



ASSURANCE STATEMENT

SGS UNITED KINGDOM LTD'S STATEMENT ON SUSTAINABILITY ACTIVITIES IN SANTANDER UK PLC'S STAKEHOLDER REVIEW 2018

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 2018 and the table of Stakeholder and Environmental Metrics published separately on the website (hereafter referred to as 'the Report').

The scope of the assurance, based on the SGS Sustainability Report Assurance methodology, included the text, and 2018 data in accompanying tables, contained on pages 24, 26, 27 and 28 of the Stakeholder Review section of Santander UK plc's Strategic Report 2018, and non-financial data published in the table of Stakeholder and Environmental Metrics.

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 Report, 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 2018 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 Report.

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 Report is accurate, reliable and provides a fair representation of Santander UK plc's activities in 2018.

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. We note increased reporting on measures to address the social impacts of the bank, in line with the outcomes of the materiality assessment carried out in 2018.

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.

Improvements have been made in describing how sustainability topics relate to long-term organizational strategy, risks, and opportunities, and setting out Santander UK's understanding of the wider context of its sustainability actions and objectives.

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.

- The Sustainability data table includes some data sets with slightly different definitions from those in the Stakeholder Review. We recommend alignment between the two documents in future reporting.
- 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.
- We recommend a move to reporting using the GRI Sustainability Reporting Standards including those for the financial sector.
- 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.

Authorised by:-



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