

UK Financial Investments Ltd

**UKFI SUSTAINABILITY POLICY
FEBRUARY 2010**

UKFI sustainability policy

1. UKFI's remit is to develop and execute an investment strategy for disposing of the Government's investments in financial institutions in an orderly and active way, in the context of protecting and creating value for the taxpayer as shareholder.
2. Well managed businesses will, as a matter of course, take account of wider social and environmental issues in taking their business forward. We will look for a well reasoned and practical approach in our investee companies' approaches to sustainability, and recognise that they will vary according to circumstance.
3. UKFI expects our investee companies to act ethically and sensibly on sustainability issues. We expect each investee company to set out clearly which of the ethical and environmental standards set by Governmental, advisory and regulatory bodies it has committed to adhere to and report against, and to explain why it has chosen these principles. We will meet with each investee company to discuss sustainability issues at least annually. Where they are not in line with this policy we will take this up with them.
4. If it were proved to be the case that any of our investee companies' sustainability policies, including environmental, social and governance issues, were significantly out of line with existing regulatory standards and guidelines such that they would have a negative effect on the value of the company and its shares, UKFI would engage with the bank's senior management or board to protect the value of the Government's holding.