

Sustainability Entity Report for 2025

Santander Asset
Management UK
Limited



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Compliance statement

The disclosures contained within Santander Asset Management UK Limited's ("SAM UK" or the "Company") Sustainability Entity Report (which combines TCFD and Sustainability Disclosure Requirements ("SDR")) - including any third-party or Group disclosures cross-referenced in it - comply with the following regulatory requirements:

- Chapter 2 of the Financial Conduct Authority ("FCA") Environmental, Social and Governance ("ESG") Sourcebook (TCFD entity-level requirements); and
- Chapter 5 of the FCA ESG Sourcebook (SDR entity-level requirements).



26 June 2026

Cassandra Waller

Chief Executive Officer

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Introduction

This Sustainability Entity Report has been prepared in accordance with the Financial Conduct Authority's ("FCA") Sustainability Disclosure Requirements ("SDR"), building on SAM UK's existing Task Force on Climate-related Financial Disclosures ("TCFD") framework.

This is SAM UK's first Sustainability Entity Report. SAM UK's approach is to use its TCFD reporting as the foundation for sustainability-related disclosures, supplementing this with additional information required under SDR.

In preparing this report, SAM UK has:

- leveraged existing TCFD disclosures to avoid duplication and ensure consistency;
- supplemented these disclosures with broader sustainability-related considerations where relevant; and
- incorporated additional entity-level information in line with SDR requirements.

In determining the content of this report, SAM UK has also considered relevant international frameworks and guidance, including:

- International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards (IFRS S1);
- Sustainability Accounting Standards Board ("SASB"); and
- Evolving market practices in sustainability reporting.

Structure of this report

This report is structured around the core disclosure pillars of governance, strategy, risk management, and metrics and targets. These sections address SAM UK's approach to climate-related disclosures under Chapter 2 of the FCA ESG Sourcebook and broader sustainability-related entity disclosures under Chapter 5 of the FCA ESG Sourcebook. Climate-related matters are addressed throughout the report, including in the dedicated "Focus on Climate" subsections, while broader sustainability-

related risks and opportunities are addressed through the materiality assessment, policy framework, risk management approach, and metrics and targets disclosures.

The report should therefore be read as an integrated entity-level disclosure, rather than as separate TCFD and SDR reports.

Organisational context

SAM UK forms part of SAM Investment Holdings, S.L. ("SAM"), the Santander Group's asset management business within the Wealth Management and Insurance ("WMI") division. As such, SAM UK contributes to Santander Group's broader sustainability strategy, which is embedded within the Group's business model and focused on supporting customers in their progress towards their sustainability goals. This strategy is informed by the regulatory frameworks of the markets in which the Group operates, in accordance with local laws and regulations, and is shaped by public policies. It embeds the Group's three action lines — Think Value, Think Customer and Think Global — to drive business growth and enhance resilience to increasing environmental, social and governance ("ESG") risks.

SAM UK operates under a fiduciary duty to act in the long-term interests of its clients. This includes considering ESG factors where they are relevant to investment performance, risk management and long-term outcomes. Within this context, SAM UK works to integrate climate- and sustainability-related considerations into its investment and risk management processes, reflecting their importance for portfolio resilience and long-term value creation. This approach is aligned with Santander Group's strategy to embed environmental and social factors into risk management.

This report covers the assets managed by SAM UK for the reporting period 1 January 2025 to 31 December 2025 and reflects the nature of SAM UK's business and product range.

During the reporting period:

- SAM UK did not manage funds with sustainability labels under the SDR, nor funds within scope of the SDR naming and marketing rules. However, ESG considerations are integrated across relevant portfolios, including the MyWealth range launched in 2024;
- SAM UK's product range did not include funds with explicit climate-related targets as part of their investment objectives; and
- certain analytical capabilities, including climate scenario analysis, were in development and not yet fully embedded within investment or risk decision-making processes.

Accordingly, this report focuses on entity-level disclosures that are proportionate to SAM UK's activities, while continuing to evolve in line with regulatory expectations, data availability and market developments.

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Governance

SAM UK's governance framework supports the oversight and integration of climate- and sustainability-related risks and opportunities across the business.

Responsibility for these matters is embedded within existing governance structures, reflecting their relevance to investment management, risk oversight and long-term value creation.

SAM UK governance structure

The Board of Directors (the "Board") has ultimate responsibility for the long-term success of SAM UK, including oversight of climate- and sustainability-related risks and opportunities. The Board is supported by the Remuneration Committee, which oversees remuneration matters.

To assist the Chief Executive Officer ("CEO"), an Executive Committee is in place which considers product, investment, operational and other risk matters, receiving reports from forums (and their working groups) responsible for these areas.

Integration of sustainability into governance

SAM UK contributes to Santander Group's broader sustainability strategy. The Group's Responsible Banking, Sustainability and Cultural Committee ("RBSCC") assists, among other matters, in the development and implementation of the Group's sustainability strategy and responsible business policies. Further information on Santander Group's governance structure and oversight on sustainability matters can be found in the Group's annual **Sustainability Statement**.

In SAM UK, climate- and sustainability-related risks and opportunities are considered across relevant governance bodies as part of their existing responsibilities.

SAM UK continues to enhance its governance framework to embed and evolve the consideration of climate- and sustainability-related risks and opportunities by relevant committees and forums, including:

- Updating committee terms of reference to reflect climate and sustainability considerations.
- Reviewing and updating committee, forum and individual roles and responsibilities.
- Training for staff and the Board on climate- and sustainability-related risks and opportunities.
- Reviewing and updating reporting to governance, which may include:
 - Climate- and sustainability-related management information ("MI") relevant to investment portfolios (such as reporting exceptions e.g. high exposures).
 - Assurance related to SAM and SAM UK ESG policies.
 - ESG (including climate) risk and related commitments.

These will support effective oversight, challenge and escalation of climate- and sustainability-related risks and opportunities within SAM UK.

Interaction with SAM

As part of SAM's global asset management business, SAM UK operates within a broader governance framework for socially responsible investment ("SRI").

SAM defines the overall SRI strategy, policies and methodologies, which are implemented across regions, including SAM UK. In this regard, SAM UK retains responsibility for:

- oversight of delegated activities;
- implementation of relevant policies within its portfolios; and
- ensuring alignment with local regulatory requirements.

SAM global SRI governance

SAM's SRI governance is embedded within its overall governance structure and supports the integration of ESG considerations into investment processes.

Key components include:

- SRI Strategy and Oversight Forum: This forum is chaired by SAM's global Chief Investment Officer ("CIO") and includes SAM's CEOs and CIOs across regions, as well as representatives from Product, Legal, Risk and Compliance, and the SRI team. It is responsible for coordinating SAM's SRI strategy and overseeing its implementation, including across SAM UK.

- Wealth Management & Insurance ESG classification meeting: This brings together representatives from strategy, business, sustainability, risk and compliance, oversees and monitors key performance indicators across SAM, Private Banking and Insurance.
- SRI team: SAM has a global team of SRI specialists responsible for developing ESG methodologies, engagement and voting approaches, and SRI policies. The team operates through a global structure supported by local ESG expertise across the markets in which SAM operates. SAM UK works closely with the SRI team in integrating sustainability-related considerations into investment and risk management processes.
- ESG Leads and Champions: SAM has a network of ESG Leads and ESG Champions (within the investment team) that play a vital role in linking the investment activities with the SRI team. Coordination between the SRI team and ESG Leads and Champions is essential to ensure proper integration of sustainability into investment and reporting processes at both global and local levels.

SAM UK works closely with these functions to ensure consistent application of SRI practices, while reflecting the specific requirements of its business and regulatory environment.



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Strategy

SAM UK's investment approach is focused on delivering long-term value for its clients in line with their investment objectives and mandates. Sustainability-related factors are integrated into investment and risk management processes where they are considered financially material, reflecting their impact on portfolio resilience and long-term outcomes.

SAM UK's strategy is to integrate sustainability considerations into investment processes in a manner consistent with its fiduciary duty and client mandates.

This is achieved through alignment with:

- Santander Group's sustainability strategy; and
- SAM's global SRI framework reflected in an investment approach that:
 - integrates ESG factors into investment analysis and portfolio construction (summarised below);
 - incorporates stewardship activities, including engagement and voting; and
 - supports participation in collaborative engagement initiatives such as Climate Action 100+.

SAM continues to enhance its approach, including the development of methodologies for assessing climate alignment and strengthening engagement practices.

ESG factors

ESG risks are defined as events or conditions that may have a material impact on the value of investments. These risks may affect traditional financial risk categories, including:

- Credit Risk: ESG factors may affect the probability of default (PD) and loss given default (LGD), particularly in vulnerable sectors or counterparties. For instance, a property used as collateral and exposed to physical risk (such as flooding or wildfires) may suffer a decline in value, thereby negatively impacting the credit quality of the counterparty.

- **Market Risk:** ESG risks can cause significant changes in investor and market expectations, leading to abrupt fluctuations in the valuation of financial instruments. This may be linked to regulatory shocks, the transition towards low-carbon technologies, shifts in consumer preferences, or value losses arising from reputational controversies.
- **Operational Risk:** ESG risks can disrupt the entity's operations through various channels, including reputational risks (environmental or social controversies), legal risks (litigation related to regulatory or human rights breaches), as well as physical risks affecting business continuity (supply chain disruptions, natural disasters).
- **Other Risks (including Liquidity Risk):** ESG factors can influence the value of certain assets, which in turn may affect their liquidity in the markets. Similarly, adverse ESG events (such as environmental crises, social unrest, or international regulatory sanctions) can generate liquidity pressures for the institution within specific sectors or geographic regions.

SAM UK considers these both from an entity-level and investment management perspective.

Materiality

SAM UK focuses on sustainability-related risks and opportunities that are most likely to impact the financial performance and risk profile of the assets in which it invests.

SAM UK's approach to materiality is primarily informed by Santander Group's double materiality assessment ("DMA"), which identifies the impacts, risks and opportunities ("IROs") that are most relevant to the Group's business and stakeholders and maps them against the European Sustainability Reporting Standards ("ESRS") sustainability topics. Further details on Santander Group's DMA are available in the **Annual Report ENG 2025**.

SAM UK considers reliance on the Santander Group materiality assessment to be appropriate because the assessment captures sustainability-related impacts, risks and opportunities across the Group's business model and value chain, including asset management activities within SAM. SAM UK has reviewed the outputs through the lens of its own business model, fiduciary duties, product range, delegated investment arrangements and UK regulatory obligations, and has supplemented the Group assessment with sector-specific guidance and internal management judgement.

This approach is informed by:

- SASB standards for Asset Management & Custody Activities;
- IFRS Sustainability Disclosure Standards guidance on identifying material information (IFRS S1 B13–B28); and
- internal management judgement, taking into account regulatory expectations and stakeholder needs.

Methodology

Santander Group's DMA considers sustainability topics across two complementary lenses:

- impact materiality: the positive or negative impacts of business activities on the environment and society; and
- Financial materiality: the risks and opportunities that sustainability factors may pose to financial performance.

These dimensions support the assessment of sustainability-related IROs which underpin the Group's sustainability strategy and disclosures.

SAM UK adopts this framework, with a primary focus on financial materiality in line with its role as an asset manager, while taking into account broader sustainability impacts where relevant to investment outcomes and stewardship activities. The outputs of this assessment inform:

- the identification of sustainability-related risks and opportunities described in this report;
- their integration into SAM and SAM UK's investment and risk management processes; and
- the selection of metrics used to monitor exposure to sustainability-related risks.

Material sustainability topics

SAM UK considers that the core sustainability topics identified at Group level are also applicable to its asset management activities. While products and activities differ across the Group, the material sustainability-related risks and opportunities fall within common thematic areas.

These are summarised below:

Group material topic	Relevance to SAM UK	Rationale – Impact (I), Risks (R), Opportunities (O)	Potential impact to business of risks and opportunities
Climate Change	Critical	<p>I: Positive or negative impact on the environment due to investment activity.</p> <p>R: Portfolio transition risk, physical risk exposures, reputational risks.</p> <p>O: Investment opportunities, stewardship and client demand for climate solutions.</p>	Risks and opportunities may impact SAM UK's business, strategy and financial planning through changes in investment performance, client demand, product development requirements and the cost of meeting evolving regulatory expectations with potential implications for AUM, revenue and staff attraction and retention.
Own workforce	Significant	<p>I: Talent attraction and retention, inclusive culture, employee engagement, skills development, succession planning, transparent leadership.</p> <p>R: Risks of situations involving controversies of corruption, human rights abuse, or proven violations.</p>	Workforce-related risks may affect our ability to attract, retain and develop the talent required to deliver our strategy and serve clients effectively, and create reputational risk –with potential impact to AUM and revenue.

Group material topic	Relevance to SAM UK	Rationale – Impact (I), Risks (R), Opportunities (O)	Potential impact to business of risks and opportunities
Affected communities	Significant	I: Primarily through stewardship, human rights expectations, investee practices, implementation of bank's policies and ethical standards around activities considered as restricted.	Failure to effectively identify and manage these impacts could cause regulatory, legal and reputational risk, impacting the business, strategy and financial planning.
Consumers & end users	Critical	I: Consideration of customer requirements, transparent information and fair advice to customers, external disclosures, product governance. R: Data privacy and protection, cybersecurity concerns.	Although SAM UK do not hold end client data directly, data privacy or cybersecurity could create financial loss, operational disruption and reputational damage. A material event could affect business continuity, client confidence and AUM.
Business Conduct	Significant	I: Fiduciary duty, governance, business ethics, remuneration, anti-greenwashing controls, protection of whistleblowers, bribery and corruption incident prevention and detention, training. R: Risks derived from inadequate behaviour or conduct.	Inadequate behaviour or conduct could result in regulatory action, remediation costs, reputational damage and loss of clients. These risks may therefore impact our business, strategy, AUM, and revenue.

Management approach to managing the sustainability risks and opportunities identified is via continued oversight within existing risk framework and governance (see Risk Management - section 5).

Ongoing enhancement of risk event management, risk appetite, issue management and capital adequacy assessments to reflect sustainability and climate considerations is underway. SAM UK will also continue to monitor regulatory developments and assess their implications for SAM UK at both entity and product level, and maintain alignment with Santander Group and SAM sustainability and climate-related policies and frameworks.

Policy framework

The implementation of this strategy is supported by a framework of Group and SAM-level policies that guide the integration of ESG considerations into investment processes. These policies establish consistent principles across the Group while allowing for local implementation in line with applicable regulatory requirements. They are subject to regular review to ensure alignment with evolving regulation, market practices and strategic priorities.

At Group level, key policies include:

- **Responsible Banking and Sustainability Policy:** This policy sets out Santander Group's overall sustainability approach, including its commitment to supporting customers' transition to a low-carbon economy and managing environmental and social impacts. It also defines the governance framework for sustainability, including oversight by the Responsible Banking, Sustainability and Culture Committee and supporting forums.

- Environmental and Social Risk Management Policy: This policy establishes the framework for identifying, assessing and managing environmental and social risks across the Group. It defines the criteria applied to sectors with higher environmental and social sensitivity and supports the integration of these risks into risk management processes. As part of its implementation, SAM applies exclusion and restriction criteria across portfolios, including SAM UK.

At SAM level, the SRI framework is supported by dedicated policies and procedures that define how ESG considerations are embedded into investment processes:

- SRI Policy: Defines SAM's approach to integrating ESG factors into investment analysis and decision-making, including stewardship activities such as engagement and voting.
- Engagement Policy: Sets out the principles and processes for engagement with investee companies, including governance, monitoring and escalation mechanisms.
- Voting Policy: Establishes the principles governing the exercise of voting rights in investee companies, supported by defined roles and governance structures.
- Sustainability Risk Integration Procedure: Defines how ESG risks are identified, assessed and managed within investment processes. This includes the assessment of external investment funds, where the SRI team works with SAM UK portfolio managers to evaluate ESG considerations as part of investment due diligence.

Where SAM UK appoints third-party investment managers under delegated arrangements, these managers operate in accordance with their own stewardship, engagement and voting policies. SAM UK performs due diligence at onboarding and on an ongoing basis to assess alignment with its own standards, including the review of ESG capabilities, policies and practices.

These policies support the consistent application of ESG considerations across portfolios, including the use of exclusions, stewardship activities and ESG risk assessments.

Application at SAM UK

SAM UK applies this framework by progressively integrating ESG considerations into its investment and risk management processes.

This includes:

- incorporating ESG factors into portfolio construction and monitoring when deemed relevant (for the MyWealth range launched in 2024, ESG factors are incorporated as part of the overall risk management approach).
- working with SAM's SRI team and using Group methodologies and tools; and
- assessing ESG considerations as part of due diligence for third-party investment managers.

Sustainability-related risks and opportunities identified through this approach are integrated into SAM UK's broader risk management framework, as described in Section 5 (Risk Management).

Focus on climate

Santander Group's approach is to support customers in their transition to a low-carbon economy by offering finance and advice, while continuing to work towards net zero carbon emissions by 2050.

The pace and extent of this transition depend on a range of external factors, including public policy frameworks, regulatory developments and technological progress. These factors influence how capital is allocated across markets and sectors and are reflected in the evolution of the Group's strategy and performance.

In 2025, the RBSCC reviewed the Group's climate strategy and constructively challenged it to ensure our objective of supporting our customers in achieving their transition goals, assessing their climate risks in order to manage the impact on both their business and our operations, and progress in the alignment of our portfolios, in accordance with applicable local regulation.

The Group continues to work towards aligning its portfolios with the goals of the Paris Agreement, embedding climate-related risks into risk management, and reducing its own environmental footprint. Climate-related risks, opportunities and impacts are integrated into the Group's strategy and risk management.

More information can be found in the Group's annually updated annual report, the current version of which can be found at [Annual Report | Shareholders and Investors | Santander Bank](#)

SAM's approach

SAM's climate approach, in line with its fiduciary duty, focuses on identifying, assessing and managing the risks and opportunities arising from climate change and the transition to a low-carbon economy, with the objective of protecting and creating long-term value for clients.

Climate considerations are integrated into investment processes, risk management and stewardship activities, taking into account the characteristics of each investment strategy, client mandates and the regulatory frameworks in the markets in which SAM operates.

In this context, stewardship is a key component of SAM's approach. Through engagement and voting activities, SAM seeks to support issuers in their transition to a low-carbon economy by promoting transparency, the disclosure of relevant and reliable climate-related information, and the adoption of decarbonisation strategies aligned with the goals of the Paris Agreement. In this context, SAM is part of the collaborative engagement initiative Climate Action 100+ and regularly assesses collaborative engagement initiatives related to Net Zero to evaluate its potential

participation. In 2023, SAM joined the IIGCC Net Zero Engagement Initiative, whose objective is to expand the list of companies covered by CA100+.

This approach supports SAM's ambition to reduce emissions across assets within the scope of its net zero ambition, while managing climate-related risks and opportunities and positioning portfolios for the transition.

In the context of evolving regulatory and market expectations, and its participation in international initiatives, SAM is in the process of reviewing its approach to assessing climate alignment and the scope and implementation of its net zero commitments. This review aims to strengthen methodological robustness, ensure consistency with its fiduciary duty and enhance the practical application of its approach across asset classes and mandates.

SAM continues to enhance its analytical capabilities, improve the use of climate-related data and prioritise engagement with issuers where climate-related risks and opportunities are most material. In 2025, SAM reviewed its engagement strategy in line with the Net Zero Investment Framework, strengthening its approach to assessing issuers' progress and supporting more effective engagement.

The objective is to maintain an approach that is robust, pragmatic and credible, supporting clients in their transition and contributing to the mobilisation of capital towards an orderly transition of the economy.

SAM UK's application

As part of SAM, SAM UK contributes to the implementation of this strategy by integrating climate-related risks and opportunities into its investment and risk management processes.

This includes working with the SRI team and aligning with global policies, tools and methodologies developed at SAM and Santander Group level. SAM UK will also support its clients in understanding and addressing climate-related considerations within their investment objectives.

SAM UK continues to enhance its approach over time, taking into account evolving regulatory requirements, data availability and market practices, while remaining aligned with Santander Group's strategy and SAM's global framework.

Climate-related risks

As part of Santander Group, climate-related factors are considered as a cross-cutting element within existing risk categories, including market, operational, reputational, strategic and legal risks. These risks may arise from both physical impacts and the transition to a low-carbon economy and may affect investment performance across asset classes, sectors and time horizons.

Climate-related risks include both physical climate risks, arising from the direct impacts of climate change, and transition risks, associated with the shift towards a low-carbon economy, including changes in regulation, technology, market dynamics and stakeholder expectations.

In this regard, climate-related risks and opportunities are assessed at both entity and investment level, taking into account evolving regulatory requirements, market developments and client needs. This supports a comprehensive understanding of their potential impact on investment performance and risk profiles.

The table below outlines how climate-related factors may affect existing risk categories, together with the corresponding management approach and relevant time horizons.

Existing Risk	Additional Climate Factors	Potential impact of climate factors	Management approach	Time Horizon*
Market risk	Transition	Higher volatility in market factors under stress scenarios. Changes in market perception leading to wider credit spreads for business in impacted sectors. Unsuccessful investment in new technologies.	Develop the incorporation of climate-related factors into stress testing scenarios. Review and report stress testing outcomes in line with evolving market practices.	Long term
Operational risk	Physical and transition	Acute risks derived from severe weather events as well as chronic climate risks such as change in the precipitation patterns can cause damage to assets, including UK office buildings and data centres. It can also affect business continuity, including processes and staff. In terms of transition risks, losses from litigation, for example, if an asset manager is perceived to have misrepresented sustainability-related practices.	Ongoing enhancement of risk event management, risk appetite, issue management and capital adequacy assessments to reflect climate-related considerations. Strengthen operational resilience, including business continuity planning and scenario analysis.	Short, medium and long term
Reputational risk	Transition	Investors and other stakeholders who perceive asset managers are not doing enough to meet industry wide carbon targets or public commitments can pose a reputational risk. Misrepresenting or misleading investors or other stakeholders, via the declarations, actions, communications, policies or sustainability characteristics of products or behaviours. Exposure to litigation.	Continue to ensure that client-facing documentation clearly reflects SAM UK's approach to climate-related matters, including carbon-related considerations. Continue to enhance the assessment of climate-related practices in line with Group policies and expectations.	Short, medium and long term
Strategic Risk	Transition	Failure to meet public targets and commitments.	Align with Santander Group and SAM initiatives supporting climate-related objectives and commitments.	Short, medium and long term
Policy & Legal Risk	Transition	Increased pricing of Greenhouse Gas emissions. Enhanced emissions-reporting obligations. Mandates on and regulation of existing products and services.	Continue to monitor regulatory developments and assess their implications for SAM UK at both entity and product level. Maintain alignment with Santander Group and SAM climate-related policies and frameworks.	Short and medium term

*Time horizon defined as short-term: up to 1 year, Medium-term: 1 to 5 years, Long-term: ≥ 5 year

Climate-related opportunities

The transition to a low-carbon economy also presents opportunities for SAM UK, including increased demand for sustainable investment solutions, regulatory developments and technological innovation.

These opportunities may support business growth, enhance investment outcomes and enable SAM UK to support clients in their transition objectives.

The table below outlines key climate-related opportunities, their potential financial impact and the corresponding management approach.

Opportunities to capture	Financial Impact	Management approach	Time Horizon*
Shift in preferences towards lower-carbon products and services	There are significant revenue opportunities derived from new and increased demand for lower carbon products and services as well as those that feature improved sustainability credentials.	Continue to monitor evolving client demand for products with sustainability characteristics and incorporate into product strategy as appropriate. Continue to assess the integration of climate-related considerations in line with Group policies.	Medium and long term
Regulatory developments supporting climate transition	Changes in regulation that positively impact the outlook for assets or holdings SAM UK invests in.	Continue to monitor and assess regulatory developments and contribute, where appropriate, to SAM and industry initiatives supporting the transition.	Short, medium and long term
Improved efficiency of buildings, transport and technology	Greater efficiency and the adoption of new technologies can reduce operational costs and enhance the working environment for staff. Reduced energy cost volatility, improved profitability via government subsidies and policy incentives to support transition path.	Identify opportunities to improve operational efficiency, including through refurbishment, consolidation of premises and energy efficiency measures. Assess business travel and working practices to reduce environmental impact, including increased use of virtual solutions.	Short, medium and long term

*Time horizon defined as short-term: up to 1 year, Medium-term: 1 to 5 years, Long-term: ≥ 5 year

Climate scenario analysis

SAM UK uses climate scenario analysis to assess the potential impact of climate-related risks and opportunities on portfolios over the medium to long term.

The analysis is based on the following scenarios developed by the Network for Greening the Financial System ("NGFS"), including orderly, disorderly and higher warming pathways, which reflect different assumptions regarding policy, technology and market developments. These outputs are used to support entity-level disclosure and ongoing monitoring. They are not yet fully embedded within SAM UK's formal investment or risk decision-making processes:

- **Orderly transition** – This transition assumes that Net Zero will be achieved by 2050. Rises in global temperatures will be limited to around 1.5°C by 2100, and early and progressively stricter climate policies will be implemented. This scenario aligns with the Paris Agreement (please refer to the glossary for further detail) and employs immediate action to reduce emissions. As policy

interventions are implemented early and gradually, physical risk is assumed to be minimal.

- **Disorderly** – This scenario assumes that transitions are delayed. While increases in global temperatures will be limited to 1.8°C by 2100, this scenario carries higher physical risks due to delayed climate action until 2030. The delayed response requires aggressive policy measures to achieve this target. In contrast, a disorderly transition scenario makes it more difficult to meet the goals of the Paris Agreement.
- **Hot House World** – This scenario assumes that current policies are implemented without change, where global surface temperatures are projected to rise by around 3.3°C by 2100. This assumes that while some regions implement climate policies, global efforts remain inadequate. It simulates a situation where only existing policies are implemented, the Paris Agreement's climate targets are not met, and significant risks over the coming decades are realised.

SAM UK has monitored these forward-looking metrics as part of this report. SAM UK has utilised Blackrock's Aladdin Climate module to develop an approach to understanding its funds' exposure to climate risks and opportunities.

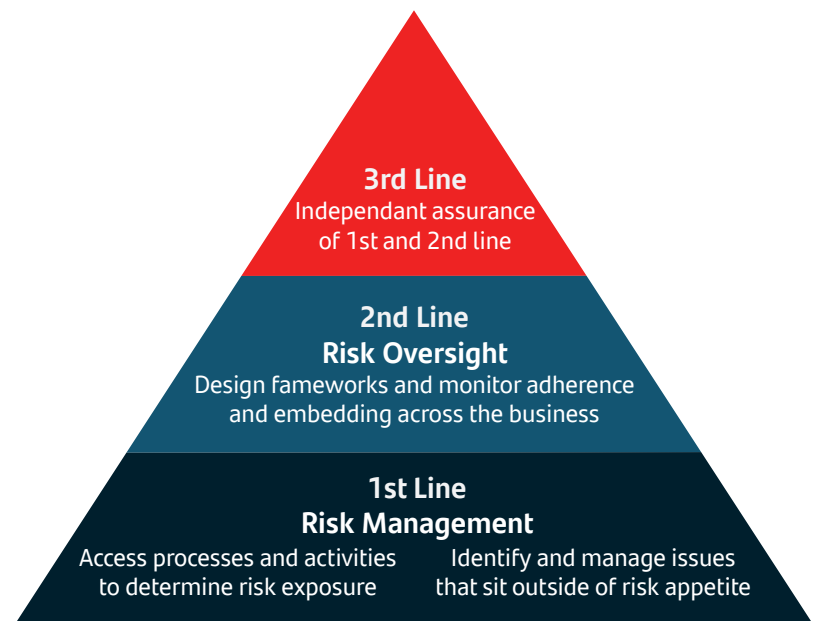
While climate scenario analysis is still in its early stages, its outputs represent the best available models for evaluating long-term impacts. However, caution is advised when interpreting the model outputs due to their inherent uncertainty and distant time frames. These outputs are projections, not forecasts, and rely on assumptions with uncertain elements. Consequently, actual future conditions may deviate significantly from these projections.

05

Risk Management

Climate- and sustainability-related risks and opportunities are integrated into SAM UK's enterprise risk management framework. This framework defines how risks are identified, assessed, managed, monitored and reported, supporting the delivery of SAM UK's strategy and alignment with Santander Group's approach.

SAM UK applies a three line of defence model to manage risks across its business. Roles and responsibilities are defined across these lines, as illustrated in the diagram below.



ESG risk framework

SAM UK considers climate- and sustainability-related risks within a broader ESG risk framework. SAM UK leverages the broader capabilities, policies and methodologies developed at SAM level to support the identification and management of sustainability- and climate-related risks and opportunities.

SAM systematically applies its SRI policy that restricts or prevents investment in certain sectors that pose greater risks from a sustainability perspective, in accordance

Risk identification and integration

with local law and regulation. Further details can be found in SAM's SRI Policy. It also has its own analysis methodology based on market benchmarks and core international frameworks and standards, which enables it to assess the ESG performance of assets through ratings awarded to issuers. SAM has defined ESG factors based on the relative impact of each industry and its exposure to associated risks and opportunities that arise from changes in policies and regulations, technology, supply and demand, and stakeholder perception. SAM assigns the ESG factors identified for each industry a weighting within the model, based on their materiality. The final ESG rating is the sum of the weighted average of each key matter.

To identify and manage material enterprise-wide risks, SAM UK runs risk identification and assessment exercises that cover the full range of financial and non-financial risks. It has made progress to embed sustainability and climate aspects into its risk management cycle and SAM UK will seek to continue to further capture these exposures through its ongoing assessments of risk exposure and control effectiveness with incremental enhancements to its risk event, risk appetite, issue management and capital adequacy processes as well as through operational resilience activities.

SAM UK currently deems sustainability risk and climate change as transversal risks that span all categories, rather than standalone considerations, with impacts already being felt. As a result, all assessment activity will consider sustainability factors, specifically including the physical effects of acute events and chronic changes in the environment, as well as the consequences of the transition to a more sustainable economy (e.g., new legislation, new technology or changes in behaviour), being in scope.

These factors are considered across different time horizons, recognising that climate- and sustainability-related risks may amplify existing risks over time and affect both business operations and investment outcomes.

The considerations form a part of the business continuity and operational resilience planning activities in SAM UK. Assessments are made of the risk and threats that may arise because of a variety of sustainability and climate related hazards. This activity is supported by the in-house Ark@ tool and supports SAM UK in identifying, managing, and assessing sustainability, climate and environmental risks and subsequently targeting business impact assessments and incident response plans to areas that may be most affected by these.

SAM UK continues to enhance its approach to integrating climate- and sustainability-related risks, including:

- considering the incorporation of sustainability factors into risk appetite;
- strengthening oversight of third-party risk management; and
- enhancing monitoring and reporting capabilities across the business.

SAM UK also continues to enhance the use of metrics and analytical tools to support the integration of sustainability and climate-related considerations into investment and risk management processes. This includes the ongoing development of methodologies, data and tools to better assess and monitor sustainability- and climate-related risks and opportunities.

This approach ensures continued alignment with Santander Group's strategy while supporting clients in their sustainability goals and transition to a low-carbon economy.



06

Sustainability Metrics & Targets

Climate-related metrics

SAM UK uses a range of climate-related metrics to assess and monitor exposure to climate-related risks and opportunities across portfolios.

In the tables below, an overview of the metrics used with regards to TCFD disclosure are set out. These metrics are an aggregate for all funds managed by SAM UK which are in scope of this reporting. For product-specific data, please refer to the relevant product report in the SAM UK Fund Centre.

Due to the evolving nature of carbon metrics and methodologies, there may be instances where aggregated data coverage does not generate numbers that provide meaningful reporting. SAM UK has adopted an approach to report all metrics, irrespective of coverage levels, to enhance transparency. It is worth noting that low coverage for some of the metrics reduces their reliability. Over time, it is expected that coverage will improve as methodologies and disclosures evolve.

All metrics presented are as at 31st December 2025.

Emissions metrics

For the emissions metrics (financed emissions, weighted average carbon intensity, carbon footprint and carbon intensive sector exposure), the data has been sourced from the ESG data provider Clarity AI. This data reflects the values reported by companies through their non-financial annual reports, or the responses they provided to reference questionnaires, such as the Carbon Disclosure Project ("CDP").

When emissions have not been reported, Clarity AI has used a proprietary emission estimation model. Metrics for third-party funds have been calculated by SAM UK based on the underlying holdings of each fund, using data provided by Morningstar. When Morningstar data was not available, SAM UK has used proxies. For sovereign emissions, the data provider estimates 100% of this data from a proprietary model that uses data from public sources such as the United Nations Framework Convention on Climate Change ("UNFCCC") and the Organisation for Economic Co-operation and Development ("OECD").

Metric	Usage and Description			
Financed Emissions	<p>Financed Emissions represents the total greenhouse gas (GHG) emissions associated with the fund. The larger the number, the more the fund is contributing to the effects of climate change as at the calculation date. This metric is consistent with the GHG Protocol and widely used frameworks (see glossary for further detail) and therefore provides a consistent approach between firms and companies.</p> <p>Financed emissions are categorised into 3 distinct scopes – for further information regarding these scopes and how financed emissions are calculated, please refer to the glossary. The in-scope assets here are corporate fixed income (bonds issued by companies) and equities, as well as third-party funds that invest in corporate fixed income and equities (i.e. where exposure to these asset classes is obtained indirectly). Exposure to sovereign related assets is not included in the figures below.</p>			
		YE 2025	Unit	Coverage
	Scope 1 and 2	264,109.49	tCO ₂	83.09%
	Scope 3	4,081,514.10	tCO ₂	81.94%
Weighted Average Carbon Intensity	<p>Weighted Average Carbon Intensity ('WACI') represents the total GHG emissions of the entity's underlying funds (measured in tons of CO₂e) divided by a normalisation factor. For corporate constituents, this normalisation factor is €m company revenue. For sovereign constituents, this normalisation factor is €m of country Gross Domestic Product (GDP). The larger the number, the more carbon-intensive the investments of the entity are as at the calculation date.</p> <p>When compared to Financed Emissions, WACI allows for comparability between firms, as dividing the carbon intensity of the investments by the revenues of the underlying companies, or GDP of the underlying sovereign nations, allows for a like-for-like comparison. However, this metric tends to favour companies with higher pricing levels relative to their peers and can also be sensitive to outliers. Furthermore, accurately calculating scope 3 emissions also pose methodological challenges (please refer to glossary for further details).</p> <p>We have also taken a view to provide WACI as a combination of its scope 1, 2 and 3 constituents (for both corporates and sovereigns). This should be taken in context if a comparison is made against other entities where scopes 1 and 2, and scope 3 are reported separately.</p> <p>As captured in the data table below, WACI arising from corporate and sovereign constituents has been separated; as the normalisation factor for each is different, we feel that providing a single combined metric would likely give an unclear, unfair or potentially misleading view as to the WACI figure of the entity. Whilst there is not yet consensus on which intensity metrics to use when determining emissions intensity for sovereign assets, to aid transparency 14.49% of AuM is in sovereign assets, and 85.51% in non-sovereign assets.</p>			
		YE 2025	Unit	Coverage
	Scope 1, 2 and 3 - Corporates	1,166.42	tCO ₂ /€m revenue	81.80%
Scope 1, 2 and 3 - Sovereigns	42.44	tCO ₂ /€m country GDP	88.64%	

Metric	Usage and Description			
Carbon Footprint	Carbon Footprint represents the GHG emissions of the fund (measured in tons of CO ₂ e), divided by the fund's AUM (measured in £m). As such, Carbon Footprint is very similar to WACI, however the method to standardize measurements between underlying funds is fund size, as opposed to the revenues of the underlying companies that the funds invest in.			
	This metric does not consider differences in the size of companies (for example it does not consider the carbon efficiency of companies). Changes in underlying companies' market capitalization can also be misinterpreted.			
	The in-scope assets here are corporate fixed income (bonds issued by companies) and equities, as well as third-party funds that invest in corporate fixed income and equities (i.e. where exposure to these asset classes is obtained indirectly). Sovereign exposure is excluded.			
		YE 2025	Unit	Coverage
	Scope 1 and 2	35.81	tCO ₂ /€m	83.09%
	Scope 3	553.35	tCO ₂ /€m	81.94%
Carbon Intensive Sector Exposure	Carbon Intensive Sector exposure refers to the extent to which the fund is exposed to sectors that are highly carbon-intensive (those which contribute the most towards climate change), such as fossil fuel extraction, refining, and power generation. The larger the number (expressed as a % of the total fund), the more exposed the fund is to carbon intensive sectors as at the calculation date.			
	At SAM UK, we define Carbon Intensive Sectors as per the Transition Pathway Initiative ('TPI') definition, further dividing these into sub-sectors as defined by the Industry Classification Benchmark ('ICB') methodology. For the full list of sectors SAM UK define as carbon-intensive, please refer to the glossary.			
		YE 2025	Unit	Coverage
		23.40	%	100%*

*This figure is assessed across the eligible assets that fall under the carbon intensive sector definition. The eligible assets for assessing Carbon Intensive Sectors Exposure are corporate fixed income and shares.

Climate metrics

These metrics are complex in terms of the underlying methodology and have a less than 100% coverage of underlying portfolios due to the absence of available data points from third parties. These metrics are expected to evolve further in the coming years as data reporting of underlying companies improves.

The data has been sourced from Aladdin Climate built to quantify climate risks and opportunities in financial terms – the underlying emissions data they source is provided by Clarity AI. For third-party funds, SAM UK has calculated the climate metrics based on the underlying investments of each fund using Morningstar data. When Morningstar data was not available, SAM UK has used proxies

This data may differ from the information that respective managers produce as part of their own TCFD disclosures given variation in data providers and methodologies. The usage of climate data within investment processes and stewardship activities may also vary among the external managers appointed by SAM UK.

Metric	Usage and descriptions		
Implied Temperature Alignment	<p>Implied temperature alignment is a forward-looking metric, that estimates the temperature rise that would occur as a result of the GHG emissions associated with the fund's underlying investments. The larger the value, the worse the climate impact.</p> <p>This metric is estimated under the NGFS Nationally Determined Contributions ("NDCs") climate scenario, where it is assumed that slow technology changes with small regional policy updates to those currently implemented based on NDCs, will result in high physical risks and a global temperature rise by approximately 2.5°C by 2100. The model also considers whether a company has made any decarbonisation commitments captured by the Science Based Targets Initiative ("SBTi") or CDP or via public company disclosures. This metric is aligned with a 2100 time horizon.</p> <p>Implied temperature alignment is a rapidly evolving metric and indicating the implied temperature rise associated with a fund's investments is a very complex process. As an example, the issuer calculation model only applies reduction targets to the specified target year due to a high uncertainty in longer term decarbonization pathways. In addition, when not enough data is present at the issuer level to calculate this metric, it is proxied to the company's sub-industry level.</p>		
	YE 2025	Unit	Coverage
	2.23	°C	88.46%
Climate Adjusted Value	<p>Climate Adjusted Value ("CAV") estimates the potential decrease in the value of the assets of the fund because of climate change, when compared to an equivalent portfolio unaffected by climate change. CAV is assessed under three distinct scenarios as defined by the NGFS (see glossary). The data provided on CAV is split into Transition Climate Adjusted Value ("TCAV") and Physical Climate Adjusted Value ("PCAV"):</p> <p>TCAV: This reflects the potential impact on the portfolio's adjusted value as a result of society's transition to a lower-carbon economy regarding policies, technology, and other market channels. A positive TCAV under the orderly scenario means that the portfolio will be positively affected by the transition to NZ and transitioning can be seen as an opportunity. Similarly, a lower TCAV value under the orderly scenario demonstrates preparedness of the portfolio to face the required climate transition.</p> <p>PCAV: This shows the potential adjusted value of the funds as a result of physical risks via both acute and chronic ways. Acute risks are sudden and event based, such extreme weather events, droughts and wildfires. Chronic risks are long-term and less apparent, such as sea level rise and soil degradation. To help understand this metric, when PCAV is substantially higher in a hothouse scenario than in the orderly/disorderly scenario, this can be interpreted as being more susceptible to physical climate as at a higher emissions level, the assets become more susceptible to physical damages from climate change.</p> <p>A negative number denotes that under the specific scenario; there will be a devaluation in the value of the entity's assets.</p>		
	YE 2025	Unit	Coverage
PCAV (Orderly)	-2.09	%	86.85%
PCAV (Disorderly)	-2.20	%	86.85%
PCAV (Hot House World)	-2.30	%	86.85%
TCAV (Orderly)	-4.96	%	86.85%
TCAV (Disorderly)	-2.78	%	86.85%
TCAV (Hot House World)	-0.00	%	86.85%

Other sustainability metrics

Other sustainability-related metrics are disclosed in Santander Group's annually updated Annual Report, the current version of which is available on the Santander Shareholders and Investors website under **Annual Report | Shareholders and Investors | Santander Bank**. These metrics are aligned with the Group's materiality assessment and are reported at Group level, providing a consolidated overview of the sustainability topics considered most relevant to Santander and its stakeholders.

In undertaking its assessment of material sustainability related risks and opportunities, SAM UK has leveraged Santander Group materiality assessments, methodologies and relevant Group level sustainability metrics. SAM UK considers these metrics to be appropriate and proportionate to support its current assessment and monitoring of sustainability-related risks.

SAM UK does not currently maintain a separate suite of entity specific sustainability metrics. As part of the continued development of its sustainability risk management and reporting framework, SAM UK intends to evaluate and implement additional entity specific metrics, where appropriate, to enhance the assessment, monitoring and disclosure of material sustainability-related risks in future Sustainability Reports.

In addition, SAM UK, as part of SAM, complies with the exclusionary criteria set out in the SRI Policy for direct investments. These criteria include restrictions on investment in companies involved in controversial weapons, certain non-conventional and Arctic oil and gas activities, thermal coal mining and coal-fired power generation, and serious or severe human rights violations or breaches of international standards where the issuer is not subject to ongoing engagement. To monitor compliance with these exclusions, relevant business involvement metrics, including revenue exposure thresholds where applicable, are assessed on an ongoing basis.

Drivers of change in metrics

Year-on-year changes in the metrics presented may be attributed to a number of factors, including:

- changes in fund size;
- changes in underlying investments;
- changes in sector exposure;
- changes in data availability and coverage;
- methodological updates; and
- changes in emissions reported by underlying issuers.

Caution should be applied when interpreting changes, as these may not necessarily reflect underlying improvements or deterioration in portfolio carbon intensity.

Data sources and methodology

We use data compiled by third-party ESG data providers, including Clarity AI, Sustainalytics, MSCI, Morningstar, Nasdaq, Refinitiv and Aladdin Climate.

Third-party providers use a variety of sources including public disclosures, company reports, government databases and proprietary estimation models.

Data quality is monitored at two levels:

- Supplier: Data providers apply automated validation processes, including consistency checks and outlier detection.
- Fund manager: Additional checks are performed to ensure data integrity, including validation of data loading and analysis of fluctuations.

Issuer ESG performance is monitored on an ongoing basis by the SRI team, including the review of discrepancies and engagement where necessary. Where ESG information is not available, SAM SRI team may conduct additional analysis, including engagement actions.

Specifically for climate-related metrics, methodologies remain an evolving area. SAM UK continues to develop its data capabilities in line with regulatory expectations and market developments.

Targets

SAM UK supports the Group strategy and approach but does not maintain separate entity-level targets, given its membership of the Group. This reflects the alignment of SAM-managed strategies with Group-level implementation pathways. Group's overarching targets take into consideration and are informed by its underlying entities.

Due to the nature of how commitments are made, and targets are set at Group level (i.e. across multiple jurisdictions and entities), such commitments and targets are not specifically adopted by entity boards. SAM UK receives updates on the Group approach and progress against commitments and targets.

Given the nature of SAM UK's activities, including the use of delegated investment management and client-specific mandates, the setting of entity-level climate targets is not considered proportionate at this stage.

SAM UK monitors alignment with the Group level targets through the use of climate-related metrics and reporting, and through ongoing engagement with SAM and Santander Group.

Climate approach and Net Zero Asset Managers (“NZAM”) review of targets

In January 2025, the Net Zero Asset Managers initiative announced a review of its framework in response to evolving regulatory and geopolitical developments. Santander Asset Management remains a signatory to NZAM and continues its participation following the relaunch of the initiative in February 2026.

The references to the February 2026 NZAM relaunch are included as a post-reporting-period update and do not change the metrics presented in this report, which are reported as at 31 December 2025.

SAM's climate objective, framed within its fiduciary duty, focuses on identifying, assessing and managing the risks and opportunities arising from climate change and the energy transition. Our strategy is centred on supporting our customers in their transition and alignment processes, taking into account the different jurisdictional frameworks and offering investment solutions aligned with their preferences. To this end, we integrate climate considerations into our investment processes, stewardship activities and risk management, mobilising capital towards an orderly transition and contributing to long-term value creation.

In this context, and in light of the evolving regulatory and political environment, SAM is currently reviewing its approach to climate alignment. This includes the methodologies used to assess issuer alignment, as well as the scope and implementation pathway of its climate targets and Net Zero commitments.

Historic Values

Year	Financed Emissions		Weighted Average Carbon Intensity		Carbon Footprint	
	Scope 1 & 2	Scope 3	Corporate Scope 1, 2 & 3	Sovereign Scope 1, 2 & 3	Scope 1 & 2	Scope 3
2023	309,101.60 tCO ₂	2,887,189.60 tCO ₂	826.25 tCO ₂ /€m revenue	14.64 tCO ₂ /€m country GDP	44.53 tCO ₂ /€m	412.38 tCO ₂ /€m
2024	156,676.04 tCO ₂	2,311,608.55 tCO ₂	1,004.29 tCO ₂ /€m revenue	24.47 tCO ₂ /€m country GDP	24.65 tCO ₂ /€m	363.66 tCO ₂ /€m
2025	264,109.49 tCO ₂	4,081,514.10 tCO ₂	1,166.42 tCO ₂ /€m revenue	24.47 tCO ₂ /€m country GDP	42.44 tCO ₂ /€m	553.35 tCO ₂ /€m

Year	Carbon Intensive Sector Exposure	Implied Temperature Alignment	Physical Climate Adjusted Value			Transition Climate Adjusted Value		
			Orderly	Disorderly	Hot House World	Orderly	Disorderly	Hot House World
2023	21.98%	2.25°C	-1.55%	-1.66%	-1.75%	-3.09%	-4.10%	0.00%
2024	15.55%	2.22°C	-1.69%	-1.82%	-1.94%	-4.10%	-2.77%	0.00%
2025	23.40%	2.23°C	-2.09%	-2.20%	-2.30%	-4.96%	-2.78%	0.00%

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Glossary¹

Metric	Usage and Description
Scope 1 Emissions	<p>Corporates: Scope 1 Emissions are emissions that arise from sources that a company owns or controls directly. For example, this could be emissions that arise from company vehicles.</p> <p>Sovereigns: Domestic GHG emissions from sources located within the country territory This aligns with the United Nations Framework Convention on Climate Change ("UNFCCC") definition of domestic territorial emissions, including emissions from exported goods and services.</p>
Scope 2 Emissions	<p>Corporates: Scope 2 Emissions are emissions that a company causes indirectly and come from where the energy it purchases and uses is produced. For example, this could be emissions produced as a result of electricity usage from the company's office(s).</p> <p>Sovereigns: Scope 2 emissions occurring as a consequence of the domestic use of grid-supplied electricity, heat, steam and/or cooling which is imported from another territory.</p>
Scope 3 Emissions	<p>Corporates: Scope 3 emissions are not produced by the company itself and are not the result of activities from assets owned or controlled by them, but by those that it's indirectly responsible for up and down its value chain. Scope 3 GHG emissions poses methodological challenges, such as establishing clear boundaries in a company's value chain. In practice, this can cause an overlap in reporting boundaries due to an organisation's involvement at multiple points in the life cycle of products and can result in double counting. For example, this could be emissions that arise as a result of the company buying products from its suppliers.</p> <p>Sovereigns: Scope 3 Emissions attributable to nonenergy imports as a result of activities taking place within the country territory.</p>
Financed Emissions	<p>Financed emissions represents the total greenhouse gas ("GHG") emissions attributed to the fund arising from investee companies. This attribution factor is determined by dividing each investment's monetary value by each investee company's enterprise value, including cash. This factor is then multiplied by the company's total GHG emissions to produce the final financed emissions result. These metrics are consistent with the GHG protocol and the Global GHG Accounting & Reporting Standard developed by the Partnership for Carbon Accounting Financials ("PCAF") framework, and therefore provide a consistent approach between firms and companies. This metric is also helpful to track changes in GHG emissions performance of investee companies.</p>
Sovereign Financed Emissions	<p>Sovereign financed emissions represents the total GHG emissions attributable to the fund arising from sovereign borrowers. As for Financed Emissions for investee companies, these metrics are consistent with the GHG protocol and the Global GHG Accounting & Reporting Standard developed by the PCAF framework.</p>
Total Carbon Footprint	<p>Carbon footprint is a measure of the fund's Financed Emissions relative to the amount invested, expressed in tons of CO₂e per £m invested. To calculate this metric, the portfolio's allocation to each individual holding is multiplied by the ratio of the investee company's normalised emissions to its enterprise value, including cash. Carbon footprint is assessed across scope 1, 2 and 3 emissions from the underlying companies in the fund.</p> <p>This metric allows for attribution analysis, decomposing the fund into its highest and lowest carbon generating constituents. However, this metric does not consider differences in the size of companies (e.g., does not consider the carbon efficiency of companies). Changes in underlying companies' market capitalisation can also be misinterpreted.</p>

¹"The use of the word "fund", "mandate" or "portfolio" on its own includes reference to the other words where the context requires."

Metric	Usage and Description
Carbon Intensive Sector Exposure	<p>Carbon intensive sector exposure refers to the extent to which the fund is exposed to sectors that are highly carbon-intensive, such as fossil fuel extraction, refining, and power generation. The TCFD acknowledges that some industries are more likely to be financially impacted by climate change due to their exposure to transition and physical risks associated with these industries' operations and products. Carbon intensive sector exposure is calculated by dividing the value of the fund in carbon intensive sectors by the total value of the fund. SAM UK defines carbon intensive sectors as per the Transition Pathway Initiative ("TPI") definition, further dividing these into sub-sectors as per the Industry Classification Benchmark ("ICB") methodology. SAM UK views the following sectors as being carbon intensive:</p> <p>Airlines; Autos; Shipping; Coal Mining; Electricity Utilities; Oil & Gas; Aluminium; Paper; Cement; Steel; Chemicals; Food Producers; Oil & Gas Distribution; Diversified Mining; Other Industrials; Banks; Food.</p>
Weighted Average Carbon Intensity ('WACI') – Corporate Constituents	<p>Weighted average carbon intensity ("WACI") for corporate constituents measures the fund's GHG emissions divided by company revenue and is expressed in tons of CO₂e per €1m company revenue. The WACI is calculated by multiplying the weight of each company in the portfolio by its carbon-to-revenue intensity, and then summing the results. The larger the number, the more carbon intensive the investments are as at the assessment date. Company revenue here is assessed in €, as the calculation methodology aligns with EU SFDR regulations.</p> <p>WACI for corporate issues is assessed across scope 1, 2 and 3 emissions. As compared to financed emissions, assessing the WACI for corporate constituents allows for comparability between firms within a sector (normalising the carbon intensive sector exposure by revenue allows for a like-for-like comparison). However, this metric tends to favour companies with higher pricing levels relative to their peers and can also be sensitive to outliers. In addition, accurately calculating scope 3 emissions also poses methodological challenges as defined under "Scope 3 Financed Emissions" above. SAM UK has taken a view to provide WACI as a combination of its scope 1, 2 and 3 constituents. This should be taken in context if a comparison is made against other entities where scopes 1 and 2, and scope 3 are reported separately.</p>
Weighted Average Carbon Intensity ('WACI') – Sovereign Constituents	<p>Weighted average carbon intensity ("WACI") for sovereign constituents measures the fund's GHG emissions arising from its exposure to debt issued by sovereign nations, divided by the sovereign nations' gross domestic product ("GDP"). As such, the figure is expressed in tons of CO₂ per €1m GDP. The larger the number, the more carbon intensive the sovereign related investments are as at the assessment date. Sovereign GDP here is assessed in €, as the calculation methodology aligns with EU SFDR regulations. As per WACI for corporate constituents, WACI for sovereign constituents is assessed across scope 1, 2 and 3 emissions, where each of these scopes is defined as per the PCAF methodology.</p> <p>Consistent with WACI for corporate constituents, assessing the Sovereign WACI allows for comparability between nations (normalising the carbon intensive sector exposure by country GDP allows for a like-for-like comparison). As per WACI for corporate constituents, SAM UK has taken a view to provide Sovereign WACI as a combination of its scope 1, 2 and 3 constituents. This should be taken in context if a comparison is made against other entities where scopes 1 and 2, and scope 3 are reported separately.</p>
Paris Agreement	<p>The Paris Agreement is an international agreement on climate change that was adopted by 196 countries in December 2015. The agreement sets a goal to limit global warming to well below 2°C above pre-industrial levels and pursue efforts to limit it to 1.5°C. Countries are required to submit their own nationally determined contributions ("NDCs") to reduce greenhouse gas emissions and adapt to the impacts of climate change. The Paris Agreement also establishes a framework for monitoring and reporting progress, as well as providing financial support to developing countries to help them meet their climate goals.</p>
NGFS	<p>The Network for Greening the Financial System ("NGFS") is a global network of central banks, supervisors, and financial regulators that aims to promote the development of environmentally sustainable financial systems. The NGFS was established in 2017 and currently has over 70 member organisations. The network's goals include: promoting the integration of climate and environmental risks into financial decision-making, developing green finance instruments and standards, and fostering international cooperation on sustainable finance. The NGFS also provides a platform for sharing knowledge, best practices.</p>



Disclaimer:

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Forward-looking statements are subject to numerous assumptions, risks, and uncertainties, which may change over time and speak only as of the date they are made. Forward-looking statements may not be a reliable indicator of future performance. SAM UK assumes no duty to and does not undertake to update forward-looking statements. Actual results could differ materially from those anticipated in forward-looking statements and future results could differ materially from historical performance. The inclusion of information contained in this combined TCFD and SDR entity-level report should not be construed as a characterisation regarding the materiality or financial impact of that information.

The information provided is based in part on information from third-party sources ("ESG parties") that SAM UK believes to be reliable, but which has not been independently verified by SAM UK, and SAM UK does not represent that the information is accurate or complete. The evaluation of companies for ESG screening or integration is dependent on the timely and accurate reporting of ESG data by the underlying investee companies. ESG parties may not be successful in assessing and identifying companies that have or will have a positive impact or support a given position. In some circumstances, companies could ultimately have a negative or no impact or support of a given position. None of the ESG parties warrants or guarantees the originality, accuracy and/or completeness, of any data and expressly disclaim all express or implied warranties, including those of merchantability and fitness for a particular purpose. None of the ESG parties shall have any liability for any errors or omissions in connection with any data, or any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damage.

All data is based on past holdings information and is not a guide as to how a fund or portfolio may be scored in the future. The ESG Coverage (%) relates to the percentage of a fund's holdings for which ESG data is available. Some assets, such as cash, are out of scope for analysis and are removed from a fund's holdings prior to calculating both the ESG Coverage (%) and ESG Analysis.

As issuers enhance their data collection methods and reporting standards, they often uncover previously unreported emissions sources, leading to more accurate and comprehensive disclosures. This shift from estimated to reported data contributes to improved accuracy but may also result in apparent variations in emissions and climate-related metrics, as past inaccuracies are corrected, and new information is incorporated. Periodic restatements of emissions data—driven by methodological updates, structural changes, or improved transparency—are expected as companies align with evolving regulatory requirements and best practices. These updates are essential for providing a clearer picture of climate impact and for setting realistic reduction targets. In this context, regular assessments of data coverage and quality are conducted to address limitations in data availability and ensure the robustness and reliability of the indicators used.

This combined TCFD and SDR entity-level report includes non-financial metrics that are subject to measurement uncertainties resulting from limitations inherent in the nature and the methods used for determining such data. The selection of different but acceptable measurement techniques can result in materially different measurements. The precision of different measurement techniques may also vary. The information set out is expressed as of 31st December 2025 and SAM UK reserves the right to update its measurement techniques and methodologies in the future. Any research reflected in this combined TCFD and SDR entity-level report has been obtained and may have been acted upon by SAM UK for its own purpose. The results of such research are being made available as additional information and do not necessarily reflect the views of SAM UK. Any opinions, statements of interpretation, or views regarding regulatory impact or relevance, unless otherwise stated, are SAM UK's own at the date of this correspondence and may not align to specific regulatory definitions. They are considered to be reliable at the time of writing but may not necessarily be all inclusive and are not guaranteed as to accuracy. In addition, they may be subject to change without reference or notification.

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