Healthy environment continued

Engaging with regulators on climate risk
The Climate Financial Risk Forum (CFRF) is a joint venture between the Financial Conduct Authority (FCA) and Prudential Regulatory Authority (PRA). It consists of three technical working groups: data, disclosure and metrics; scenario analysis; and, the transition to net zero. We participate in the scenario analysis working group, which published its third round of scenario analysis guidance in December 2022. The guidance sets out how firms can approach identifying and quantifying risks through climate scenario analysis. The working group has also released an online climate scenario narrative tool which generates a summary narrative description of climate-related risks and opportunities based on pre-selected inputs.

Investor meetings
Our Sustainability and Responsible Banking and Investor Relations teams held ESG-related meetings and roundtables with investors. For the first time, in 2022 we also provided a sustainability update to our credit rating agencies. These discussions focused on climate risk, our net-zero ambition and methodology, and analysis of climate-related risk on our UK mortgage book. We also expanded the ESG disclosures within our quarterly Investor Update presentation and Quarterly Management Statements.

Industry Initiatives
Banco Santander group and Santander UK engage with a range of stakeholders and are involved in a number of industry-wide initiatives to advance the banking sector’s response to climate risks and opportunities. A summary is shown in the table opposite.

---

Santander UK overview of external partners and initiatives

To support the Santander UK Climate Change strategy we have identified external partners and initiatives

*Group-led

---

**Government and public policy**
- Bankers for Net Zero (B4NZ)
- All party parliamentary group Fair Business Banking initiative and country chapter of NZBA
- Institute for Public Policy Research (IPPR)
- Plan for green retrofitting UK housing
- *Global Counsel* ESG-related public policy monitoring

**Regulators**
- Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA)
- Climate Financial Risk Forum (CFRF) Scenario Analysis Working Group
- Bank of England Climate Biennial Explorer Scenario (CBES) Climate Stress Test; Climate Roundtable
- *UN Environment Finance Initiative* (UNEPFI) Net Zero Banking Alliance (NZBA); Collective and Commitment on Climate Action
- *Taskforce for Nature-related Financial Disclosures (TNFD) Forum* Contributing to the work of the Taskforce and TNFD framework

**Industry – global**
- UK Finance Sustainability Committee; ISSB; Green Finance Strategy; Transition Task Force; Mortgages; SMEs; and Climate Risk
- Green Finance Institute (GFI) TNFD UK National Consulting Group; founding member of Coalition for Energy Efficiency of Buildings (CCEEB)
- Landmark Mortgage book climate-related data (including EPCs)

**Industry – UK**
- Countrywide EnergyFact Report for mortgage customers
- National Parks UK Founding member Net Zero with Nature (nature-based carbon credits)
- iOffset Consumer Finance offsetting service

**Strategic partners**
- *Cambridge Institute for Sustainable Leadership* Banking on Environment Initiative; Sustainability Leadership Training; Biodiversity Working Group

**Academic partners**
- Partnership for Carbon Accounting Financials (PCAF) UK coalition

---