Mobility Index 2019

99.6 %
Waste recycled or diverted from landfill

Our performance

Creating a thriving workplace

Category	Unit	2019	2018	2017	2016	Notes
People						
Employees – Santander UK plc	FTE	22,532	18,571	19,432	19,220	The increase in FTE is due to a transfer of UK-based employees from Banco Santander support functions into Santander UK.
Employees – UK based	FTE	23,486	24,581	24,585	24,175	This includes employees of other Santander group companies based in the UK.
Salaries and other staff costs	£m	1,288	1,139	1,136	1,125	
Employees – Diversity						
Full-time employees	FTE	18,829	15,273	16,308	16,277	We're enabling people to work in a way that suits their individual needs. As a result of our focus on flexible working, this year 86% of colleagues answered positively to 'My immediate manager supports me in having a good balance between my work and personal life', an increase of 2% from 2018 and 6% higher than benchmark. We have 16% part-time colleagues and more on informal flexible working arrangements. BAME employees figure is based on voluntary disclosure.
Part-time employees	FTE	3,703	3,298	3,124	2,943	
BAME employees	FTE	3,041	2,658	2,226	1,621	
Employees aged over 50	FTE	3,906	2,999	3,313	3,204	
Employees – Gender						
Female Board Directors (Non-Executive)	#	4	6	4	4	Santander UK plc Board Directors
Male Board Directors (Non-Executive)	#	7	4	6	8	
Female Board Directors (Executive)	#	1				New disclosure this year to provide accurate view of Board composition with Executive Directors and Non-Executive Directors (NEDS).
Male Board Directors (Executive)	#	2				
Female Executive Committee	FTE	4	4	6	6	Previously this line was titled 'Senior Directors'. To streamline our gender reporting, we've clarified our definitions to ensure they align across our external reporting. Figures include our three Executive Committee members who are on the Board.
Male Executive Committee	FTE	11	10	13	10	
Female employees	FTE	12,344	10,523	10,948	10,764	Previous reporting excluded 'senior managers' from these totals as it was separately reported, however this is now included in the total. Please note one employee has preferred not to disclose their gender.
Male employees	FTE	10,172	7,930	8,343	8,303	
Employees – Misc						
Average absence per employee	days	11.7	11.5	10.8	9.9	Turnover is defined as % employees leaving the organisation and replaced by new employees.
Employee turnover	%	12.8	13.8	14.6	13.3	
Average length of service	years	9.7	9.4	9.0	8.7	We offer the same pension and benefits to all employees, whether full-time or part-time, permanent or Fixed Term Contract. We've seen an increase in participation due to Automatic Enrolment regulation compliance.
Pension participation	%	91%	88	92	91	
Employee learning						
Training days	days	144,703	73,933	104,802	169,051	Our focus on enabling colleague development remains a key priority, and we have increased the number of training days per employee in 2019. We have been able to maintain cost-effective means of training delivery.
Training days per employee	days	6.4	4.0	5.4	8.8	
Investment in training	£m	10.6	10.6	8.8	11.6	

Our performance continued

Creating a thriving workplace continued

Category	Unit	2019	2018	2017	2016	Notes
People continued						
Accidents at work						
Minor accidents	#	361	316	309	292	
Accidents resulting in over 7 day absence	#	3	3	6	3	
Major accidents	#	9	5	17	6	
Colleague engagement						
Colleague engagement	%	70	72	71	72	This is defined as the percentage of colleagues that feel favourably engaged working for Santander. Colleague engagement levels remained relatively stable in a period of transformation and change. As well as our annual Global Engagement Survey, we held a pulse survey in May to help form our actions in the second half of the year focused on the cultural direction and alignment.
Customers						
Active customers	million	14	15	15	15	Includes active customers with Santander Business.
Net Promoter Score (NPS)	#	11.5	10.0	6.5	6.6	Financial Research Survey run by Ipsos MORI. This year we moved to NPS as our main metric of customer experience. NPS is a 11 point scale (% Top 2 – % Bottom 7). Customer satisfaction is now in line with the average of the three highest performing peers.
Customer satisfaction	%	-	65.5	63.0	62.9	
Customer complaints	#	490,575	361,809	346,287	250,463	
Number of branches	#	616	755	806	841	This includes 51 university branches and the newly opened Work Café in Leeds city centre. In 2019 we continued the transformation of our branch network, For more please see page 26 of our Strategic Report.
Number of Corporate Business Centres	#	-	64	64	67	Our strategy has shifted to focus more on efficiency across different channels, and so we no longer have a metric on corporate business centres.
Suppliers						
Value of procurement	£bn	1,644.8	1,717.0	1,651.3	1,738.6	2019 procurement figures now exclude intermediaries. In a drive to reduce costs we have consolidated supply, meaning an overall smaller number of suppliers in 2019.
Suppliers	#	1,349	1,626	1,642	1,663	
Payment days beyond terms	days	15	9	13	7	In 2019 we introduced 'No PO No Pay' internal controls to reject invoices without a Purchase Order number and improve our governance around payment of suppliers. This has led to an increase in payment days beyond terms.
New SME contracts	#	77	129	104	78	The reduction in business-led awards has meant a general reduction in number of suppliers onboarded, as well as spend.
Value of new SME contracts	£m	28	40.6	7.1	9.1	
SME supplier contracts/total supplier contracts	%	69	75	80	61	SMEs are businesses with <£10m turnover or <250 employees.

The Financial Research Survey (FRS) is a monthly personal finance survey of around 5,000 consumers prepared by the independent market research agency, IPSOS MORI. The NPS is based on a 11-point scale (%Top2 – %Bottom 7) across mortgages, savings, main current accounts, home insurance, UPLs and credit cards, based on a weighting of those products calculated to reflect the average product distribution across Santander UK and competitor brands. Data shown is for the twelve months ended 31 December 2019, based on 14,012 interviews and compared against twelve months ended data for the period as indicated. The competitor set used to calculate the product weights is Barclays, Halifax, HSBC, Lloyds Bank, Nationwide, NatWest, TSB and RBS. The competitor set included in this analysis for the ranking and highest performing peers is Barclays, Halifax, HSBC, Lloyds Bank, Nationwide, NatWest, TSB and RBS.

Our performance continued



Driving sustainable economic growth and financial inclusion

Category	Unit	2019	2018	2017	2016	Notes
Environment						
Fuel usage						
Electricity	MWh	107,469	115,039	121,182	135,319	We have reduced our electricity use year-on-year by 6.6% and gas usage by 10.7%. We also use lifecycle assessment to maximise energy saving opportunities when upgrading facilities. 2018 data has changed due to estimated data provided in December as a result of lagging readings in some locations.
Gas	MWh	25,033	28,027	29,454	30,953	
Oil	Litres	34,633	53,104	36,534	52,410	
CO₂ emissions from fuel						
Electricity	tonnes	-	-	-	-	Electrical energy supplies are sourced from biomass, wind and water.
Gas	tonnes	4,594	5,146	5,414	5,689	
Oil	tonnes	94	145	99	135	2018 baseline data was revised following corrections to oil tank meter reading records. Due to levels of estimation in environmental data, consumption data is continually updated to actual consumption, which leads to slight historic annual reconciliations. Our water use decreased by 8.3% in 2019 with installation of efficient water fittings in three offices.
CO ₂ released	tonnes	4,688	5,291	5,513	5,825	
Water usage						
Total water usage	m ³	248,128	270,555	279,521	294,945	
Waste						
Waste collected	tonnes	5,893	5,508	5,288	4,506	The increase in waste in 2019 is largely attributed to the transformation programme resulting in changes in our estate portfolio. This includes significant refurbishment and in some cases closure of sites. We have a number of waste reduction initiatives in place, and achieved a significant reduction in single-use plastic in 2019 with removal of plastic drinking cups from our offices.
Waste diverted from landfill	tonnes	5,867	5,495	5,269	4,480	
Waste diverted from landfill	%	99.6	99.8	99.6	99.4	
Paper usage						
Consumables	kg	187,873	207,247	182,454	187,434	Our paper reduction strategy proactively engages customers to encourage them to opt-in to paper-free banking, while we increase our communications available in paper-free format.
Literature	kg	2,730,694	2,880,013	2,704,380	2,578,080	
Total paper usage	kg	2,918,567	3,087,260	2,886,834	2,765,514	
Financing						
Renewable energy financing	£bn	1,086.6	922.4m	601.7m	53.2m	This includes financing originated in Santander in the UK by our Corporate & Commercial Banking and Corporate & Investment Banking teams.
Travel						
Air travel – domestic	km	1,960,835	2,619,325	3,635,178	4,823,120	We reduced business travel in 2019 driven by a promotion of use of technologies such as Skype and video-conferencing for meetings. The increase in short haul European air travel was attributed to employees based in London travelling for external client meetings over June and September.
Air travel – short haul (Europe)	km	5,653,286	4,447,536	6,070,889	6,141,758	
Air travel – long haul (international)	km	3,573,155	4,022,663	4,436,986	5,324,048	
Car	km	9,141,391	11,793,287	14,220,879	14,977,247	
Rail	km	7,262,174	8,954,721	10,597,491	10,131,595	
Total travel	km	27,590,841	31,837,533	38,961,423	41,397,768	

Our performance continued



Driving sustainable economic growth and financial inclusion

Category	Unit	2019	2018	2017	2016	Notes
Environment continued						
CO₂ emissions from business travel						
Air travel – domestic	tonnes	497	777	1,077	1,429	Our reduction in emissions from business travel is reflective of the drive to move to video-conferencing and Skype meetings as detailed above.
Air travel – short haul	tonnes	891	718	1,025	1,037	
Air travel – long haul	tonnes	695	851	874	1,049	
Car	tonnes	1,576	2,081	2,546	2,681	
Rail	tonnes	296	392	475	454	
Total CO ₂ emissions from business travel	tonnes	3,955	4,819	5,997	6,650	
CO₂ emissions						
CO ₂ from fuel	tonnes	4,688	5,291	5,513	5,825	Our reduction in emissions from CO ₂ is reflective of the drive to move to video-conferencing and Skype meetings as detailed above.
CO ₂ from business travel	tonnes	3,955	4,819	5,997	6,650	
Total CO ₂ emissions	tonnes	8,643	10,110	11,510	12,475	Due to levels of estimation in environmental data, consumption data is continually updated to actual consumption, which leads to slight historic annual reconciliations.
CO ₂ emissions per employee	tonnes	0.37	0.41	0.47	0.52	
Communities						
Total People Supported		–	397,466	281,673	196,300	From 2019 most community activities previously reported under People Supported are now reported under People Financially Empowered. This is a new Group target defined as supporting those who are unbanked, under-banked or in a situation of vulnerability to get access to the financial system, receive tailored finance and increase their knowledge and resilience through financial education. The UK contribution is expected to be 600,000 by 2022. This metric takes data from the following initiatives: Money Advice Trust, Young Enterprise, Money and WorkWise sessions, Specialist support team, Step Change, Payplan and Christians Against Poverty.
People Financially Empowered	#	248,090	–	–	–	
Other People Supported	#	22,130	–	–	–	
Support for communities	£m	12.7	22.9	14.7	16.5	In line with the new target, we redefined People Supported to focus on three key activity areas, which are the in-school sessions of DigiWise and FutureWise, as well as community activities (Discovery Days) and branch workshops. This line incorporates spend on the Santander Foundation, Universities, Breakthrough and Sustainability spend on memberships, merchandise and programmes. The reduction in spend is largely due to Foundation changes in 2019 described below.

Our performance continued



Driving sustainable economic growth and financial inclusion

Category	Unit	2019	2018	2017	2016	Notes
Santander Foundation						
Matched donations	£m	1.5	2.1	2.3	2.3	We reduced our annual donation to the Santander Foundation by 40% to £3.06m due to the challenging economic outlook. Based on this context and the Foundation's ambition to review its strategic purpose, the Foundation paused the Discovery Grants scheme in February 2019 and reviewed the thresholds for the Matched Donations programme. The changes resulted in the reduction of the Foundation charitable donations to preserve funds for the launch of the new strategy in 2020 focusing on helping people become digitally and financially empowered.
Discovery grants	£	346,292	3.2m	3.1m	3.1m	
Value of donations and grants	£m	1.8	5.4	5.4	5.4	
Number of donations	#	1,769	2,964	3,238	3,263	
Volunteering						
Discovery Days projects	#	642	651	699	556	As we streamlined our corporate volunteering in 2019 (described above when referring to People Supported) the number of volunteers now represents only those who took part in the three key activities, accounting for the reduction.
Staff volunteers	#	7,742	11,561	8,873	8,177	
Value of volunteering time	£m	-	1.9	1.9	1.4	We removed this reporting metric in 2019 due to a shift in focus towards outputs of volunteering.
Santander Universities						
Value of donations	£m	9.3	13.6	10.1	11.3	The total number of awards have decreased following a change in strategy aimed at providing more meaningful support to students. This includes a higher average spend per head across the 3E's (our key 3 areas of support – Education, Employability and Entrepreneurship).
University partners	#	86	84	83	81	
Total scholarships and awards	#	15,313	29,145	13,634	8,024	
Santander Breakthrough						
Total investment	£	232,087	424,797	217,999	737,715	The reduction in investment was the result of one off costs for the development of the Breakthrough microsite as well as a number of sponsorships which were either discontinued or reduced in 2019.
Masterclass and workshop delegates	#	300	557	400	137	Due to limited resources in capability, this saw a reduction in activity across workshops, masterclasses and Breakthrough in Branch.
International connectivity events	#	679	478	246	53	The increase here is reflective of our commitment as a bank to support companies with their international ambitions. These were previously known as 'Trade Mission Delegates'.
Other Breakthrough beneficiaries	#	4,637	6,867	6,867	4,615	Due to limited resources in capability, this saw a reduction in activity across workshops, masterclasses and Breakthrough in Branch.
Total Breakthrough delegates and beneficiaries	#	5,616	7,902	7,513	4,805	This includes masterclasses, workshop delegates, international connections delegates and other Breakthrough beneficiaries.

Our performance continued



Driving inclusive digitalisation

Our ambition

By unlocking the possibilities of digitalisation we believe we can help our customers and society find new ways to overcome some of the challenges of everyday life.

Our commitment

We commit to be inclusive in our approach to digital banking. We have a responsibility to use the power of technology to support financial inclusion, improve cybersecurity, fight financial crime and protect customer privacy and security. We recognise that the speed of digital change makes certain sectors of society vulnerable to financial exclusion, and we'll work to tackle this emerging issue.

Digital education

We developed our popular in-school programme, where Santander UK volunteers teach students about responsible money management and career planning, to include a new session around staying safe online. Launched in December 2018, this helps students understand their digital footprint, data protection and intellectual property. We developed the materials with Young Citizens, an education charity working in schools to educate, inspire and motivate the citizens of tomorrow.

In 2020, we'll launch a digital skills support programme, 'Go Digital', to thousands of older people in partnership with Age UK. Over half of this group classified as 'internet non-users' is over the age of 75, making this age group vulnerable to digital exclusion. Go Digital will be focused on areas of the UK with high digital

exclusion, and will include supporting older people to access online financial services and products. Santander colleagues will be able to volunteer for these sessions and learn how to better support customers with basic digital skills.

Cyber security

We want to be worthy of our customers' trust, reflecting our focus on best-in-class data security. We aim to use technology in a way that creates value for all our stakeholders and supports financial inclusion. Technology should help simplify our processes, and make services more accessible and convenient. It is our responsibility to ensure the highest standards of data security which will help us earn and inspire trust.

We foster collaboration and information-sharing across the industry, regulators and law enforcement, and are on the Board of the Cyber Defence Alliance. In 2019, intelligence shared by Santander has resulted in the successful arrest of prolific criminals, including one responsible for an estimated £41.6m in fraud. This helps to remove the root cause of cyber crime.

Enhanced mobile and online banking

We're continually working to make our digital services more simple, secure and accessible.

In April this year we launched in-app authentication for 3D-Secure transactions, the process whereby a customer completes a purchase using their card with an online

retailer and Santander prompts the customer to authenticate. Historically we've relied on SMS one-time password for this process, but through the in-app authentication journey, customers now have the opportunity to use the biometrics offered on their device – whether that's fingerprint or facial recognition – to complete their purchase, offering a much more digitally engaged and customer friendly journey.

In addition to 3D-Secure transactions and in-app authentication, we've extended these authentication capabilities to customers making payment requests via Online Banking i.e. where the customer uses a laptop or PC. In 2019 we launched Santander Chat to all Online Banking customers, made up of an automated virtual assistant 'Bot' and messaging via a live agent. This provides an authenticated platform for secure conversations and transactions. In 2020 we plan to bring this service to Mobile Banking, and increase the end-to-end transactions that the Bot can perform for the customer.

Voice ID, our brand name for voice biometrics, had 226,490 registered users in 2019 since its launch in April. It enabled over 1.4m successful verifications last year. The registration process was enhanced during 2019 with the introduction of an assisted enrolment solution, making it easier and quicker for customers to access this benefit through our contact centres and branches. We're also developing the service to be accessible to customers who haven't had the PINs and Passwords historically needed to access telephone banking.

Our performance

Measure	2019
Number of DigiWise sessions	67
Voice ID customers	226,490
Mobile app rating	4.8 (iOS) 4.5 (Android)

Our performance continued



Upholding the highest ethical standards and fighting financial crime

Our ambition

Ethics and integrity are the foundation of a prosperous business and society, and a clear driver of customer choice. We're determined to uphold the highest ethical standards, promote human rights and responsible corporate culture.

Our commitment

We commit to being a fairer, more transparent bank. At the heart of this is the fair treatment of customers. We'll deal with any form of customer fraud as a priority and are committed to raising customer awareness.

Culture

We have nine 'Santander behaviours' which describe how we should interact day-to-day to bring simple, personal and fair to life. Our Culture focus in 2019 has included embedding Anti-Financial Crime culture across the bank, with 8 Anti-Financial Crime culture roadshows.

Third party risk

In 2019 we improved our governance process and policies around third party risk, including a full review of how we audit third party suppliers through control assessments. We amended our supplier assessment process to reflect an updated risk appetite around modern slavery and human trafficking.

Anti-bribery and Corruption (AB&C)

We made significant developments in 2019 to our AB&C function, and doubled our central team. As part of a drive to improve our policies and communication, we enhanced the

AB&C Policy and Standards and cascaded this to all colleagues, along with a top-level commitment, charitable activity requirements, and Gifts and Hospitality (G&H) requirements. We enhanced controls around G&H, third parties, universities, charitable activity, sponsorship and events, monitoring, oversight and record keeping. There has been an increase of AB&C referrals in 2019 of 28% compared to 2018 which confirms the increase in awareness of our standards and policies.

Our Anti-Financial Crime strategy seeks to deter, detect and disrupt financial crime, to protect our customers and communities. We have mandatory 'Fighting Financial Crime' training for all colleagues and our Executive Committee. This year we completed enhanced training for 92.5% of colleagues in central functions in high-risk roles. Following our Anti-Financial Crime Culture roadshows Santander held an AB&C conference including external professional speakers, with 354 colleagues attending in person or via live stream.

Tackling fraud and scams

Authorised Push Payment (APP) fraud is where the customer is tricked into sending money to a fraudster. In April 2019, to protect customers, we introduced a new payment process with tailored warnings, sort code validation, display of the recipient bank name and a voluntary cooling-off period. Since launch, across the digital channels we have provided in excess of 53m warning messages, delivered at point of payment and circa 3m across branch and telephone.

We also run 'Scam Avoidance Schools', a community campaign to raise awareness of the sophistication of scammers. These are run in Santander branches and are free for the public to attend. We participate in the Banking Protocol, a collaboration between the police, banks and Trading Standards to help vulnerable victims who are in the process of being defrauded.

Responsible lending and renewables

In 2019, Santander was the 3rd largest lender among renewable energy financiers in the sector by volume (2nd by number of transactions) in the UK, and also ranked first by volume for advisory services in Europe and the UK¹. As part of this, Santander in the UK originated £1.09bn of debt financing to 21 renewable energy projects in 2019. We provide advisory and financing solutions for renewable and alternative energy clients across a range of renewable schemes, including onshore and offshore wind, solar and biofuel projects.

In 2019, we introduced prohibitions and strengthened restrictions on a range of lending activities. Prohibited activities now include the provision of products or services for new Coal Fired Power Plant (CFPP) projects and taking on new clients with existing CFPPs. Our Reputational Risk Forum, which has Board oversight, reviews and approves all restricted activities to ensure that they fall within our risk appetite.

Our performance


















Measure	2019
% of colleagues trained on AFC	99%
% trained on ABC	99%
Number trained on ABC (includes part-time and fixed-term contract)	25,396
Number completed enhanced training	320

¹ Information league tables 2019


















2020 scorecard

In 2019, we created a company-wide Sustainability scorecard to activate our Sustainability Strategy across the business. Our scorecard sets our medium-term commitments, with a roadmap of activities for 2020 that will help us drive and track progress on the strategy. To create this, the Sustainability team engaged with colleagues across the business to help them understand how our strategy applies to their area and set a roadmap for progress, with input from external subject matter experts. The scorecard was approved by our board-level Responsible Banking Committee in December 2019.

The scorecard is structured in three layers: the four priority areas of our strategy; the medium-term commitments which support these; and specific targets to measure progress which we'll review annually.

Our Sustainability priorities	Our commitments and their alignment with the sustainable development goal	How we will measure progress in 2020
 <p>Create a thriving workplace</p>	<p>1.1 Be one of the best companies to work for in the UK</p>  	<p>1.1.1 Be recognised as a Top Employer (Top Employers Institute)</p> <p>1.1.2 Drive gender balance by having at least 33% female representation on our Board & make progress in achieving our ambition in having 50% +/-10% women in senior roles by 2021</p> <p>1.1.3 Improve our Social Mobility Index ranking to top 25 employer by 2021 and increase by 20% the number of students reached through 'Workwise' sessions in particular areas of need</p>
 <p>Drive sustainable economic growth and financial inclusion</p>	<p>2.1 Improve financial inclusion and literacy in the UK</p>       <p>2.2 Support vulnerable customers and become the UK's most dementia friendly bank</p>    <p>2.3 Finance a more sustainable future</p>    <p>2.4 Be a valuable and sustainable partner to higher education in the UK</p> 	<p>2.1.1 Financially empower 150,000 people in need in our communities and help another 7,500 people to feel more comfortable with numbers with National Numeracy</p> <p>2.1.2 Help 3,000 SMEs with tailored support through Breakthrough including mentoring women business leaders and sponsoring apprenticeships</p> <p>2.1.3 Provide mortgages to help 40,000 first time buyers into their first home, which includes supporting 4,500 to purchase their home using the Government's Shared Ownership scheme</p> <p>2.1.4 Partner with Financial Inclusion Commission and BitC to foster industry wide collaboration to promote financial inclusion and literacy</p> <p>2.2.1 Become a dementia friendly bank by having at least 50% of all Santander UK colleagues become certified Dementia Friends with Alzheimer's Society</p> <p>2.2.2 Launch a new proposition to better support customers with vulnerability and train and place at least 3 dementia ambassadors in each branch region and contact centre with Alzheimer's Society</p> <p>2.3.1 Support 1,000 business clients to improve on their ESG practices</p> <p>2.3.2 £500m in funding support for the social housing sector</p> <p>2.4.1 Support 10,000 individuals with our Universities division through education, employability and entrepreneurship programmes, with £9.7m in funding</p>

2020 scorecard continued

Our Sustainability priorities	Our commitments and their alignment with the sustainable development goal	How we will measure progress in 2020
 <p>Drive sustainable economic growth and financial inclusion continued</p>	2.5 Reduce our environmental footprint	  <p>2.5.1 Maintain 100% usage of green sources of electricity, get 500,000 customers to become paper-free in at least one eligible product, and contribute to eliminating single-use plastics in Santander buildings</p>
	2.6 Help the UK transition to a low carbon economy and fight climate change	  <p>2.6.1 Continue supporting renewable energy and other sustainable energy solutions with £500m in funding*</p> <p>2.6.2 Launch a new Santander Green mortgage proposition to assist home movers to improve their energy efficiency</p>
 <p>Drive inclusive digitalisation</p>	3.1 Leave no one behind on digital banking	   <p>3.1.1 Get 8,000 people to feel comfortable with digital banking through a partnership with Age UK and in-branch digital banking workshops, and train 1,000 young people on digital skills</p> <p>3.1.2 Enrol 500,000 customers on Voice ID</p> <p>3.1.3 Provide funding and resources to support the creation of the Financial Sector Cyber Collaboration Centre to fight cybercrime in the UK</p>
	4.1 Deter, detect and disrupt financial crime	  <p>4.1.1 Train 100% of the frontline colleagues across the Retail Bank to fight financial crime</p> <p>4.1.2 Deliver Stop the Traffik education and awareness sessions to improve understanding of how to detect and prevent modern slavery and human trafficking</p> <p>4.1.3 Provide detailed training every 2 years to all colleagues identified in High Risk Roles on how to detect and prevent Bribery and Corruption</p>
  <p>4.2.1 Deliver 1,500 workshops focused on training retail customers on cybersecurity and scam avoidance, and deliver awareness sessions to business clients with quarterly seminars</p>		
    <p>4.3 Be a fairer and more transparent bank</p> <p>4.3.1 100% completion of supplier assessment including modern slavery, limiting any relation with suppliers that do not comply with our ESG policies</p>		

* Considers activity within Corporate and Commercial Banking and Corporate and Investment Banking.

GRI Content Index

The Global Reporting Initiative (GRI) is a standard for Sustainability reporting, and we report in accordance with the 'core' option for disclosure.

GRI Standards

As we develop our ESG reporting we take into account developments of standards and common practice. In particular, we have worked this year to comply with the core option of GRI, detailed in the tables below with references across our reporting.

Our reporting also considers the Sustainability Accounting Standards Board (SASB) material issues for the categories 'Commercial Bank' and 'Mortgage Lender'. 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; and employee engagement, diversity and inclusion.

We will continue to enhance our reporting based on common frameworks and collaborate with standard setting bodies. This report has been prepared in accordance with the GRI Standards: Core option.

Disclosure number	Description	Notes	Reference
GRI 102: General Disclosures			
Organisational profile			
102-1	Report the name of the organisation		Annual Report 2019, Strategic report, page 5
102-2	Report the primary brands, products and services		Annual Report 2019, Strategic report, page 4
102-3	Report the location of the organisation's headquarters		Annual Report 2019, Strategic report, page 28
102-4	Report number of countries where organisation operates, and names of countries where either the organisation has significant operations or that are specifically relevant to the sustainability topics covered in the report		Annual Report 2019, Strategic report, page 5
102-5	Report the nature of ownership and legal form		Annual Report 2019, Strategic report, page 28
102-6	Markets served		Annual Report 2019, Strategic report, page 12, 13
102-7	Organisation scale		Annual Report 2019, Strategic report, page 28
102-8	Information on employees and other workers		Annual Report 2019, Strategic report, page 29
102-9	Describe the organisation's supply chain		Annual Report 2019, Strategic report, page 31
102-10	Any significant changes during the reporting period regarding the organisation's size, structure, ownership or its supply chain		Annual Report 2019, 'About this report'
102-11	Whether and how the precautionary approach or principle is addressed by the organisation		Environmental, Social and Governance (ESG) Supplement, page 2
102-12	List externally developed economic, environmental and social charters, principles or other initiatives to which the organisation subscribes or which it endorses		ESG Supplement, page 4
102-13	Memberships of associations and national or international advocacy		ESG Supplement, page 4
Strategy			
102-14	Provide a statement from the most senior decision-maker of the organisation about the relevance of sustainability to the organisation and the organisation's strategy for addressing sustainability		Annual Report 2019, page 2-3, 6-9, Chairman's Statement and CEO Review

GRI Content Index continued

Disclosure number	Description	Notes	Reference
GRI 102: General Disclosures continued			
Ethics and integrity			
102-16	Organisation's value, principles, standards and norms of behaviour such as codes of conduct and codes of ethics		Annual Report 2019, Strategic report, page 5
Governance			
102-18	Governance structure, including committees of the highest governance body		Annual Report 2019, Strategic report, page 5
Stakeholder engagement			
102-40	List of stakeholder groups engaged by the organisation	Non-financial information table	Annual Report 2019, Strategic report, page 28
102-41	Percentage of total employees covered by collective bargaining agreements		Annual Report 2019, Strategic report, page 29
102-42	Basis for identification and selection of stakeholders with whom to engage		Annual Report 2019, Strategic report, page 32
102-43	Approach to stakeholder engagement		Annual Report 2019, Strategic report, page 32
102-44	Key topics and concerns that have been raised, and how the organisation has responded to key topics and concerns, including through reporting		Annual Report 2019, Strategic report, page 32
Report Practice			
102-45	Entities included in the consolidated financial statements		Annual Report 2019, 'About this report'
102-46	Defining report content and topic boundaries	The reporting organisation shall report the following information: a. An explanation of the process for defining the report content and the topic boundaries. b. An explanation of how the organisation has implemented the Reporting Principles for defining report content.	ESG Supplement, page 2, 3, 14
102-47	List of material topics		ESG Supplement, page 3, 4
102-48	Restatements of information		ESG Supplement, pages 6-9
102-49	Changes in reporting	Significant changes from previous reporting periods in the list of material topics and topic boundaries.	ESG Supplement, page 2
102-50	Reporting period		Annual Report 2019, 'About this report'

GRI Content Index continued

Disclosure number	Description	Notes	Reference
GRI 102: General Disclosures continued			
Report Practice continued			
102-51	Date of most recent report		ESG Supplement, page 3
102-52	Reporting cycle		ESG Supplement, page 3
102-53	Contact point for questions regarding the report		ESG Supplement, 'Read More'
102-54	Claims of reporting in accordance with the GRI standards	The reporting organisation shall report the following information: <ul style="list-style-type: none"> a. The claim made by the organisation, if it has prepared a report in accordance with the GRI Standards, either: <ul style="list-style-type: none"> i. 'This report has been prepared in accordance with the GRI Standards: Core option'; ii. 'This report has been prepared in accordance with the GRI Standards: Comprehensive option'. 	ESG Supplement, page 14
102-55	GRI content index		ESG Supplement, pages 14–24
102-56	External assurance	The reporting organisation shall report the following information: <ul style="list-style-type: none"> a. A description of the organisation's policy and current practice with regard to seeking external assurance for the report. b. If the report has been externally assured: <ul style="list-style-type: none"> i. A reference to the external assurance report, statements, or opinions. If not included in the assurance report accompanying the sustainability report, a description of what has and what has not been assured and on what basis, including the assurance standards used, the level of assurance obtained, and any limitations of the assurance process; ii. The relationship between the organisation and the assurance provider; iii. Whether and how the highest governance body or senior executives are involved in seeking external assurance for the organisation's sustainability report. 	ESG Supplement, page 25.

GRI Content Index continued

Disclosure number	Description	Notes	Reference
GHGs and Emissions			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, page 31 ESG Supplement, page 8, 9
103-2	The management approach and its components	Including whether offsets were used to meet the targets, including the type, amount, criteria or scheme.	Annual Report 2019, Strategic report, page 31 ESG Supplement, page 8, 9
103-3	Evaluation of the management approach		Annual Report 2019, Strategic report, page 31 ESG Supplement, page 8, 9
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emission	The reporting organisation shall report the following information: <ol style="list-style-type: none"> Gross direct (Scope 1) GHG emissions in metric tons of CO₂ equivalent. Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. Biogenic CO₂ emissions in metric tons of CO₂ equivalent. Base year for the calculation, if applicable, including: <ol style="list-style-type: none"> the rationale for choosing it; emissions in the base year; the context for any significant changes in emissions that triggered recalculations of base year emissions. Source of the emission factors and the global warming potential (GWP) rates used, or a reference to the GWP source. Consolidation approach for emissions; whether equity share, financial control, or operational control. Standards, methodologies, assumptions, and/or calculation tools used. 	Annual Report 2019, Strategic report, page 31 ESG Supplement, page 8, 9
305-2	Energy indirect (Scope 2) GHG emissions		ESG Supplement, page 8, 9
305-3	Other indirect (Scope 3) GHG emissions		ESG Supplement, page 8, 9

GRI Content Index continued

Disclosure number	Description	Notes	Reference
GHGs and Emissions continued			
GRI 305: Emissions continued			
305-4	GHG emissions intensity	The reporting organisation shall report the following information: <ol style="list-style-type: none"> GHG emissions intensity ratio for the organisation. Organisation-specific metric (the denominator) chosen to calculate the ratio. Types of GHG emissions included in the intensity ratio; whether direct (Scope 1), energy indirect (Scope 2), and/or other indirect (Scope 3). Gases included in the calculation; whether CO₂, CH₄, N₂O, HFCs, PFCs, SF₆, NF₃, or all. 	ESG Supplement, page 9
GRI 201: Economic Impact			
201-2	Financial implications and other risks and opportunities due to climate change	The reporting organisation shall report the following information: <ol style="list-style-type: none"> Risks and opportunities posed by climate change that have the potential to generate substantive changes in operations, revenue, or expenditure, including: <ol style="list-style-type: none"> a description of the risk or opportunity and its classification as either physical, regulatory, or other; a description of the impact associated with the risk or opportunity; the financial implications of the risk or opportunity before action is taken; the methods used to manage the risk or opportunity; the costs of actions taken to manage the risk or opportunity. 	Annual Report 2019, Strategic report, page 21
Financial Inclusion			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, page 30 ESG Supplement, page 4, 12, 13
103-2	The management approach and its components		Annual Report 2019, Strategic report, page 30 ESG Supplement, page 4, 9, 12, 13
103-3	Evaluation of the management approach		Annual Report 2019, Strategic report, page 30 ESG Supplement, page 9, 12, 13

GRI Content Index continued

Disclosure number	Description	Notes	Reference
Workforce Diversity and Inclusion			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, page 14, 15, 28, 29, ESG Supplement, page 4, 6, 9 https://www.santander.co.uk/about-santander/sustainability
103-2	The management approach and its components		Annual Report 2019, Strategic report, page 14, 15, 16, 29, 30, 32 ESG Supplement, page 4, 6, 9, 12 Gender Pay Gap report available at: http://www.santanderjobs.co.uk/diversity.php
103-3	Evaluation of the management approach		Annual Report 2019, Strategic report, page 16, 28, 29, 32 ESG Supplement, page 9, 12
GRI 405: Diversity and Equal Opportunity			
405-1	Diversity of governance bodies and employees	The reporting organisation shall report the following information: a. Percentage of individuals within the organisation's governance bodies in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups). b. Percentage of employees per employee category in each of the following diversity categories: i. Gender; ii. Age group: under 30 years old, 30-50 years old, over 50 years old; iii. Other indicators of diversity where relevant (such as minority or vulnerable groups).	Annual Report 2019, Strategic report, page 29 ESG Supplement, page 6
Employee Development			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, page 29
103-2	The management approach and its components		Annual Report 2019, Strategic report, page 29
103-3	Evaluation of the management approach		Annual Report 2019, Strategic report, page 29 ESG Supplement, page 6

GRI Content Index continued

Disclosure number	Description	Notes	Reference
Employee Development continued			
GRI 404: Training and Education			
404-1	Average hours of training per year per employee	The reporting organisation shall report the following information: a. Average hours of training that the organisation's employees have undertaken during the reporting period, by: i. gender; ii. employee category.	ESG Supplement, page 6
404-2	Programs for upgrading employee skills and transition assistance programs	The reporting organisation shall report the following information: a. Type and scope of programs implemented and assistance provided to upgrade employee skills. b. Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment.	Annual Report 2019, Strategic report, page 29
404-3	Percentage of employees receiving regular performance and career development reviews	The reporting organisation shall report the following information: a. Percentage of total employees by gender and by employee category who received a regular performance and career development review during the reporting period.	Annual Report 2019, Strategic report, page 28
Employee Compensation and Benefits			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, page 28
103-2	The management approach and its components		Annual Report 2019, Strategic report, page 28
103-3	Evaluation of the management approach		Annual Report 2019, Strategic report, page 28

GRI Content Index continued

Disclosure number	Description	Notes	Reference
Employee Compensation and Benefits continued			
GRI 401: Employment			
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	The reporting organisation shall report the following information: a. Benefits which are standard for full-time employees of the organisation but are not provided to temporary or part-time employees, by significant locations of operation. These include, as a minimum: i. life insurance; ii. health care; iii. disability and invalidity coverage; iv. parental leave; v. retirement provision; vi. stock ownership; vii. others. b. The definition used for 'significant locations of operation'.	ESG Supplement, page 6
Financial Crime			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, page 31 ESG Supplement, page 3, 4, 10, 11, Modern Slavery Statement available at: https://www.santander.co.uk/ https://www.santander.co.uk/about-santander/sustainability
103-2	The management approach and its components		Annual Report 2019, Strategic report, page 31 ESG Supplement, page 3, 4, 10, 11, Modern Slavery Statement available at: https://www.santander.co.uk/ https://www.santander.co.uk/about-santander/sustainability
103-3	Evaluation of the management approach		Annual Report 2019, Strategic report, page 31 ESG Supplement, page 3, 4, 10, 11, Modern Slavery Statement available at: https://www.santander.co.uk/ https://www.santander.co.uk/about-santander/sustainability

GRI Content Index continued

Disclosure number	Description	Notes	Reference
Customer Privacy and Information Security			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, page 11, 26 ESG Supplement, page 10 https://www.santander.co.uk/about-santander/sustainability
103-2	The management approach and its components		Annual Report 2019, Strategic report, page 4, 11, 26 ESG Supplement, page 10, 13
103-3	Evaluation of the management approach		ESG Supplement, page 1
GRI 418: Customer Privacy			
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	The reporting organisation shall report the following information: a. Total number of substantiated complaints received concerning breaches of customer privacy, categorized by: i. complaints received from outside parties and substantiated by the organisation; ii. complaints from regulatory bodies. b. Total number of identified leaks, thefts, or losses of customer data. c. If the organisation has not identified any substantiated complaints, a brief statement of this fact is sufficient.	Annual Report 2019, page 21, 282
Digitalisation			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, page 15, 26 ESG Supplement, page 4, 10, 13 https://www.santander.co.uk/about-santander/sustainability
103-2	The management approach and its components		Annual Report 2019, Strategic report, page 10, 15, 26, 27, 30 ESG Supplement, page 4, 10, 11, 13
103-3	Evaluation of the management approach		Annual Report 2019, Strategic report, page 30 ESG Supplement, page 10, 11, 13

GRI Content Index continued

Disclosure number	Description	Notes	Reference
Business Ethics and Corporate Culture			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Strategic report, pages 12–16 ESG Supplement, page 3, 11
103-2	The management approach and its components		Annual Report 2019, Strategic report, pages 12–16 ESG Supplement, page 3, 11, 13
103-3	Evaluation of the management approach		Annual Report 2019, Strategic report, page 16, 17 ESG Supplement, page 11, 13
GRI 205: Anti-Corruption			
205-2	Communication and training about anti-corruption policies and procedures	The reporting organisation shall report the following information: <ol style="list-style-type: none"> Total number and percentage of governance body members that the organisation's anti-corruption policies and procedures have been communicated to, broken down by region. Total number and percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to, broken down by employee category and region. Total number and percentage of business partners that the organisation's anti-corruption policies and procedures have been communicated to, broken down by type of business partner and region. Describe if the organisation's anti-corruption policies and procedures have been communicated to any other persons or organisations. Total number and percentage of governance body members that have received training on anti-corruption, broken down by region. Total number and percentage of employees that have received training on anti-corruption, broken down by employee category and region. 	Annual Report 2019, Strategic report, page 31 ESG Supplement, page 11
Reputation			
GRI 103: Management Approach			
103-1	Explanation of the material topic and its Boundaries		Annual Report 2019, Responsible Banking Committee Chair's Report, page 55, 56
103-2	The management approach and its components		Annual Report 2019, Responsible Banking Committee Chair's Report, page 55, 56
103-3	Evaluation of the management approach		Annual Report 2019, Responsible Banking Committee Chair's Report, page 55, 56

Assurance statement

SGS United Kingdom Ltd's statement on sustainability activities in Santander UK plc's Sustainability Review 2019

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 Sustainability Review section of the Santander UK plc Strategic Report 2019 and the performance metrics contained in the Environmental, Social and Governance Supplement 2019 (hereafter referred to as 'the Reports').

The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and 2019 data in accompanying tables, contained on pages 26–31 of the Sustainability Review section of Santander UK plc's Strategic Report 2019, and non-financial performance data published on pages 5–10 of the Environmental, Social and Governance Supplement 2019.

Our assurance did not include any text, data or other information contained in other sections of the Strategic Review. All financial data included in the Reports, including all data on salaries, gender pay gap and taxes paid, was excluded from this assurance. Customer complaints data was excluded from this assurance as reporting of this data fell outside the verification period. 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 2019 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 Reports.

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.

The Reports have 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 report content and quality 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 Reports is accurate, reliable and provides a fair representation of Santander UK plc's activities in 2019.

The assurance team is of the opinion that the Reports 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 nature of the Reports. The bank continues to develop reporting on measures to address social impacts and responsibilities of the financial services sector, in line the materiality assessment carried out in 2018. We welcome the move to reporting in accordance with the GRI Sustainability Reporting Standards and considering SASB material issues.

No significant issues were found during the assurance regarding the accuracy, timeliness, clarity, balance, comparability or reliability of data reported. Data collection, collation and reporting mechanisms and controls continue to improve.

Efforts have been made this year to align definitions of data sets between the Sustainability Review and the performance data table in the ESG supplement, in particular in relation to employee data in light of the definitions used in Gender Pay Gap reporting.

Assurance statement continued

We have identified a number of recommendations and improvement opportunities as part of the assurance which aim to encourage the organisation to continue to improve the reliability, accuracy, completeness and balance of its sustainability reporting.

- We recommend that increased internal control is introduced into the reporting process prior to the audit, to sense check figures with providers and against previous years.
- We recommend that the reporting team works with owners of data sets to develop internal guidance documents describing exactly how data for the report is to be produced, including data scope and parameters, and how data is to be managed, controlled and reported. This will prevent this knowledge being lost when individuals leave the business.
- More information could be provided on overall management approach, including responsibilities, governance and how performance data is used to evaluate and improve management.
- We recommend that key stakeholders are asked for their views on the Stakeholder Review and on what information on management and performance they would find useful, and in what format.

**SGS United Kingdom Ltd
Birmingham**

WWW.SGS.COM

Authorised by:



**H. Crick
UK Business Manager**

**For and on behalf of
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Registered in England No: 1193985**

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Taxation strategy
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Modern slavery statement
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