

INDEPENDENT ASSURANCE REPORT TO THE DIRECTORS OF VIRGIN MONEY UK PLC ON THE UNITED NATIONS PRINCIPLES FOR RESPONSIBLE BANKING ('UN PRB') REPORT AND SELF ASSESSMENT TEMPLATE FOR THE YEAR ENDED 30 SEPTEMBER 2023

EY was engaged by Virgin Money UK plc (the 'Company') to perform a limited assurance engagement in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020), in respect of selected sections (the 'Subject Matter') from responses within Virgin Money UK plc's United Nations Environment Programme Finance Initiative's (UNEP FI) Principles for Responsible Banking (PRB) Reporting and Self-Assessment Template (the 'Report'). The Subject Matter includes the "high-level summary of Virgin Money UK plc's response" to the following sections, including the sustainability metrics as defined within Appendix A.

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring, specifically including the following metrics:

Greenhouse gas emissions:

- Scope 1 emissions (Location & Market based) (tCO₂e)
- Scope 2 emissions (Location & Market based) (tCO₂e)
- Scope 1 & 2 location-based intensity (tCO₂e/FTE)
- Scope 1 & 2 market-based intensity (tCO₂e/FTE)
- Scope 3 financed emissions: Mortgages (tCo₂e)
- Scope 3 financed emissions: Mortgages intensity (tCO₂e/£m lent & kgCO₂e/m²)
- % Of Mortgage Portfolio by EPC rating

Portfolio

- Energy & Environment lending
- 5.1 Governance Structure for Implementation of the Principles

Other than as described in the preceding paragraph, which sets out the scope of our engagement, we did not perform assurance procedures on the remaining information included in the Report, and accordingly, we do not express an opinion or conclusion on this information.

This report is produced in accordance with the terms of our engagement letter dated 25 September 2023 for the purpose of reporting to the Directors of Virgin Money UK plc in connection with Subject Matter for the year-ended 30 September 2023.

This report is made solely to the company's Directors, as a body, in accordance with our engagement letter dated 25 September 2023. Those terms permit disclosure on Virgin Money UK's website, solely for the purpose of Virgin Money showing that it has obtained an independent assurance report in connection with the Subject Matter. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's Directors as a body, for our examination, for this report, or for the opinions we have formed.

Our work has been undertaken so that we might report to the Directors those matters that we have agreed to state to them in this report and for no other purpose. Our report must not be recited or referred to in whole or in part in any other document nor made available, copied or recited to any other party, in any circumstances, without our express prior written permission. This engagement is separate to, and distinct from, our appointment as the auditors to the company.

Responsibilities of the company

As Directors of the company, you are responsible for the Subject Matter. The Directors of the company remain solely responsible for presenting the Subject Matter in accordance (i) the Reporting and Self-assessment Requirements of the UNEP FI PRB Reporting and Self-Assessment Template and (ii) the metrics referred to within have been calculated in accordance with Virgin Money UK's Basis of Reporting (the 'Criteria').

Responsibilities of Ernst & Young LLP

It is our responsibility to provide a conclusion on the Subject Matter based on our examination and utilising the UNEP FI 'Guidance for Assurance Providers: Providing Limited Assurance for Reporting (Version 2)'. The Criteria has been used as the basis on which to evaluate the measurement and presentation of the Subject Matter.

Our approach

We conducted our engagement in accordance with International Standard on Assurance Engagements (UK) 3000 (July 2020) *Assurance engagements other than audits or reviews of historical financial information* ("ISAE (UK) 3000 (July 2020)") as promulgated by the Financial Reporting Council (FRC). For the purpose of the engagement, we have been provided by the Directors with the Subject Matter, for which the Directors of the company remain solely responsible.

In performing this engagement, we have applied International Standard on Quality Management (ISQM) 1 and the independence and other ethical requirements of the Institute of Chartered Accountants of England and Wales (ICAEW) Code of Ethics (which includes the requirements of the Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA)).

We have performed the procedures agreed with you and set out in our engagement letter dated 25 September 2023. Our work included, but was not limited to:

- ▶ Interviewing management to understand the internal controls, governance structure and reporting processes in place to collect data and prepare the United Nations Environment Programme Finance Initiative's Principles for Responsible Banking Report and Self-Assessment Template;
- ▶ Reading the selected sections of the Report and considering the appropriateness of the description of the processes, activities, and outcomes and whether these sufficiently reflect the actions taken by the Company;
- ▶ Obtaining evidence, on a sample basis, to test the accuracy of the statements made within sections 2.1, 2.2, 2.3, and 5.1 of the Report;
- ▶ Obtaining evidence, on a sample basis, to substantiate the completeness and accuracy of metrics disclosed within section 2.3;

The objective of a limited assurance engagement is to perform such procedures as to obtain information and explanations in order to provide us with sufficient appropriate evidence to express a negative conclusion on the Subject Matter. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

Inherent limitations

Our conclusion is based on historical information and the projection of any information or conclusions in the attached report to any future periods would be inappropriate. Our examination excludes audit procedures such as verification of all assets, liabilities and transactions and is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK) and therefore provides a lower level of assurance than an audit. Accordingly, we do not express an audit opinion on the information. The individual assessment of whether the company is aligned with the requirements of the PRB and is meeting its commitments will be undertaken by a sustainability expert within the UNEP FI Secretariat.

Conclusion

Based on the procedures performed and evidence obtained, nothing has come to our attention that causes us to believe that the subject matter is not fairly stated, in all material respects, based on the applicable criteria (i) the Reporting and Self-assessment Requirements of the UNEP FI PRB Reporting and Self-Assessment Template and (ii) Virgin Money UK's Basis of Reporting.

Ernst & Young LLP

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22 November 2023

Appendix A

Sustainability Metric	Reported Values
Scope 1 emissions (Location based) (tCO ₂ e) as at 30 June 2023	2,677
Scope 1 emissions (Market based) (tCO ₂ e) as at 30 June 2023	473
Scope 2 emissions (Location based) (tCO ₂ e) as at 30 June 2023	6,002
Scope 2 emissions (Market based) (tCO ₂ e) as at 30 June 2023	926
Scope 1 & 2 location-based intensity (tCO ₂ e/FTE) as at 30 June 2023	1.23
Scope 1 & 2 market-based intensity (tCO ₂ e/FTE) as at 31 March 2023	0.2
Scope 3 financed emissions: Mortgages (tCO ₂ e) as at 31 March 2023	574,389
Scope 3 financed emissions: Mortgages intensity (tCO ₂ e/£m lent) as at 31 March 2023	10
Scope 3 financed emissions: Mortgages intensity (kgCO ₂ e/m ²) as at 31 March 2023	31.1
Energy & Environment lending (£) as at 30 September 2023	317,366,459

% of Mortgage Portfolio by Current EPC rating As at 31 March 2023	
EPC Rating	Total Mortgages
A	0.1%
B	8.2%
C	20.6%
D	30.9%
E	11.1%
F	2.1%
G	0.4%
Total	73.4%
Unmatched	26.6%