



*This statement is made pursuant to section 54(1) of the Modern Slavery Act 2015. It constitutes the Santander UK Slavery and Human Trafficking statement for the financial year ending 2016.*

## Santander UK Group Holdings plc

### Slavery and Human Trafficking Statement

#### 1. Introduction

Santander UK Group Holdings plc and relevant subsidiaries (together, Santander UK), operate primarily in the UK and provide a wide range of personal and commercial financial products and services.

Santander UK serves more than 14 million active customers with c.20,000 employees and operates through 841 branches (which includes 60 University branches) and 67 regional Corporate Business Centres across the UK.

We are committed to maintaining high ethical standards – adhering to laws and regulations, conducting business in a responsible way, treating all stakeholders with honesty and integrity and doing business with organisations that share this commitment.

Our values of Simple, Personal and Fair are at the heart of The Santander Way; the culture that underpins our goal to be the best bank in the UK.

This statement sets out our approach to preventing slavery and human trafficking in our workforce and supply chain.

#### 2. Workforce profile

Our employees work in our branches, business centres and regional offices in the UK. The majority are employed on full-time contracts and every employee has a contract of employment that sets out the terms and conditions of their employment. A proportion of employees in our business are part-time and their terms and conditions are the same as for full-time staff.

We also engage with third party suppliers to provide additional staff resource based on business demand. These staff receive no less favourable terms and conditions than our permanent workforce and we work in compliance with the UK's Agency Worker Regulations. In addition, from time-to-time, we also engage specialist contractor resource on specific projects.

We offer a competitive package of pay, benefits, employment conditions and policies. We are a Living Wage Foundation accredited employer.

We do not operate zero hours contracts and we are committed to supporting employees in achieving a work life balance with part-time, compressed and flexible working arrangements available.

We work with two recognised trade unions, Advance and the Communication Workers Union (CWU).

Our people are required to act with the highest standards of business conduct at all times to protect our reputation and contribute to a culture that is free from corruption, risk of compromise or conflicts of interest. These principles are set out in our Code of Ethical Conduct. At Santander UK, we encourage a "speak up" culture. Staff can raise concerns about any malpractice with us through internal and external reporting channels set out in our whistleblowing policy and we have a zero-tolerance approach to victimisation of whistleblowers. The whistleblowing policy is supported by training.

### 3. Supply chain profile

We work with around 1,654 external suppliers and intra-group companies to purchase the goods and services we need to run our business. The main categories of purchasing spend are technology, operations and property.

Our procurement is governed by the Cost Management & Procurement Policy, and by the Manual of Conduct in Supplier Relationships, both of which guide our people to be unbiased and avoid conflicts of interest when negotiating with suppliers.

As a Living Wage Foundation accredited company, we require employees of suppliers working in our buildings to be paid the Living Wage. This includes security, catering, cleaning and reception staff: totaling around 1,600 people.

### 4. Risk assessment

#### 4.1 Review of risk position

The introduction of the Modern Slavery Act prompted us to review how we prevent slavery and human trafficking in our business. We want to take all reasonable steps to make sure we are not supporting modern slavery and in 2016 we undertook a review of our business operations.

We identified the primary area of risk for modern slavery as third party relationships.

The risk model we used is based on the Global Slavery Index compiled by the Walk Free Foundation. (The Global Slavery Index provides data on the estimated prevalence of modern slavery, together with information about the steps each government has taken to respond to this issue, for 167 countries.)

#### 4.2 Supplier risk profile

The following table shows the risk profile of suppliers that Santander UK has direct contracts with, based on their country of incorporation, as at 31 December 2016:

Risk category for countries	No. suppliers	Countries	Sectors
High (>1% of population are considered slaves)	2	India	Legal services
Medium (>0.2% of population are considered slaves)	5	Hong Kong Italy Taiwan	Advisory, legal and IT services
Low (<=0.2% of population are considered slaves)	1,647 (1,502 in UK)	Various including EU	Various

In the high and medium risk categories the type of services and goods procured are considered to be low risk.

Based on this data, our assessment is that the overall risk of our exposure to practices complicit with modern slavery through our third party relationships is low.

## 5. Policies and processes for preventing modern slavery

We have a series of policies, guidelines, processes and committees to manage our supply chain and risks. The key elements are:

### 5.1 Policies

Our Third Party Risk Management Policy includes processes to identify and assess potential risks in our supply chain, and actions to report and manage incidents.

### 5.2 Guidelines

Guidelines are provided to staff involved in managing suppliers to ensure compliance with the policies.

Key requirements are:

- Each supplier to have an assigned Service Director and Service Manager (contract managers) with responsibility to minimise risk;
- Supplier meeting frequencies, agendas and requirements set to ensure relationships are managed in compliance with Santander UK standards and policies; and
- Reporting requirements to provide a central view of risks, issues and actions which are due to be implemented in 2017.

### 5.3 Processes

A service criticality assessment is completed when the need for new services or goods is identified or existing contracts are expiring. This covers a number of risk factors. Where services are assessed to be of a relatively high risk for any particular factor we ask suppliers to complete a supplier self-assessment form annually to provide assurance that they have the necessary controls in place to manage the risks identified.

The service criticality assessment process does not cover modern slavery risk explicitly but one of the risk elements is country-based risk for bribery and corruption. It is commonly recognised that there is a correlation between countries that are high risk for bribery and corruption and countries that are high risk for modern slavery and, indeed, comparing the risk categorization of countries used by the Global Slavery Index to that used by Santander UK for bribery and corruption checks gives an almost complete match of high risk countries for those countries that we have suppliers in. Therefore, we currently take the bribery and corruption check we complete as an indication of the risk of slavery and human trafficking. Potential suppliers that are from countries identified as high risk for bribery and corruption are referred for further assessment and review. We will review the assessment and review approach in 2017 as part of the development of our management of modern slavery risk.

Suppliers then go through a certification due diligence process, also at the start of contractual relationships and annually thereafter, to ensure they meet a range of quality assurance criteria. As part of this process suppliers are asked to sign our Corporate Social Responsibility (CSR) Protocol that is based on the United Nations (UN) Global Compact. This includes support and respect for the protection of internationally proclaimed fundamental human rights and to the eradication of all forms of forced or coerced labour. Supplier contracts include the CSR Protocol.

Where suppliers sub-contract work to other suppliers they are required to agree this with Santander UK.

### 5.4 Committees

Our Local Supplier Management Forum and Third Party Risk Forum reviews supplier risk and escalates any issues identified to further senior risk fora within our corporate governance framework.

## 6. Risk monitoring and compliance

We visit all of our high risk suppliers (as identified by the service criticality assessment process) annually and check that they are meeting our requirements. UK suppliers are required to pay the real Living Wage.

Where it is identified that there is an issue with a supplier, the contract manager decides what action to take and reports progress to our Local Supplier Management Forum.

If a significant risk was identified it would be escalated through two further senior risk fora and ultimately to the Board Risk Committee.

## 7. Training

We make available to all new joiners to Santander, including supplier staff based at our sites, a corporate induction and training programme. This introduces new staff to the standards and values we operate under and the conduct we expect from our employees.


All new and existing staff have to complete a training course on anti-bribery and corruption in order to help them identify potential risks in carrying out their day to day responsibilities. Supply chain risk is featured within the training.

Contract managers are given guidance on how to manage supplier relationships and how to identify and report issues, including in relation to concerns related to modern slavery or human trafficking.

## 8. Further information

For further information on Santander UK please refer to our [annual report](#) and our [CSR report](#).

This statement has been approved by the Board of Santander UK Group Holdings plc and Santander UK plc



Nathan Bostock  
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Santander UK Group Holdings plc and Santander UK plc  
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