

ENVIRONMENTAL OPERATIONS POLICY STATEMENT



NOVEMBER 2019

The objective of this policy statement is to document our commitment to manage the environmental impacts of our operations, through environmentally responsible management practices.



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1. OBJECTIVE, DEFINITION AND SCOPE

1.1 Objective

The objective is to document our commitment to manage the environmental impacts of our operations through environmentally responsible management practices. This includes **meeting all identified compliance obligations**, comprising relevant environmental legislation and other requirements to which the Santander UK Group Holding Company subscribes.

This Policy Statement will ensure that measures are in place to **protect the environment, prevent pollution and achieve continual improvement of the environmental management system as well as environmental performance**. It will also **provide a framework to set and review environmental objectives and targets**.

1.2 Definition

Term	Explanation
compliance obligations	Legal requirements that an organisation has to comply with and other requirements that an organisation has to or chooses to comply with
other requirements	Typically voluntary commitments e.g. inclusion in the Dow Jones Sustainability Index, participation in the UN Global Compact etc.
relevant third parties	Third parties with the potential to impact on environmental aspects and impacts (as captured in the Environmental Aspects and Impacts Register)

1.3 Scope

This Policy Statement applies to

1. Santander UK plc;
2. All Santander UK plc subsidiaries;
3. Any Santander Group companies providing services to Santander UK plc or its subsidiaries; and
4. Any Santander UK Holdings subsidiaries which have, through due governance, elected to rely on Santander UK policies.

Any incidents or breaches relating to compliance with this Policy Statement must be reported by the entity impacted, irrespective of whether the cause lies in another subsidiary of Santander UK plc, in a Group company or a Third Party Entity providing services to an in-scope entity, or in Grupo Santander.

The entities to which this Policy Statement applies, as outlined in points 1-4 above, are referred to in this Policy as the 'RFBG'.

It is the responsibility of all RFBG employees to comply with this Policy Statement.

2. POLICY STATEMENT REQUIREMENTS

2.1 General criteria

Our Environmental Operations Policy Statement outlines our approach to managing the environmental impacts associated with our business. We consider the direct impacts of consuming energy and resources as well as the indirect impacts of our core business, arising from our primary supply chain. To manage these impacts, we will work with our relevant third parties, contractors and business partners to identify and implement environmentally responsible management practices and operational procedures, and to promote good environmental practice in the financial services sector.

2.2 Specific criteria

We will:

- Meet all compliance obligations we have subscribed to in managing our business.
- Take reasonable measures to protect the environment and prevent pollution.
- Integrate relevant environmental considerations into our procurement of goods and services.
- Ensure relevant third parties, contractors and business partners are aware of our Environmental Operations Policy Statement and as a minimum have a similar policy in place.
- Raise employee awareness of environmental issues and provide training, as appropriate, so that we can meet environmental management objectives.
- Regularly report on our environmental management performance to stakeholders,
- Monitor emerging environmental issues and respond to the environmental concerns of our stakeholders.
- Maintain our Environmental Management System in line with the requirements of ISO 14001 and 50001 standards.
- Submit to independent review to ensure that we meet our compliance obligations, including legal requirements and the standards to which we subscribe.
- Commit to continual improvement of our Environmental Management System such that it facilitates improvements in environmental performance.

3. GOVERNANCE

3.1 Governance

Area	Item	Description
Frameworks	Risk Type(s) this Policy Statement relates to	Operational Risk
	Specific risks this Policy Statement relates to	Environmental legislative compliance and reputation
Approvals	List of stakeholders that reviewed this Policy prior to approval	Property Services / Cost Decision Support & Procurement / Conduct & Compliance / Operational Risk Control / Sustainability / Enterprise Wide Risk Management
	Name of Risk Type Owner who signed off this Policy	The Operational Risk Control Director
	Name of Committee where Policy approved (<i>if applicable</i>)	Reviewed by the Sustainability Working Group

4. CONTROLS AND EVIDENCE

4.1 Minimum Standards

This Policy Statement is aligned with the overall Risk and Policy Framework and achieves the five specific minimum standards set out in the Policy Framework as follows:

- **Comprehensive**

Our Environmental Operations Policy Statement relates to the risks that may occur as a result of the operations of our business. This includes the direct impacts through the consumption of energy and resources, as well as the indirect impacts of our core business arising from our primary supply. To minimise these risks, we will work with our third party suppliers, contractors and business partners to identify and implement environmentally responsible management practices and operational procedures.

- **Communicated**

This Policy Statement is available to all interested stakeholders at <https://www.santandersustainability.co.uk/> It is also linked to from the overarching [Sustainability Policy](#).

An Environmental Operations Policy Statement Summary signed by senior management is issued to key third parties and joint venture and outsourcing partners as well as to contractors and business partners and is publicly available via the internet or on request.

- **Understood**

The awareness and understanding of the Policy Statement is tested during internal and external ISO 14001 audits results of which are reported to relevant stakeholders. For staff with designated responsibility for ISO 14001 activities, this Policy Statement should be read in conjunction with the Ring-Fenced Bank Group ('RFBG')¹ Environmental Management System Manual. Advice on this is available from RFBG¹ Property Operations department.

- **Complied with**

All staff, contractors and key third parties must be aware of the Policy Statement and take action to implement environmentally responsible management practices wherever possible. This includes meeting all relevant compliance obligations. They must also take reasonable measures to protect the environment, prevent pollution, help reduce water, energy and office consumables and dispose of waste responsibly in line with RFBG¹ internal procedures.

Compliance with the Policy Statement will be tested during internal and external ISO 14001 audits which are reported to stakeholders.

RFBG¹ is aligned with the Banco Santander (S.A) Group's ('Grupo') General Sustainability requirements, which include prohibitions and restrictions for high impact, socio-environmental corporate lending activities. Further details of which are available in the overarching [Sustainability Policy](#). Oversight of corporate lending is out of scope for the Environmental Operations Policy Statement. Advice on this is available from the Conduct & Compliance department.

- **Effective**

¹ and all other entities as discussed in section 1.3 Scope

The effectiveness of the Policy will be reviewed at least annually by the Sustainability Working Group.

5. GOVERNANCE OF THIS POLICY

5.1 Ownership of the policy

The Operational Risk Control Director owns the Environmental Operations Policy Statement. It will be reviewed and updated as necessary in the event of material changes, Policy Statement owner change or at least annually. The Owner has primary responsibility for ensuring it is implemented, embedded and monitored.

Material changes are those relating to the way the Policy Statement should be managed or controlled. Any material change must be agreed by the Chief Risk Officer. Non-material changes relate to how the framework is described and may be agreed by the Operational Risk Control Director and noted at the Operational Risk Control Forum.

5.2 Interpretation

In the event of a dispute with the meaning of the Policy Statement the Operational Risk Control Director is responsible for interpretation of the Policy Statement.

5.3 Date of approval and review of the policy statement

This policy will come into force on the date of its approval. Its contents will be subject to regular review (no less than annually).

Date of Next Annual Review: 30th November 2020.

5.4 Breaches of policy statement

Any breaches of the Policy Statement are to be escalated in writing to Operational Risk Control Director for investigation. Once a breach is acknowledged, urgent remedial actions may need to be put in place within a defined time frame.

6. CHANGE CONTROL

6.1 Change Table

Version & Date	Author / DirRed Owner	Description of Change
n.n 01.08.2010	Juan Olaizola	New Environmental Policy created
1.1 19.03.2012	Miguel Arce	Update of Environmental Policy
1.2 15.02.2013	Miguel Arce	Annual review of Environmental Policy
1.3 18.03.2014	Adam Mussert / Jennifer Moodie	Update of Environmental Policy
1.4 28.10.2014	Nick Roberts / Jennifer Moodie	Update of Environmental Policy and Policy Owner
1.5 17.04.2015	Nick Roberts / Jennifer Moodie	Update of Environmental Policy
1.6 25.06.2015	Nick Roberts / Jennifer Moodie	Updated to reflect change from Santander Property Operations to Santander Property
1.7 14.09.2015	Nick Roberts / Jennifer Moodie	Updated to confirm annual policy review. Responsibility in section 2.2 amended from property forum to Property Director
1.8 14.09.2015	Nick Roberts / Jennifer Moodie	Updated responsibility in case of emergency to Lee Barrow (pg.7, section 2.2)
1.9 23.10.2015	Nick Roberts / Jennifer Moodie	Updated section 2.1 for continuity with existing San UK policies
2.0 March 2016	Nick Roberts / Jennifer Moodie	Updated to reflect requirements of 14001:2015 and Policy owner change
2.1 October 2016	Nick Roberts / Jennifer Moodie	Annual review of Environmental Policy. Main change - Addition of significant corporate lending activity now being in scope for environmental risk.
2.2 November 2017	Jennifer Moodie	Annual Refresh of Environmental Policy
November 2018	Jennifer Boal / Jennifer Moodie	Annual Refresh. No significant changes.
November 2019	Jennifer Boal / Jennifer Moodie	Annual Refresh. Main changes are removal of significant corporate lending activity (as not in scope for environmental operations) and change to Policy Statement (under the overarching Sustainability Policy)