

Matthew O'Toole  
Parliament Buildings  
Ballymiscaw  
Stormont  
Belfast, BT4 3XX

10 June 2025

Dear Matthew O'Toole,

Thank you for the opportunity to address the Committee for Finance: Inquiry into the Northern Ireland Banking and Financial Services Landscape on Wednesday 9 April 2025.

Following the Committee's request for further information, UK Finance has responded on the sectors behalf. In addition to this response, I provide below supplementary answers.

### **Ethical focus**

As part of the Banco Santander group we are a founding signatory of the United Nations Principles for Responsible Banking, helping to establish a key role in the fight against climate change, improve gender equality and contribute to economic empowerment. The United Nations Principles for Responsible Banking<sup>1</sup> were developed to engage the financial sector in achieving these objectives.

Our Environmental, Social and Climate Change (ESCC)<sup>2</sup> policy sets out how we identify, assess, monitor and manage environmental and social risks and other climate change related activities in the Oil and Gas, Power Generation and Mining and Metals sectors and those arising from businesses engaged in soft commodities. Our ESCC policy prohibits project-related financing for new coal-fired power plants (CFPP) worldwide and we will only work with new clients with CFPPs to provide specific financing for renewable energy projects. In line with Banco Santander's ambition, by 2030 we aim to eliminate all exposure to thermal coal mining and stop providing financial services to power generation clients with more than 10% of revenue from thermal coal.

Our sustainability policy outlines our commitment to sustainability including protecting human rights. This takes into account the UN Guiding Principles on Business and Human Rights and expresses our opposition to forced labour and child exploitation. This policy provides the foundation of our commitment to tackling human rights abuses. In line with the UK Modern

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<sup>1</sup> [Stories about Responsible Banking | Santander Bank](#)

<sup>2</sup> <https://www.santander.com/content/dam/santander-com/en/contenido-paginas/nuestro-compromiso/pol%C3%ADticas/do-environmental-social-and-climate-change-risk-policy-en.pdf>

Slavery Act 2015, our Board reviews annually how we prevent modern slavery and human trafficking (MSHT) in our business including identifying the proceeds held by perpetrators of these crimes and sharing intelligence with law enforcement agencies.

## **Charities**

At Santander UK we also aim to support charities through a range of additional support in their banking activities. We contributed to the discovery and launch of the new Voluntary Organisation Banking Guide<sup>3</sup> - to provide a new digital solution, giving guidance on how to choose, open and manage a bank account.

Within our Corporate and Commercial Bank over the past few years we have been running dedicated breakfast workshops for our Charity Clients and Prospects, focussing on the risks and opportunities that exist for them. We have also worked to encourage our clients who are entering into a Sustainability Linked Loan<sup>4</sup>, to apply their margin benefit to a charity/foundation aligned to the principles of their business, and likewise instead of the Bank receiving a margin increase this has been paid away to the client's charity/foundation.

Additionally for several years we have run a charity model partnership whereby we support a one strategic charity with fundraising opportunities. Our most recent partnerships include Macmillan Cancer Research, 2022-2024 over £1.8m raised, and Alzheimer's Society, 2019-2021 over £2m raised.

In 2024 as part of our Santander UK Foundation distributed over £1.3m to 34 grantees, including many small charities, as part of its Financial and Digital Empowerment Fund. The donations helped over 13,600 people to improve their financial and digital literacy capabilities.

## **SMEs in Northern Ireland**

Regarding our lending to SMEs and micro businesses in Northern Ireland, our Belfast portfolio has grown in each of the last 3 years which is a testament to the dedicated local team, the support offered to both existing clients and with new client acquisition. We focus on differentiation, supporting high growth internationally focused business, using our Banco Santander Group networks to do so.

Our commitment to help SMEs to grow and provide them with flexible and easy lending solutions is a key pillar of our strategy and commercial plans. In summary we are committed to growing our lending to SMEs and Microbusinesses in Northern Ireland.

I hope this helps the Committee.

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<sup>3</sup> <https://www.ukfinance.org.uk/our-expertise/commercial-finance/voluntary-organisation-banking-guide>

<sup>4</sup> A sustainability linked loan is a product that incentivises a client to set stretching and ambitious sustainability performance targets for the life of the loan. Where the client receives a margin reduction if the targets are met, conversely if they are not met there is an increase in margin.

Yours sincerely,

Regional Director for Customer Interactions