

Santander Consumer (UK) plc

Slavery and Human Trafficking Statement

Statement for financial year 2019

This statement is made pursuant to s.54 of the Modern Slavery Act 2015.

It sets out the steps that Santander Consumer (UK) plc (SCUK) has undertaken - and is continuing to take - to ensure that modern slavery or human trafficking is not taking place within our business or supply chain.

Our organisation

SCUK is a company based in the United Kingdom and our business is to provide finance and ancillary products for motor vehicles. Finance includes to our retail and corporate customers and to a network of vehicle dealers. We have a network of suppliers that help us provide products and services to our customers.

SCUK is a wholly owned subsidiary of Santander UK plc, and as such we comply with Santander UK policies and procedures, including those designed to combat Modern Slavery.

Approach and Risk Assessment

Since the introduction of the Modern Slavery Act 2015 (the "Act") we have conducted a review of how we prevent slavery and human trafficking in our business and supply chain. We recognise that the business response to human trafficking and modern slavery should continually improve and we want to take all reasonable steps to make sure we are not supporting modern slavery.

SCUK has a zero-tolerance approach to any form of modern slavery. Our commitment to protect human rights is evidenced in our Group Human Rights policy, which sets out our opposition to forced labour and child exploitation.

We will not enter into or maintain relationships with persons and/or entities known to be involved in human rights abuses such as child labour and modern slavery. This is given effect to by our Anti-Money Laundering Standards.

We are committed to creating effective systems and ensuring that we have controls in place to safeguard against any form of modern slavery taking place within the business workforce or our supply chain.

Given the nature of our business and our workforce, the modern slavery risk within our own workforce is negligible. The principal area of modern slavery risk for Santander UK arises in relation to our relationships with third parties, particularly our supply chain.

Our workforce

We are committed to supporting our colleagues in an inclusive environment which empowers people, encourages individuality, and promotes collaboration. To ensure that none of our employees are victims of human trafficking or modern slavery, we have a range of policies and processes in place.

All our employees and contractors are required to go through a vetting process, which includes ensuring they have a right to work in the UK. Every employee has a contract of employment that sets out the terms and conditions of their employment and part-time employees have the same Terms and Conditions and the same access to benefits as our full-time colleagues.

We support our people to achieve a balance between their work and personal commitments through generous family leave policies which offer a range of flexible working arrangements. These arrangements include options for homeworking, compressed hours and variable start and finish times. We also offer a variety of contractual arrangements to further build on this flexibility, which enables employees to choose and spread their hours to suit their needs. We work with Advance, a recognised trade union, and regularly consult and engage representatives on significant initiatives within the business. Advance is affiliated to the Trades Union Congress.

Our approach is to reward people fairly and motivate our people with a competitive package of pay, benefits, employment conditions and policies. We offer a range of flexible benefits that can be tailored to people's individual needs.

Training and Whistleblowing

We expect our people 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 and supported by our values and behaviours.

All staff within SCUK, including contractors based at our sites, undergo a mandatory training programme. During 2019 SCUK moved onto the Santander UK learning development platform, to fulfil the mandatory training requirements. The new suite of training includes an enhanced module relating to Anti-Financial Crime risk, including modern slavery. Additionally all staff have access to full policy documents that provide them with information in relation to modern slavery and human trafficking.

In addition to this, the contract managers for each supplier are required to complete training on managing third party suppliers. This training provides information on how to identify and mitigate supply chain risk, along with guidance on how to manage supplier relationships and how to identify and report issues, including in relation to concerns related to modern slavery and human trafficking

At SCUK, we encourage a "speak up" culture. Our staff know that they can raise concerns about any malpractice with us through internal and external reporting channels set out in our whistleblowing policy, and this would include any issues relating to modern slavery or human trafficking. The whistleblowing policy is supported by annual training for all colleagues, and we have a zero-tolerance approach to victimisation of whistle-blowers.

Given the nature of our business, and the policies and procedures described above, we are confident that the risk of modern slavery or human trafficking issues arising directly within our workforce is extremely minimal.

Effectiveness of our workforce policies and procedures

We consider that our policies and procedures are highly effective at ensuring that slavery and human trafficking are not taking place directly within our business. We review a number of performance indicators in assessing this effectiveness, relating to pay, benefits, employee satisfaction, and the measures taken during employee onboarding. All our employees are paid at least the Living Wage (as set by the Living Wage Foundation) and all colleagues directly employed by SCUUK, including those on fixed-term contracts, receive the same range of benefits.

All of our employees and contractors are required to go through a vetting process, which ensures they have a right to work in the UK. This is effective at ensuring that our employees and contractors have not been subjected to human trafficking.

Our Suppliers

The most salient human rights issue of our business is to ensure our supply chain complies with all applicable laws in the manufacture, development and supply of products, goods and services that are provided to us and our customers. To mitigate these risks, we have in place policies, procedures and controls which allow us to understand our supply chain, identify areas of risk and to take any necessary action.

We work with over 160 external suppliers to purchase the goods and services we need to run our business. We have assessed the modern slavery and risk presented by our supplier profile and consider that the majority of our suppliers represent a low risk of modern slavery. Additionally, the types of goods and services procured are generally considered to be lower risk.

In 2018 there was a revision of the Santander Group risk appetite statement regarding modern slavery and human trafficking which clarifies that “the Santander UK Group will not enter into or maintain relationships with persons and/or entities known to be involved in human rights abuses (e.g. child labour and modern slavery)”. Based on this clarification there was a review and alignment of supplier policies and processes in 2019 within Santander UK as described below.

Policies and procedures

Our Third-Party Outsourcing Risk Management Policy was updated in 2019 to reflect our revised Risk Appetite Statement and includes processes to identify, assess, manage, and report potential risks in our supply chain. Other policies were also reviewed in light of the updated risk appetite statement including the Cost Decision and Support Procurement Policy, which governs our procurement process.

SCUUK conducts a certification process for suppliers. For the purposes of due diligence, all suppliers must complete a Financial Services Qualification System (FSQS) assessment, an online tool that enables them to submit assurances and compliance data to us. This process includes specific questions relating to modern slavery and is completed at the start of a contractual relationship and annually thereafter, to ensure they meet our minimum standards. In 2019 the assessment rubric was updated in respect of the Modern Slavery questions so that it properly reflected our risk assessment. In particular, we amended our processes so that any third party supplier which fails to provide satisfactory answers to the modern slavery questions will be subject to a formal review conducted by senior stakeholders to assess whether it would be appropriate for the supplier to be renewed/onboarded.

We require employees of third-party suppliers working in our buildings to be paid the Living Wage. Furthermore, our standard contract terms include provisions relating to Human Rights and Labour Rules which are subject to periodic review.

During 2019 SCUK fully integrated with Santander UK plc regarding Third Party Risk management, and all Third-Party risk assessments are conducted by the parent company. Our suppliers are now subjected to enhanced third party control assessments, which assess key elements of the supplier control environment and confirm that suppliers are meeting our key requirements,

Effectiveness of our procurement policies and procedures

We believe that our supplier due diligence policy effectively mitigates the risk that slavery and human trafficking might take place within our supply chain. We aim to ensure that we only do business with suppliers who measure up to our high ethical standards. In 2021 we will continue to work closely with Santander UK to further enhance our supplier due diligence policies and procedures to further improve our understanding of modern slavery risk in the supply chain.

Approval for this statement

This statement was approved by the Board of Santander Consumer (UK) plc on 1 October 2020



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Vik Hill

Chief Executive Officer

Santander Consumer (UK) plc