

Corporate Social Responsibility Report 2019





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Chapter 1 Governance

About the bank

Interview with Michał Gajewski, CEO of Santander Bank Polska S.A.

" For us, responsible banking means taking into account a broad and long-term context of our operations. We want economic growth to be inclusive and sustainable.



What were the most important achievements of Santander Bank Polska in 2019? How did you implement the principles of responsible banking in practice?

As the largest private equity bank in Poland, we are a significant participant in social and economic life. We are aware of this responsibility and do not try to avoid it. Therefore, we use our position to contribute to overcoming the challenges facing not only the Polish society and economy, but also the whole world. This is part of our strategy based on the UN Sustainable Development Goals, which identify the most important and urgent problems to be solved.

For us, responsible banking means taking into account a broad and long-term context of our operations. We want economic growth to be inclusive and sustainable. To achieve our goals, we combat financial exclusion, support entrepreneurs in creating new jobs and facilitate access to education and training, including through our Santander Universidades programme. The principle of sustainable growth, on the other hand, is implemented by promoting environmentally friendly solutions and supporting the transformation of the Polish energy sector.

In 2019, we successfully launched the first ESG-linked (Environmental, Social and Governance) loan on the Polish market, in which the margin depends on the borrower's achievement of specific social and environmental goals. In June, we updated the package of sectoral and environmental policies and at the same time introduced a new policy relating to the mining and metals industry. The policies regulate, among other things, the rules of financing coal companies, including no new financing for coal mining, total reduction of exposure to coal mining by 2030, reduction of financing for existing coal-fired power plants and no financing for new coal-fired power plant projects.

A very important element of developing our responsible banking agenda is the organizational culture. This includes the mission, vision and values that we are expected to follow on a daily basis. It underpins our responsible banking strategy by focusing not only on "what" we do but also "how" we do it. We create and promote a diverse, inclusive, engaging and flexible workplace. We continue to work on improving the processes related to addressing social, environmental and management risks, which from a business perspective play an increasingly important role. The improvement of these processes will allow us to increase our involvement, for example in the development of RES in Poland.

What challenges do you think the banking sector will face in the next 2 years? What will be the priority for Santander Bank Polska?

The COVID-19 pandemic came unexpectedly and is now an unprecedented challenge not only for banks but also for other sectors of the economy. The financial resilience but also the business models adopted have been put to the test. In a short period of time we had to revise and adapt our operational procedures to the current situation and needs of our customers or partners. We efficiently switched to the remote operation and service mode and reorganised our activities. We are constantly observing the development of the situation and trying to predict what changes will be brought about by the future. Current experience shows that the digitalization of the economy will be significantly accelerated. In our sector, customers are increasingly choosing online or mobile banking. This trend is reinforced by the experience of the pandemic. However, this does not only concern us. Many sectors will face this challenge.

At present, no one is able to estimate how long the restrictions will remain in place or how long their economic impact will last. We do not even know how long the pandemic will go on. We are therefore focusing on measures that will ensure safety and help our customers and employees to minimise the impact of the pandemic. We actively participate in the implementation of many initiatives proposed by government agencies, and we also initiate our own actions. We realize that this is not the end of the story. We are an institution that has an impact on shaping the so-called "new normality" and we will do our best to make it positive for our customers, but also for society as a whole.

One of the pillars of Santander Bank Polska's strategy is the "Green Bank". What projects are the priorities for Santander Bank Polska in this area?

Santander Bank Polska pursues a strategy of responsible banking in which one of the pillars is green finance and organizational changes that allow us to minimize our negative impact on the climate and environment.

We consistently support and invest in sustainable projects. Just to remind you, we were the first commercial bank to issue green bonds worth EUR 137.1 million in 2017. In 2019, we also took part – as a joint bookrunner – in the issue of 10- and 30-year green bonds of the Ministry of Finance worth EUR 2 billion. The funds from the bond issue are allocated, among others, for sustainable agriculture, low-emission means of transport, renewable energy, national parks, afforestation and spoil heaps reclamation.

In April 2019, we joined the Polish Pact for the Sustainable Use of Plastics. It is an initiative that promotes and disseminates good practices so that they become part of everyday business practice of as many companies in Poland as possible. We provide loans and leases supporting energy efficiency. We have also committed ourselves not to finance new coal-fuelled power units. Similarly, we will not lend to new coal mines. By 2030 the bank's exposure to power coal producers will be reduced to zero.

What is your perception of the role of financial institutions in the transition to a low-carbon economy?

Banks play a crucial role in the process of orderly transition to a low-carbon economy. Santander Bank Polska supports and will continue to support its clients in the course of energy transformation by financing those projects that significantly reduce the negative impact on the environment and society.

Our products and services with a social and environmental profile also serve this purpose. We were the first in Poland to act as coordinator and agent in the consortium during the signing of the aforementioned ESG-linked loan agreement.

These activities are in line with our philosophy of a socially responsible bank. Thanks to proper use of our financial potential, we can not only grow our business, but also contribute to overcoming local, national and, ultimately, global challenges.

For Santander Bank Polska, inclusive banking is very important. What should we know about the bank's activities in this area?

For many years we have been taking steps to ensure that finances are available for people with different needs, i.e. for all social groups. We are introducing improvements in our products and services by, among others, developing a network of ATMs with a voice service function. Our clients can also do business in Polish sign language through a video channel. We have introduced the possibility of applying, remotely or at branches, for the so-called available documents provided for in the Act, i.e. non-personalised contractual templates or regulations. On the bank's website, we have created and are successively supplementing the repository of available documents in electronic formats: audio files and video recording in the Polish sign language (PJM). Additionally, the bank being aware of the needs of the environment, offers the possibility to apply for a document in the PDF format with internal, invisible tags. This means that persons with special needs will be able to read it by using commonly available screen reading technology, used also at home. We regularly audit our online and mobile banking platforms for accessibility for persons with disabilities in order to best respond to our clients' needs.

Enhancements to products and services under the "Barrier-Free Service" programme are not the only activities we undertake. We organize financial workshops, cooperating with schools and universities, integration centers, non-governmental organizations and local authorities. We eagerly participate in local initiatives supporting people with disabilities in their non-professional interests, as well as in those that counteract social and economic exclusion.

Santander Bank Polska is also a signatory to the Diversity Charter. As an employer, we have committed ourselves to implement the provisions of the Charter in our daily operations.

Additionally, through our Differently Abled Project, we want to increase employment of persons with disabilities. We carry out educational activities that activate and support people with disabilities in the work environment.

GRI: 102-1, 102-2, 102-5, 102-6, 102-7, 102-45, 201-1, Custom indicator (Number of the bank's access points in Poland, including branches, broken down into branches operated directly by the bank and partner outlets).

About Santander Bank Polska

Santander Bank Polska S.A. is the parent company of the Santander Bank Polska Group, which provides services to 7.2 million customers¹. The bank is listed on the Warsaw Stock Exchange. Our shares are part of the WIG20, WIG-Banks (industry index) and WIG-ESG (index of socially responsible stock-exchange companies).

We are a universal bank, offering a full range of services to retail customers, small and medium-sized companies and large enterprises, corporations and public sector institutions. We are among the top three largest banks in the Polish banking sector. Taking into account our ownership structure, we are the largest private bank in Poland.

Financial services provided by Santander Bank Polska

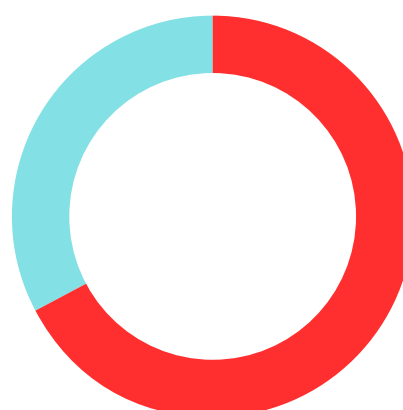


Our proposal responds to customers' needs in the area of current accounts, credit products, savings and investment, clearing, insurance and card products. We provide comprehensive services in stationary branches, partner outlets and via online and mobile banking channels.

Shareholding structure of Santander Bank Polska (as at 31 December, 2019)

Shareholding structure of Santander Bank Polska (as at 31 December, 2019)

Banco Santander S.A.	67.47%
Other shareholders	32.53%



■ Banco Santander S.A.	67.47%
■ Other shareholders	32.53%

¹ Including 2.2 million customers of Santander Consumer Bank S.A. Data valid as at 31 December, 2019.

Santander Bank Polska in numbers

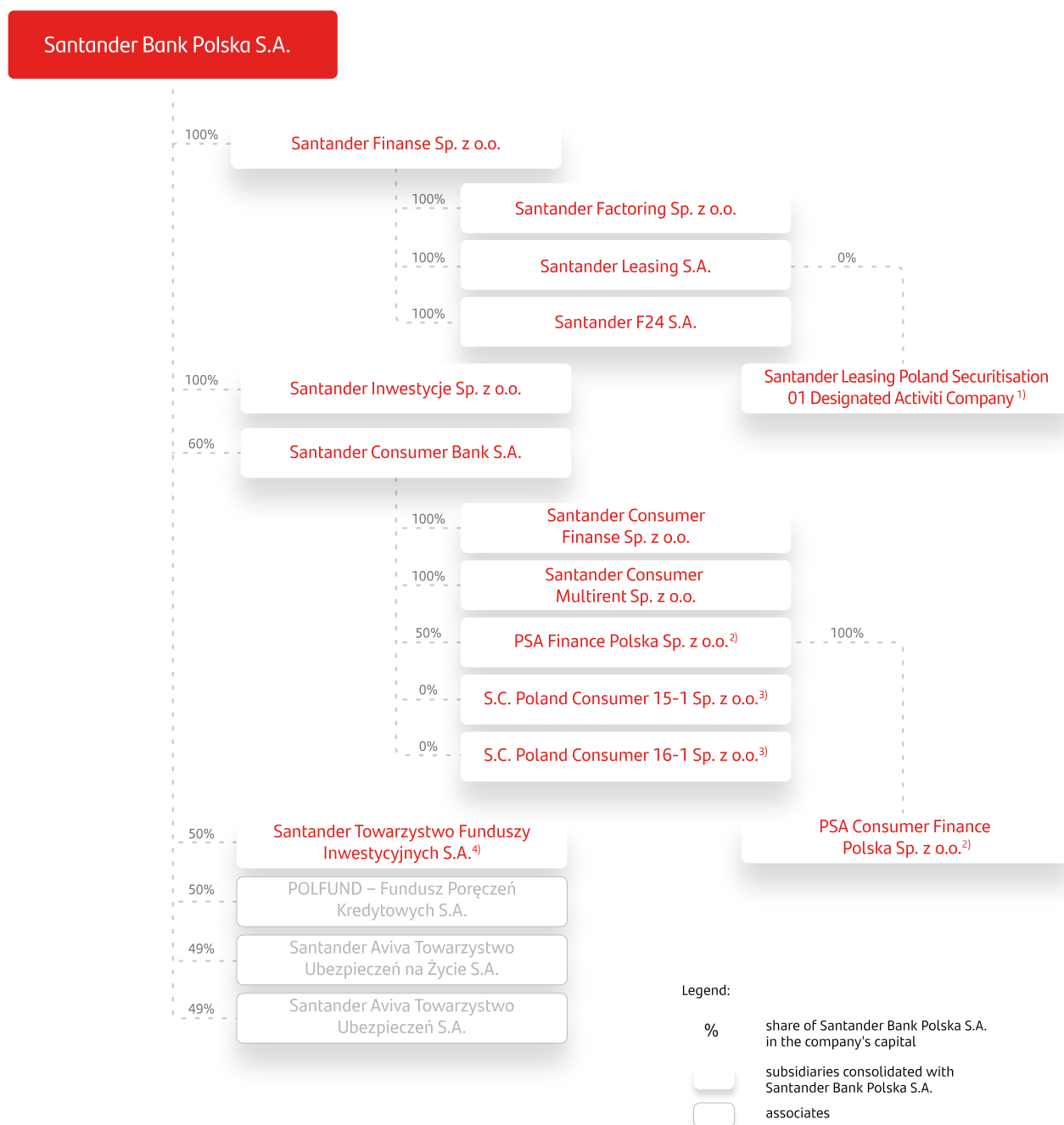
	2019	2018	2017
Customers			
Total number of bank customers (in thousands)	5,049.5	4,884	4,412
Santander Internet – registered customers (in thousands)	4,424	4,019	3,388
Santander Internet – active customers* (in thousands)	1,962.3	2,345	2,056
Santander mobile – mobile banking customers (in thousands)	1,577	1,338	1,094
iBiznes24 – registered businesses (in thousands)	25,5	17	15
Outlets			
Branches (locations)	515	612	576
Partner outlets	134	123	109
Banking Centres			
Business and Corporate Banking Centres	19	12	12
ATMs & CDMs			
ATMs	774	948	858
CDMs	3	13	4
Dual function machines	923*	771	900
Employees			
Number of employees (as at 31 December, 2019)	10,867	12,641	11,489
Financial highlights			
Profit attributable to the bank's shareholders (in PLN m)	2,138.3	2,365	2,213.1
Profit for the period (in PLN m)	2,113.5	2,167	1,916.2
Total assets (PLN m)	181,471.5	183,038.6	132,863.3
Total liabilities (PLN m)	157,293.9	159,178.2	112 024 431
Total equity (PLN m)	24,177.6	23,860.4	20,838.8
ROE	10.1%	11.4%	11.0%
Loans to deposits	91.6%	84.2%	88.6%
Capital ratio	19.58%	14.04%	18.95%

* Including 398 recyclers

- The bank was ranked third on the Polish market in terms of the number of ATMs and second in terms of the number of cash deposit machines.
- We were the first bank in the world to install the latest closed-cycle ATM recycler DN S200 characterised by a modern design and equipped with a large touch screen and state-of-the-art technology.
- In 2019, as part of the self-service channel development programme, the bank implemented a new screen visualisation in approximately 1.3 thousand machines. adapted to the needs of people with visual impairments (e.g. talking ATMs, high contrast option).

Santander Bank Polska Group

Santander Bank Polska and its affiliated companies offering specialist products form the Santander Bank Polska Group. This gives the bank's clients access to investment funds, asset management, insurance, leasing and factoring products. All companies of the Santander Bank Polska Group are covered by the consolidated financial statements.



^[1] Santander Leasing Poland Securitization 01 Designated Activity Company with its registered office in Dublin is a special purpose vehicle incorporated on 30 August 2018 for the sole purpose of securitisation of lease and credit portfolio. The company does not have any capital or personal connections with Santander Leasing S.A. which exerts control over the entity.

^[2] It is the opinion of the Management Board of Santander Bank Polska S.A. that the shareholding of Santander Consumer Bank S.A. (SCB S.A.) in PSA Finance Polska Sp. z o.o. is a subsidiary undertaking for the purposes of the consolidated reporting given the direct control exerted by SCB S.A. and indirect control by Santander Bank Polska S.A.

^[3] SC Poland Consumer 15-1 Sp. z o.o. and SC Poland Consumer 16-1 Sp. z o.o. are SPVs set up for the purpose of securitisation of a part of SCB S.A. credit portfolio. Their shareholder is a legal person that has no ties with the Group. The companies are controlled by SCB S.A. as they meet the conditions laid down in IFRS 10.7.

^[4] Both owners of Santander Towarzystwo Funduszy Inwestycyjnych S.A. (Santander TFI S.A.), i.e. Santander Bank Polska S.A. and Banco Santander S.A., are members of Santander Group, each holding an equal stake of 50% in the company's share capital. Santander TFI S.A. is controlled by Santander Bank Polska S.A.

About Santander Group

Santander Bank Polska is a member of Santander Group. The Group's parent entity is Banco Santander S.A. having its operational headquarters in Madrid. Banco Santander S.A. is one of the largest commercial banks in the world with more than 160 years of history. While it specializes in retail banking services, the bank is also very active in private banking, business and corporate banking, asset management and insurance markets.

The Santander Group's operations are widely diversified geographically, but its main focus is on the **10 key markets to which Poland belongs**.

Santander Group in numbers



2nd

largest bank in Europe
in terms of market
capitalization



25th

in the world in terms of
market capitalization



**196.4
thousand**
employees



12 thousand

branches



145 million

customers in 10 key
markets



EUR 8.3bn

of attributable profit

GRI: 102-18, 102-22, 102-23, 102-26; Other guidelines: ESG Governance

Governance structure

Management Board

The Management Board of Santander Bank Polska S.A. manages and represents the bank. Its competences include:

- defining the bank's mission,
- setting long-term plans, actions and strategic objectives,
- making underlying assumptions for business and financial plans,
- approving plans and monitoring their implementation,
- informing the Supervisory Board of the bank's situation within the scope and on dates agreed with this body,
- setting up standing and ad hoc committees and appointing persons to direct their activities.

The composition of the Management Board of Santander Bank Polska S.A. (as at 31 December, 2019):



Michał Gajewski
President of the
Management Board,
CEO



Andrzej Burliga
Vice-President of the
Management Board
in charge of the Risk
Management Division



Michael McCarthy
Vice-President of the
Management Board
in charge of the Business
and Corporate Banking
Division



Juan de Porras Aguirre
Vice-President of the
Management Board in
charge of the Corporate and
Investment Banking Division



Arkadiusz Przybył
Vice-President of the
Management Board in charge
of the Retail Banking Division



Carlos Polaino Izquierdo
Member of the
Management Board
in charge of the Financial
Accounting and Control
Division



Maciej Reluga
Member of the
Management Board
in charge of the Finance
Management Division,
Chief Economist



Dorota Strojewska
Member of the
Management Board
in charge of the Business
Partnership Division



Patryk Nowakowski
Member of the Management
Board in charge of the Digital
Transformation Division

Supervisory Board

The Supervisory Board may establish committees and appoint persons responsible for overseeing their activities. The following Supervisory Board committees operate in the bank: Audit and Compliance Committee, Risk Committee, Nominations Committee and Remuneration Committee.

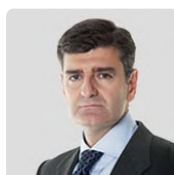
The composition of the Supervisory Board of Santander Bank Polska S.A. (as at 31 December, 2019):



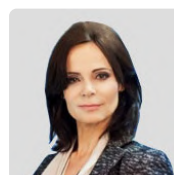
Gerry Byrne
Chairman of the
Supervisory Board



José Luis de Mora
Deputy Chairman,
Vice-Chairman of the
Supervisory Board



Jose Garcia Cantera
Member of the
Supervisory Board



Danuta Dąbrowska
Member of the
Supervisory Board



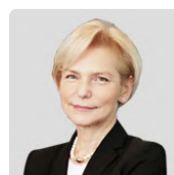
David R. Hexter
Member of the
Supervisory Board



John Power
Member of the
Supervisory Board



Jerzy Surma
Member of the
Supervisory Board



**Marynika
Woroszyńska-
Sapieha**
Member of the
Supervisory Board



Isabel Guerreiro
Member of the
Supervisory Board

All members of the Management Board and all members of the Supervisory Board of Santander Bank Polska S.A. meet the requirements set out in the Banking Law of August 29, 1997 concerning restrictions on the number of their appointments to management boards and supervisory boards of other companies.

GRI: 102-12, 102-15, 102-26, 102-29, 102-32, 103-1, 103-2, 103-3, Custom indicator (Description of the Bank's strategy, including the approach to managing responsible banking and sustainable development matters);

Other guidelines: PRB 1, PRB 2, PRB 5, PRB 6, ESG Environment, ESG Governance, ESG Social

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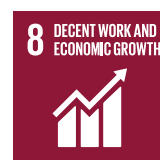


Responsible Banking



Approach to sustainable development

As a financial institution, we contribute to the implementation of the UN Sustainable Development Goals 2015-2030 through our business activities and social engagement:



The Santander Bank Polska Group's approach to responsible business and sustainable development is complemented by the **Principles for Responsible Banking** (PRB) adopted by the bank. Our commitments and actions are influenced by our **business strategy**. While creating value for our stakeholders, we have identified two main pillars and priorities related to sustainable development:



Green Bank

Taking care of the environment and supporting ecological solutions that improve the quality of life.



Inclusive banking

Integrating persons excluded from the financial services market (for various reasons, e.g. lack of dedicated offer) and financial education.



Principles for Responsible Banking

We manage our organization in conformance with the **Principles for Responsible Banking** (PRB) proposed by UNEP FI (UN Environment Programme Finance Initiative) and developed in a controlled process with the participation of banking sector institutions and non-government organizations. The Santander Group worked on the development of the PRB and was one of the signatories of the document **announced in September 2019 at the UN headquarters in New York**.

The Principles for Responsible Banking provide a framework for a sustainable banking system and, when applied in practice, demonstrate the impact of our industry on the external environment. The six principles are consistent with the UN Sustainable Development Goals 2015-2030 and the 2015 Paris agreement on climate neutrality.

Alignment

We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals (SDGs), the Paris Climate Agreement and relevant national and regional frameworks. We will focus our efforts where we have the most significant impact.

Impact

We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services.

Business and Retail Customers

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Stakeholders

We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

Governance

We will implement our commitment to these Principles through effective governance and a culture of responsible banking, demonstrating ambition and accountability by setting public targets relating to our most significant impacts.

Transparency & Accountability

We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

Responsible Banking is deeply rooted in the strategy of the entire Santander Group. We understand it as a responsibility to the people with whom we interact as a bank – our clients, employees, shareholders and the communities in which we operate. We know how much trust they place in us and we are aware of how easy it is to lose it. Our ambition is to be a leader who creates trends and sets standards for responsible banking in the world and in Poland. Therefore, both at the Santander Group and Santander Bank Polska level, we are eager to engage in initiatives aimed at raising the standards of governance, customer relations and transparency in presenting the results of our activities.

Michał Gajewski

CEO

Policies and documents defining our approach to sustainable development

Our voluntary ethical, social and environmental commitments going beyond the legal framework are primarily governed by **Santander Bank Polska's Corporate Social Responsibility Policy**. The policy enables us to manage social and environmental risks and build long-term value for all stakeholders. The provisions contained in the policy are supplemented by the following documents:

- Climate Change Policy,
- Human Rights Policy,
- Corporate Volunteering Policy,
- Sector risk management policies applicable to sensitive sectors, such as the defence, energy or wood industry.

GRI: 102-18, 102-20

Santander Bank Polska's Responsible Banking and Corporate Culture Committee

The main governing body responsible for CSR matters in the bank is the Responsible Banking and Corporate Culture Committee, chaired by the President of the Management Board.



Powers and responsibilities of the Committee:

- defining annual strategies and objectives for responsible banking and corporate culture,
- managing responsible business policy and corporate culture in the Santander Bank Polska Group,
- ensuring implementation of the provisions of social and environmental policies of Santander Bank Polska,
- approving long-term action plans for responsible banking and corporate culture of Santander Bank Polska,
- coordinating the Responsible Banking and corporate culture strategy, exercising supervision and matching the strategy with the Group's business objectives,
- monitoring and conducting evaluations of projects and undertakings implemented under the strategy,
- conducting analyses of the organization in terms of Responsible Banking and compliance with corporate culture standards.

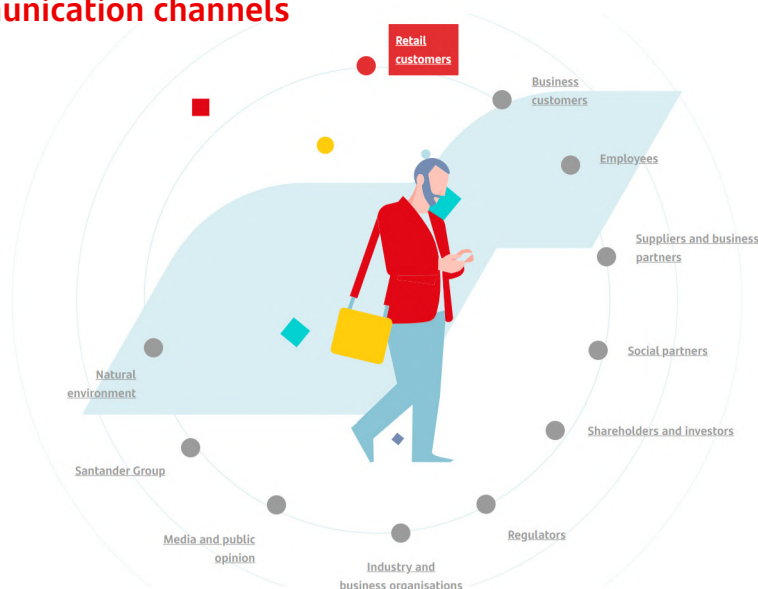


On June 4, 2019 Michał Gajewski, CEO of Santander Bank Polska, was appointed to the Board of the Responsible Business Forum (FOB), the largest organization promoting responsible business standards in Poland. The involvement of a representative of the top management of Santander Bank Polska in FOB activities is a proof that the **Principles of Responsible Banking** are part of our business strategy.

Our stakeholders

The stakeholders of the Santander Bank Polska S.A. Group are all those who are affected by us and who have an impact on our organisation. We identify our stakeholder groups. We study the power of mutual influence and the needs of our environment. We focus on dialogue and make use of various communication channels.

Stakeholder map and communication channels



Retail customers

- bank outlets
- website and other internet channels (bank blog, Facebook, Twitter, LinkedIn, Bank of Ideas)
- customer satisfaction surveys
- meetings, conferences and training events
- online advisors
- video chat
- online form

Business customers

- bankers and customer advisors
- Corporate Banking Centres
- conferences
- Business Support Centre
- virtual trade missions
- opinion polls and satisfaction surveys
- online advisors

Employees

- employee opinion surveys
- Intranet
- internal magazines about the bank
- bulletins, newsletters, mailings
- meetings with top management
- integration meetings, workshops and training events

Suppliers and business partners

- direct contact
- conferences and industry events

Social partners

- face-to-face meetings and cooperation
- stakeholder dialogue sessions
- activities of the Santander Bank Polska Foundation
- participation in conferences and local events
- corporate volunteering

Shareholders and investors

- quarterly performance presentations (meetings, conferences, stock market and press releases)
- General Meeting of Shareholders

Regulators

- reports
- formal correspondence
- daily cooperation during supervisory audits

Industry and business organisations

- face-to-face meetings and cooperation

Media and public opinion

- press conferences and briefings
- interviews, expert commentaries
- face-to-face meetings
- press releases
- social media channels

Santander Group

- reports
- meetings and experience sharing

Natural environment

- CSR (Corporate Social Responsibility) reports
- reports submitted to institutions
- contacts and cooperation with environmental organisations

Stakeholder engagement



Since 2014, we have conducted 9 dialogue sessions with stakeholders in accordance with the AA1000SES international standard.

Engaging stakeholders and knowing their opinions is very important to us. We use various forms of contact, such as AA1000SES dialogue sessions with representatives of our social and business partners. We carefully consider stakeholder suggestions and take them into account while implementing our strategy, planning activities and reporting non-financial data.

Dialogue session: responsible business and sustainability

In February 2019, we organised a dialogue session to find out the opinions and expectations concerning future activities of the bank in the area of responsible business and sustainable development resulting from the implementation of the Responsible Banking strategy.

The meeting covered three areas: inclusive banking, sustainable infrastructure and green services, and the role of universities and Santander Universidades in sustainable development. It was attended by 32 participants representing various groups of our stakeholders: the business community, academia, experts and society.

The conclusions from the session were taken into account in the process of planning sustainable development activities and helped to prepare this responsible business report.

The main conclusions from the stakeholder panel are as follows:

Inclusive banking – counteracting financial exclusion

The bank should continue and expand its existing activities and initiatives in this respect. An inclusive approach in every aspect of the bank's operations is important. The bank could initiate solutions, actions connecting various social groups. The bank should expand its offering, taking into account the needs of people at risk of exclusion. It should take care to adjust its communication to the needs of various groups of recipients, including people at risk of social exclusion.

Sustainable infrastructure and environmental services

The bank could support cooperation of various society groups for the benefit of ecology and decarbonisation of the economy, including cooperation with the business, universities and local government units. The bank should not: finance unsustainable investments and cooperate with unethical partners and customers.

It should be a partner for its customers in green investments, offering them advice and knowledge. The bank could promote ethics in the banking sector and should be a role model of good practice.

Role of universities and Santander Universidades in sustainable development

The interdisciplinary nature of sustainable development requires a broad outlook and cooperation. Universities and their partnership with companies play an important role in this context. It is worthwhile for the bank to take initiatives and support actions concerning sustainable development within the Santander Universidades programme. Students also need financial education.

Expectations and recommendations expressed by the expert group of stakeholders in 2020

For the purpose of this report, we asked six Santander Bank Polska stakeholders – representing the perspective of the business, the investor, the regulator and the social expert organization – about their opinion on the responsible management of business by our bank, including our impact on the society, the economy and the environment. The stakeholders' expectations concerning the content of this report are presented in the table below.

Corporate governance and transparent communication

- Transparency and legal action. The bank's role in building public confidence in the financial industry.
- Clarity and accuracy of external communication.
- Information on social and management factors.

Relationships with customers

- Accessibility – building accessible financial services for all.
- Inclusive banking
- Financial education – using financial services responsibly and proactively anticipating risks to stakeholders.

Environmental impact

- Taking care of the bank's environmental footprint and systematically reducing its negative impact. The bank's position in the face of global challenges related to the climate crisis, but also, for example, the extinction of species and ecosystems, pollution of seas, oceans and soil etc.
- Implementation of policies and rules to combat climate change. Supporting low-carbon economic transition objectives.
- Talking about the environment and climate change, making meaningful commitments and reporting on environmental measures. Providing information on the change in the approach to data reporting and on the carbon footprint and water consumption.

Reference to COVID-19

- Providing information on how the bank responded to the outbreak in terms of social aspects such as employees, contractors and the supply chain. Future action plans to respond to the changing reality with regard to issues such as: diverse ways of work (home office), digitisation of services, new ways of customer service.

GRI: 102-11, 102-15, Other guidelines: PRB 2, EC/TCFD, ESG Environment

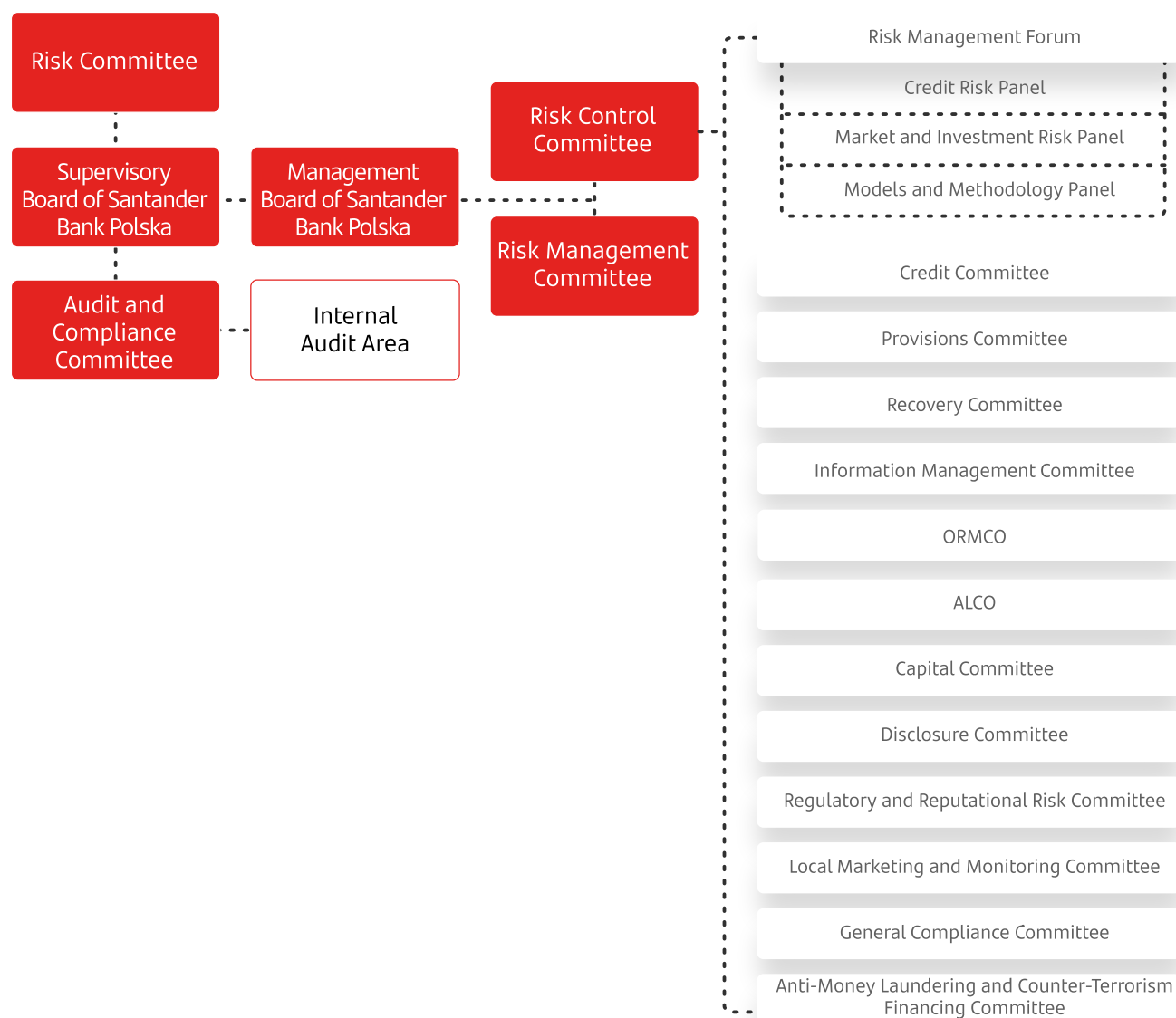
Risks and impact

Risk management system

Risk management policies are developed to identify and measure the risks taken, to determine the most favourable return at an acceptable risk level (risk-reward), and to regularly set and verify appropriate limits limiting the scale of exposure to risk.

The Santander Bank Polska Group modifies and develops risk management methods on an ongoing basis, taking into account changes in the Group's risk profile, economic environment, regulatory requirements and best market practices. The Management Board and Supervisory Board set the course of action and actively support risk management strategies. This is manifested by the acceptance of key risk management policies, participation of Management Board Members in committees supporting risk management, reviews and acceptance of risks and reports on the level of risks.

The risk governance structure



The identification, measurement, monitoring and mitigation of risk is the responsibility of all the Bank's units which are organized into the so-called three lines of defence.

Three lines of defence: responsibilities

First line of defence

Management of risks in the bank's operational activity is based on business units which, as part of their day-to-day activities, generate risks that affect achievement of the bank's objectives.

The first line of defence includes activities performed by each employee to ensure the quality and correctness of the completed tasks.

The first line of defence checks the compliance with procedures and responds to any identified irregularities.

The rules of independent monitoring as part of this line of defence are established by the Management Board member in charge of a Division or a bank/Area director or the President of the Management Board of a subsidiary in the form of relevant internal regulations, taking into account the segregation of duties.

Second line of defence

Risk management by employees in dedicated roles or organisational units and the operations of the compliance unit.

Risk management as part of the second line of defence is independent from risk management in the first line of defence.

The second line of defence comprises functions which support the bank's management in identification and management of risks. To that end, the second line of defence provides relevant tools, develops internal regulations and techniques for managing, monitoring, verifying, testing and reporting risks.

The units of the second line of defence conduct independent vertical monitoring in order to verify whether the first line of defence takes effective measures and applies the required controls.

Third line of defence

This role is fulfilled by the Internal Audit function which is responsible for independent and objective examination and assessment of the adequacy and effectiveness of the first- and second-line controls and reviewing and evaluating the management system of the bank and its subsidiaries, including the effectiveness of managing the risk related to the operations of the bank and its subsidiaries.

Risk identification and management

The level of acceptable risk and a number of risk limits are specified in the Risk Appetite Statement adopted by the Management Board and approved by the Supervisory Board. On the basis of the limits watch thresholds are set and risk management policies are constructed. The Group continuously analyses the risks to which it is exposed in its operations, identifying their sources and creating appropriate risk management mechanisms, including the measurement, control, mitigation and reporting of risks.

The risks of greatest importance include the following:



credit
risk



concentration
risk



market risk from the
bank's book and the
trading book



liquidity risk



operational
risk



compliance
risk including
reputational risk

The detailed rules, roles and responsibilities of the Group's entities are described in the relevant internal policies for the management of particular risks. The subsidiaries implement risk management policies and procedures that reflect the principles adopted by the Santander Bank Polska S.A. Group.

The Bank, acting within the limits and under the rules of applicable laws, exercises supervision over the risk management system in Santander Consumer Bank S.A., following the regulations applicable to supervision of subsidiaries of the Santander Bank Polska Group.

Risk	Risk description	Risk management	Possible significant negative impact on the following areas:				
			Social aspects	Employees	Environment	Human rights	Anti-corruption
Operational risk	Operational risk is the risk of loss resulting from inadequacy or unreliability of internal processes, people and systems or from external events.	The bank and the Group have developed the "Operational Risk Management Strategy". In addition, detailed policies, procedures and guidelines are used to define how risks are identified, estimated, monitored and mitigated. The responsibility for setting operational risk management standards rests with the Operational Risk Management Committee (ORMCO).	✓	✓	✓	✓	✓
Compliance risk (regulatory risk, conduct risk, AML/CFT risk and reputational risk).	Compliance risk means the risk of legal or regulatory sanctions, significant financial losses (affecting performance results) or reputational damage that may arise from failure to comply with laws, regulations and market standards.	<p>Compliance risk is managed at the bank and in the Group as part of several processes, namely:</p> <ul style="list-style-type: none"> • identification of compliance risk • assessment of identified risk • use of risk controls • monitoring the risk size and profile, • reporting results. <p>Compliance assurance, as part of the control function, encompasses implementation of controls, independent monitoring of their observance and reporting.</p>	✓	✓	✓	✓	✓
		<p>The control function is performed under the so-called three lines of defence:</p> <ol style="list-style-type: none"> 1. At the first line of defence, compliance risk is managed as part of business areas (conduct of business), and in other areas of the bank's operations (non-conduct of business). 2. The second line of defence includes ongoing vertical verification and vertical testing, the scope of which is adapted to the process characteristics and the risk level. The tasks of the second line of defence are carried out by the compliance function or another organisational unit operating in accordance with internal regulations, and in particular: <ul style="list-style-type: none"> • for labour law responsibilities – HR unit • for commercial companies law responsibilities – corporate governance unit • for health and safety responsibilities – health and safety unit • for accounting, reporting and tax responsibilities – financial, accounting and tax units • for prudential requirements – risk units. 3. The third line of defence is the internal audit function. <p>In addition, risk management is supported by specialist committees, such as the General Compliance Committee, the Local Marketing and Monitoring Committee and the Anti-Money Laundering and Counter-Terrorism Financing Committee.</p> <p>The key policies include the General Code of Conduct and the Corporate Defence Policy.</p>					

Risk	Risk description	Risk management	Possible significant negative impact on the following areas:				
			Social aspects	Employees	Environment	Human rights	Anti-corruption
Reputational risk (an element of compliance risk)	The risk of damage to the bank's and Santander Group's image from the point of view of the bank's and Group's customers, employees, shareholders and communities in a broad sense, occurring as a result of other types of risk, including other categories of compliance risk.	Reputational risk is owned by the Corporate Communication and Marketing Area and by the Compliance Area, which use a number of mechanisms, including the bank's Disclosure Policy, the Reputational Risk Management Policy, the Risk Appetite measures for reputational risk, the Compliance Policy of Santander Bank Polska, the Procurement Policy, the Supplier Selection Procedure, the Media Monitoring Policy, the Code of Conduct on the Securities Markets, customer satisfaction surveys and mystery shopping checks.	✓	✓			
Social and environmental risks related to financing	Social and environmental risks resulting from customers' activities in sensitive sectors, constituting elements of reputational risk.	<p>The key document on social and environmental risks is the Sustainability (CSR) Policy of Santander Bank Polska, which covers the whole Santander Bank Polska Group. The Policy is supplemented by policies on sectoral risk management for such sensitive sectors as defence, energy, soft commodities, mining and metal, as well as the policy of financing sensitive sectors (such as e.g. the media, religious institutions, sports clubs, gambling, etc.). Each sectoral policy defines the scope of its application, activities which are prohibited or restricted by the Santander Group in relation to respective sectors, approval limits for transactions and the responsibility for each policy and its maintenance.</p> <p>Furthermore, in this area the bank respects international best practices concerning social aid and environmental protection, particularly the Equator Principles.</p>	✓	✓	✓	✓	

Social and environmental risk management

Issues related to social and environmental risks are described in the **"Sustainability Policy" of Santander Bank Polska** and in the complementary **"Climate Change and Environment Management Policy"**. They include a commitment that ethical, social and environmental dimensions, as well as financial criteria and risk factors will be taken into account in decision-making processes.

We apply environmental policies for sensitive sectors, which define the criteria for awarding financial products and services (including all forms of financing, insurance services, asset management services, capital investments and advisory services):



Energy sector policy



Mining and metals sector policy



Defence sector policy



Soft commodities sector policy

In 2019, we introduced environmental and social elements of risk management as criteria for evaluating corporate and investment banking projects. We have implemented a procedure that sets out a process of social and environmental risk analysis that is obligatory for the bank and that may arise in connection with commercial activities conducted by our clients.

Risk culture

We build a risk culture among the employees of our organisation by regularly carrying out activities to raise awareness of risks, encourage accountability for managing them and advise how to respond to them.



Five principles of our Risk Pro culture:

1. accountability,
2. resilience,
3. simplicity,
4. challenge,
5. customer focus.

We carry out various initiatives aimed at employees, including the annual event **Risk Culture Week**. The main theme of last year's edition of the Risk Culture Week (September 2019) was open communication. We emphasised that good communication is an indispensable element of each of the **Risk Pro** principles. We reduce risk by: sharing knowledge with teammates, providing comprehensive answers to questions asked, solving problems together, listening to customers and offering them appropriate support or discussing our mistakes and successes with managers. Our employees were able to take part in competitions and occasional events and follow publications on the intranet.

GRI: 102-12, 102-15, 102-29, Custom indicator (description of the bank's strategy, including the approach to managing responsible business and sustainable development); **Other guidelines:** PRB 1, PRB 2, PRB 5

Business strategy

The current strategy of the Santander Bank Polska Group is a continuation of the development directions pursued to date. It is based on our long-standing values and assumptions. Our mission, vision and values have remained unchanged for years.



MISSION

To help people and businesses prosper.



VISION

To be the best open financial services platform by acting responsibly and earning the lasting loyalty of our people, customers, shareholders and communities.



VALUES

Simple, Personal, Fair

As part of its strategic vision, Santander Bank Polska intends to:

- become a leading bank in terms of service quality, focusing on customer needs and expectations,
- build long-term relationships with customers based on trust, loyalty and enhanced customer experience,
- anticipate and respond to customers' needs with tailored products, services and solutions,
- modernise banking services through digital transformation, including end-to-end processes and change the operating model to a more effective and less capital-intensive one,
- increase the number of digital customers,
- focus on developing profitable business and strengthen its position in key market segments through both organic and inorganic growth,
- create an engaging work environment through collaboration, communication and bottom-up initiatives raised in all the bank's units,
- enhance effectiveness and streamline internal processes in line with the Agile methodology,
- combine the maximisation of shareholder value with its commitment to the development of local communities.



Effects of strategic activities of the Santander Bank Polska Group in 2019

We set clear strategic objectives for our stakeholder groups (employees, customers, shareholders and communities), design actions and adopt key success measures.

Employees

Strategic objective

- Best employer with a strong corporate culture.

Actions taken

- We built a uniform corporate culture.
- We managed talents.
- We promoted diversity, equal treatment and inclusiveness.
- We implemented an agile working model.

Key success measures

- We have achieved the position of the leading employer in the banking sector.
- We have improved our employee engagement rate.

Customers

Strategic objective

- Lasting loyalty of retail and business customers.
- Digital transformation and operational excellence.

Actions taken

- We developed our offer within electronic banking platforms (biometrics, Kantor Santander, mobile banking, E2E processes, sales and after-sales processes, strong client authentication).
- We introduced an automated credit process for SME clients (Smart Loans).
- We have provided information on clients' accounts with other banks (AIS) and payment initiation services (PIS).
- We supported SMEs by offering convenient financing and additional services.
- We continued the Export Development Programme.
- We offered practical help in finding business partners.
- We proceeded with the launch of new branch formats.

Key success measures

- **3.6m** loyal customers, including **2.5m** digital customers.
- We improved our NPS value.

Shareholders

Strategic objective

- Strong capital position, effective risk management and high profitability.

Actions taken

- We maintained a strong capital base in accordance with legal regulations and supervisory requirements.
- We developed profitable market segments.
- We were committed to cost discipline and high-quality assets.

Key success measures

Our achievements:

- stable cost of risk ratio – **0.85%**,
- comparable cost-efficiency ratio – **3.5%**,
- total capital ratio – **17.07%**.

Communities

Strategic objective

- Support to local communities where we conduct operations.

Actions taken

- We continued our sponsorship projects in the area of sport, culture and education.
- We supported corporate volunteering.
- We implemented social programs.

Key success measures

- Our social activities reached **250 thousand** beneficiaries.
- **2,000** employees have been involved in volunteering projects.



Our strategic objectives for 2020–2022

A bank which strives to help people and businesses prosper by being Simple, Personal, Fair.

Employees

- We will create a unique workplace with highly qualified and committed employees.
- We will have a strong organizational culture based on the **Simple, Personal, Fair** values.
- We will implement ways of work based on simple solutions and the agile methodology.

Customers

- We will improve the level of customer experience – we want to impress our customers.
- We will simplify products and processes.
- We will be the *Bank As You Want It*.
- We will digitize customer service.
- We will build an Open Banking Platform.

Communities

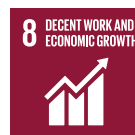
- We will develop cooperation under the Santander Universidades programme.
- We will gain recognition as a bank supporting local communities.

Shareholders

- We will comply with legal and regulatory requirements.
- We will optimize our capital.
- We will support prudent risk management culture.
- We will increase revenues.
- We will optimize costs.

The business strategy of the Santander Bank Polska Group **has a bearing on the organisation's approach to responsible business and sustainable development.**

GRI: 103-1, 103-2, 103-3, 102-16; Other guidelines: ESG Social, ESG Governance



Ethics

Code of Conduct

The goal of all the companies from the Santander Bank Polska Group is to consolidate ethical standards among the employees and to further develop a culture of responsible and ethical actions in the spirit of our values: Simple, Personal, Fair.



General Code of Conduct

The Code which is the foundation of our ethical framework:

- defines the ethical principles applicable to all employees,
- represents our values,
- contains provisions applicable to specific situations,
- presents the consequences of a violation of its provisions,
- determines the responsibility of individual entities for implementing ethical principles – sets out the responsibilities of the management of the Compliance Unit, the Santander Group Compliance Committee, the Internal Audit, Audit and Compliance Committee, the Supervisory Board, the Human Resources Unit and the Business Ethics Board.

Ethical principles in force in the Santander Group – how we implement them in practice?

Equal opportunities, diversity and non-discrimination

- We ensure equal opportunities for employment and professional advancement.
- We have no tolerance for any discrimination based on sex, age, sexual orientation, nationality, religion, ethnic origin, marital or social status.

Respect for people

- We create a friendly working environment based on mutual respect.
- We respect the dignity of others and observe the principles of equality, commitment and cooperation.

Compatibility of work with personal life

- We support our employees in achieving the maximum balance between professional duties and personal and family life.
- We support our employees in their personal development.

Prevention of occupational risks

- We provide safe working conditions.
- Our employees are obliged to follow the rules of occupational health and safety.

Environmental protection and social and environmental responsibility

- We comply with the applicable laws on environmental protection and social responsibility.
- Our activities follow the principles of the Santander Group's policies: Sustainability Policy, Climate Change and Environment Policy, Human Rights policy and a set of policies for risk-sensitive sectors.

Collective rights

- We observe the laws on unionisation and collective bargaining.
- We respect the activities undertaken by organizations representing employees.
- We focus on open communication and exchange of views with trade unions.

The organisational culture of the Santander Bank Polska Group is based on 8 values:



Show
respect



Keep
promises



Be part
of change



Work with
passion



Cooperate
actively



Support
others



Speak
openly



Listen
attentively

Other important documents governing standards of ethical conduct

The provisions of the Code were elaborated in the **Conflict of Interest Policy** adopted by the Management Board of Santander Bank Polska in February 2019. The Policy obliges and imposes obligations on management and employees to identify, prevent, escalate and manage conflicts of interest.

Principles of Conflict of Interest Policy – how we implement them in practice?

Responsibility

- Management bodies, managers and all employees are obliged to act in good faith, in accordance with the applicable internal regulations, within the limits of competence assigned to their positions.

Independence

- We act in each case at our own discretion, maintaining loyalty to the bank, its shareholders and customers, regardless of our own or related persons' interests.

Communication

- We report internally all situations that may arise or have arisen from conflicts of interest.

Transparency

- We take a fair and transparent attitude in line with our values.
- We avoid conflicts of interest. When such conflicts arise, we develop the best possible countermeasures in order to minimize their negative impact.

Refraining from action

- We refrain from participating in or influencing decisions concerning employees or independent entities where a conflict of interest may arise.

The **"Respect and Dignity"** policy is one of the elements of building a culture of openness within the organisation. It regulates, among other things, the manner of reporting violations of ethical principles and any irregularities by employees through dedicated channels and defines the procedure for handling reports. In 2019, we updated the policy and implemented new tools for recording and managing reports.



GRI: 103-1, 103-2, 103-3 (The role of values and ethics in the organizational culture, including building responsible employee attitudes), **205-2, 205-3; Other guidelines: ESG Governance**

Anti-corruption policies

The Santander Bank Polska Group has adopted the "zero tolerance for corruption" approach.

Our ethical standards in this area are set out in the following documents and policies:

- General Code of Conduct,
- Code of Conduct on Securities Markets,
- General Conflict of Interest Policy,
- Anti-money laundering and anti-terrorist financing policy,
- Personal data protection policy,
- Sustainability policy,
- Anti-corruption program,
- Corporate defense model (a model to prevent the risk of criminal liability for employee misconduct),
- Compliance policy,
- Reputational risk management model – defines the principles of risk management and control, key elements, policies and processes, as well as roles and responsibilities and internal supervision.



Anti-corruption provisions of the General Code of Conduct

The Code addresses various aspects of ethical conduct in our organization. The document provides guidance on conflicts of interest (in internal relations, in banking transactions and investments, and in relations with suppliers and customers), principles of cooperation with third parties, rules of contact with regulators, anti-money laundering and terrorist financing and corrupt practices.

The Code is complemented by the "Anti-Corruption Programme", which describes in detail the control mechanisms in place, including a register of gifts and invitations for public officers, rules of offering gifts and invitations to employees or members of the bank's management, a channel for reporting violations, training and responsibilities of the Corporate Compliance.



0

confirmed cases of corruption in the Santander Bank Polska Group and the bank in 2019.



4

reports of irregularities in the Santander Bank Polska Group and the bank in 2019 through available channels.



Anti-corruption communication and training

Our employees have the opportunity to deepen their knowledge in the field of anti-corruption by means of a generally available e-learning training on this subject. During the training we emphasize that there is zero tolerance for corrupt behaviour in our organization. We also teach:

- how to behave in specific situations, e.g. when dealing with government officials, agents or brokers;
- what constitutes a corrupt activity – not only transferring money, but also giving, offering or accepting benefits of any kind, such as: providing goods and services below market prices, handing over gifts, funding trips, hotel stays, meals and tickets or hiring friends.

The training includes practical exercises and ends with a test. Every 2 years each employee of Santander Bank Polska S.A. Group is obliged to take part in the training.

Anti-corruption communication and training in 2019

	Percentage of employees who have become acquainted with anti-corruption policies and procedures	Percentage of employees who have undergone anti-corruption training
Santander Bank Polska Group	100%	93%
Santander Bank Polska	100%	91%
Members of the bank's management board	100%	100%
Members of the bank's senior management	100%	88.5%
Members of the bank's middle management	100%	92.2%
Other employees of the bank	100%	94.2%

GRI: 103-1, 103-2, 103-3 (The role of values and ethics in the organizational culture, including building responsible employee attitudes), **102-17, Custom indicator** (number of irregularities and/or issues to be clarified reported to the "ethics box" and the helpline); **Other guidelines: PRB 5, ESG Governance**

8 DECENT WORK AND
ECONOMIC GROWTH



Reporting ethical concerns

New developments in 2019:

- establishment of the Office of Ethics and Relations,
- implementation of a new tool for recording and managing reports,
- updating of the Respect and Dignity Policy.



The General Code of Conduct has a section on whistleblowing, which ensures confidential treatment and analysis of the information provided. Whistleblowers are prohibited from being subjected to any repressive measures or to any adverse consequences of whistleblowing. Various communication channels are available to staff members:



ethical helpline for reporting violations of legal regulations, ethical rules, cases of corruption, fraud, money laundering, non-compliance with internal procedures, unauthorised disclosure of protected information, taking excessive risks;



relations helpline for reporting, among other things, discrimination, mobbing, harassment and other violations of employee relations, including corporate values and rules of conduct;



dedicated mailbox.

Moreover, **we have updated our "Respect and Dignity" policy**, which also addresses the question of raising ethical concerns. **The revised provisions include:**

- new rules of personal data protection,
- the right to refuse to testify or withdraw testimony during an investigation,
- the terms of the appeal procedure,
- the rule that any person hired by Santander Bank Polska, not only an employee, may report infringements,
- improved process of the implementation of recommendations after completed proceedings,
- changes in the functioning of the relations helpline – currently implemented by the employees of the Office of Ethics and Relations.



251

cases reported in 2019 – all examined and evaluated.

GRI: 102-17, Custom indicator (a list of key activities and initiatives implemented in the bank in a given year to increase employees' knowledge of the bank's ethics and organizational culture); **Other guidelines: PRB 5, ESG Governance**



Ethical education



91%

of employees took part in e-learning training on ethics and compliance (issues covered by the General Code of Conduct, Anti-corruption programme and Corporate Defense Model).

In 2019, we carried out a number of initiatives to increase ethical awareness and employees' knowledge of the organizational culture in our bank. These included:

- continuation of the communication campaign promoting ethical attitudes and presenting ways of reporting violations and irregularities, including:
 - publication on the intranet of regular articles and videos devoted, among others, to the rules of accepting and offering gifts, identification of bullying behaviour or relations between managers and subordinates,
 - producing a film promoting the available whistleblowing channels, entitled *Who Answers Helpline Calls?*
 - an ethical case study as part of the Risk Culture Week (exercise to be carried out in teams),
- developing educational activities for managers based on the conclusions from reports – in partnership with the Development Department,
- launching a series of meetings of the Director of the Office of Ethics and Relations with Members of the Management Board – sharing conclusions and recommendations prepared on the basis of reported issues,
- e-learning training, for employees, devoted to reacting and counteracting such phenomena as: mobbing, discrimination and harassment, as well as seeking support in case of violation of ethical standards in accordance with the "Respect and Dignity" policy. The training was mandatory for everyone in 2018 and in 2019 it was attended by newly recruited employees.



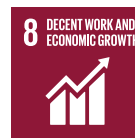
Promoting ethical attitudes in business

We participate in the **Ethics Standard Programme**, an initiative of UN Global Compact Network Poland. The partner institutions together with the Coalition of Compliance Officers (bringing together over 100 companies and institutions) have jointly developed the Minimum Ethics Standard Programme – a set of values and tools recognized as the foundation of the ethical programme in organizations of all sizes. Santander Bank Polska actively participated in its development.



Chapter 2 **Market**

Responsible supply chain



The Contracts and Procurement Department is responsible for the cooperation with suppliers in Santander Bank Polska. All of the bank's policies concerning the responsible supply chain take into account CSR aspects.

Policies governing supply chain management

- Procurement Policy of Santander Bank Polska,
- Supplier Selection Procedure of Santander Bank Polska,
- Policy of Cooperation with Suppliers of Santander Bank Polska,
- Supplier Management Procedure of Santander Bank Polska.

All suppliers are subject to uniform selection rules that take into account, among others, social criteria, employment practices, human rights and environmental commitments. Bidders who take part in procurement procedures fill in a CSR questionnaire concerning the abovementioned areas.

Suppliers in 2019:



1,732

suppliers with annual turnover with the bank exceeding PLN 50,000, including **1,309** suppliers subject to qualification.



426

procurement processes executed by the bank.

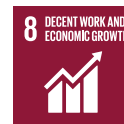


94.34%

of the bank's suppliers are Polish companies or foreign companies with a registered office or branch based in Poland.

GRI: 102-10, 308-1, 414-1; Other guidelines: ESG Social, EC/TCFD

CSR in supplier selection



The bank's main goal in 2019 in the area of responsible supply chain was to increase the number of suppliers who, as part of the procurement process, are required to complete the CSR questionnaire. The new purchasing system implemented in 2019 made it possible to impose a mandatory obligation on the supplier to complete the CSR questionnaire when submitting a tender offer.



100 %

of suppliers who receive a request for quotation through the B-ZONE system complete the CSR questionnaire.

CSR and human rights policies governing supply chain management

Cooperation with suppliers has been addressed in the "Sustainability Policy" which includes a declaration that the Group maintains ethical and transparent relations with suppliers, among other things by committing them to the ten principles of the United Nations Global Compact. The bank also takes measures to promote mechanisms to identify potential environmental and social risks in the supply chain.

Commitments towards suppliers are included in the "Human Rights Policy".



The bank undertakes to:

- promote respect for human rights throughout the supply chain, in particular by encouraging suppliers and their employees to comply with their policy obligations, respecting in each case their governance autonomy;
- apply the "Supplier Selection Policy" which sets out environmental, social and ethical criteria that suppliers are expected to meet;
- maintain relations with suppliers who attach great importance to respect for human rights and have their own human rights policies.

GRI: 102-10

Supplier selection process

The supplier management process is developed and adapted to the ever-changing business and social realities. In the first half of 2019, we implemented the purchasing and supplier selection process in B-ZONE. This enables us to carry out the entire supplier management process: from purchasing and supplier selection, through qualification, to ordering in one system.

The supplier management process is aligned with international standards of the Santander Group. In practical terms, this means both applying the relevant policies and procedures and having all the bidders involved in the processes – purchasing and supplier qualification – covered by uniform selection rules.



We invite new suppliers to our purchasing processes as often as possible (depending on the purchased goods and services).



Newly signed contracts with our suppliers contain mandatory corporate social responsibility clauses. They oblige suppliers to comply with the 10 principles of the Global Compact established at the United Nations meeting in Davos in January 1999.



Each purchase exceeding PLN 3.5 thousand is covered by the "Procurement Policy of Santander Bank Polska". The supplier of a product or service in such a process is required to attach to its offer a completed CSR questionnaire on social responsibility, meet the criteria pertaining to employment practices and respect for human rights and satisfy the environmental criteria (impact of goods and services on the natural environment). The level of social responsibility of suppliers – assessed on the basis of the completed CSR questionnaire – is taken into account in the evaluation of offers and selection of the bank's supplier and may have an impact on the final choice of the supplier.



Each bank supplier with a turnover exceeding PLN 1 million (the turnover for the previous year is taken into account) has a billing limit set at the beginning of the selection process in order to verify whether it does not become too dependent on the bank and whether it diversifies its sources of income. Suppliers subject to the qualification and providing services critical from the bank's point of view are asked about sustainable development activities. Their answers are taken into account in the ultimate decision-making process on cooperation with the supplier.



Thanks to the requirement to fill in the CSR questionnaire, all suppliers invited to take part in the procurement process are familiarized with the subject of corporate social responsibility. This means that the questionnaire has also an educational effect.

GRI: 308-1, 414-1

Only those bidders who deliver complete offers by the defined deadline are taken into account in procurement processes.

In 2019 the Procurement Office executed 426 procurement processes. In each of them, there were several, sometimes even a dozen or so offers, and with them – CSR questionnaires.

GRI: 102-12; Other guidelines: ESG Environment, ESG Social, ESG Governance

Partnerships



Introduction

The aim of the partnerships is to contribute to the achievement of the UN's Sustainable Development Goals which are in line with our strategy.



Partnership for the implementation of Sustainable Development Goals (SDGs)

In June 2017, our organization joined the Partnership for the Implementation of Sustainable Development Goals (SDGs) between the Ministry of Entrepreneurship and Technology and the representatives of the business community. The Partnership is intended to generate synergies of actions undertaken in Poland in order to implement the recommendations of Agenda 2030 and the achievement of the Sustainable Development Goals which form part of it.



Together for the Environment Partnership

Together for the Environment is an initiative supporting the implementation of the Sustainable Development Goals established by UNEP/GRID. The partnership is a response to the need identified in Poland to build a supportive climate and ensure best possible conditions for the achievement of the Sustainable Development Goals, in particular the ones which refer to the environment. The aim of the partnership is to pursue the path of sustainable development through joint collaboration of many parties from different sectors and industries united by the principle of responsibility for the natural environment. The members of the partnership, including businesses, business associations, business chambers, scientific institutions, public administration bodies, NGOs and individuals, exchange ideas, share experience and good practice and engage in collaboration to implement the SDGs.



Partnership with the Responsible Business Forum

For many years we have been a strategic partner of the Responsible Business Forum which is an originator and partner of projects of fundamental importance for CSR in Poland and an active promoter of sustainable development. In 2019 Michał Gajewski, CEO of Santander Bank Polska, was appointed to the Management Board of the Responsible Business Forum.



Diversity Charter

Santander Bank Polska has signed the Diversity Charter – an international initiative implemented under the auspices of the European Commission in 19 members states of the European Union and in Poland coordinated by the Responsible Business Forum. Organizations being the Charter signatories make a number of commitments, such as no discrimination, promotion of diversity programs and engagement of their employees and business partners.



Polish Ethics Standard Partnership Programme of Global Compact Poland

The Coalition established under the Programme brings together companies and institutions actively involved in activities in the field of implementation and dissemination of ethical values.



PARTNERSTWO
DLA
BEZPIECZEŃSTWA
DROGOWEGO

Partnership for Road Safety

It brings together representatives of business, government and non-governmental organisations. The common mission and goal of the partners is to improve road safety and reduce the number of road accident victims in Poland.

Membership in associations



Membership in associations contributes to the implementation of the UN Sustainable Development Goals and supports the implementation of the provisions of the Paris Agreement on combating climate change and adapting to new climate conditions.

Together with our stakeholders, we initiate and support projects and initiatives that we consider important for sustainable development and consistent with our strategy.

We are members of numerous associations and organisations, including:

- Polish Bank Association,
- Interactive Advertising Bureau Poland,
- Foundation of the Coalition for Polish Innovations,
- Polish Association of Capital Investors,
- Chamber of Brokerage Houses,
- Association of Public Transport Employers,
- IAA Poland – International Advertising Association,
- Irish Polish Chamber of Commerce,
- British-Polish Chamber of Industry and Commerce,
- Polish-Portuguese Chamber of Commerce,
- Polish-Spanish Chamber of Commerce
- American Chamber of Commerce Poland,
- BUSINESS CENTRE CLUB,
- German-Polish Chamber of Industry and Commerce.

Moreover:

- In 2019 we were one of the initiators of the Responsible Selling Declaration.
- In 2019, Michał Gajewski, CEO of Santander Bank Polska, was a member of the Management Board of the Responsible Business Forum and a Board Member of the Polish Bank Association.
- Beata Kukawka, Director of External Legislative Proceedings, is the Chairman of the Supervisory Board of the Lewiatan Association of Financial Industry Employers.



GRI: 102-12; Other guidelines: ESG Environment, ESG Social, ESG Governance

External initiatives



Environmental initiatives

" We are a partner of the #WeHaveCommonGoals 2019 competition because we are committed to promoting the UN's Sustainable Development Goals which are relevant to our mission and form part of our strategy. In our organization we attach great importance to environmental issues, especially in the context of the combat against climate change. We make a number of commitments and implement actions to help minimize the negative impact of our activities on the ecosystem. We promote products and services that respect nature and consider and assess the environmental and climate impact of the projects we finance. With our actions we also want to inspire positive changes and actively seek ways to implement them.

Katarzyna Teter

Corporate Social Responsibility Manager at Santander Bank Polska

The bank is involved in pro-environmental projects and supports sectoral, multi-industry and international initiatives aimed at protecting the natural environment and its resources.

Examples of initiatives implemented in 2019:



The Polish Pact for
the Sustainable
Use of Plastics



2019 edition of the
#WeHaveCommonGoals
competition



Strategic Partnership
to the Green Ribbon
campaign #ForThePlanet



Green Power
Hackathon

For more information on individual initiatives, see chapter Climate and Environment – Green initiatives and projects.

Initiatives promoting economic responsibility

- Declaration of Responsible Selling,
- Good Banking Practice, or Code of Banking Ethics,
- Good Financial Market Practices,
- Declaration of the Polish business community for sustainable development within the framework of the "Vision of Sustainable Development for Polish Business by 2050",
- UNEP Finance Principles for Responsible Banking,
- International Equator Principles.

Awards and distinctions

Management



- Santander Bank Polska was awarded in the **"Effectiveness"** category of the **14th Ranking of Banks of the financial monthly BANK 2019**. The results of the competition were announced during the Banking Strategy Forum.



- **Santander Bank Polska was ranked 2nd in the ranking of Banker of the Year 2019, Forbes magazine.** Our bank won 77 out of 100 possible points. In this ranking we were recognized as **the second best bank on the Polish market**. According to the score, our bank had **the highest efficiency and security ratios of all banks included in the ranking**.



- **The best bank in Poland – the main prize in the "Institution of the Year" Competition**

Responsible management



- **1st place in the "Social Reports" category in the competition organised by the Responsible Business Forum and Deloitte.**



- **Golden CSR Letter of Polityka magazine** – an award granted to institutions that are particularly committed to supporting local communities, working for sustainable development and observing the highest ethical standards.



- **2nd place in the Ranking of Responsible Companies** – companies operating in Poland evaluated in terms of the quality of corporate social responsibility management system.

Corporate governance and ethics



- **Marcin Prell, Director of Santander Bank Polska, responsible for the Legal and Compliance Division, was awarded a distinction in the prestigious GC POWERLIST: Central and Eastern Europe 2019 ranking created by The Legal 500.** This is the latest publication distinguishing the best corporate lawyers. The list includes the most influential and innovative experts in the Central and Eastern Europe region.

Communication and marketing



- **Four awards in the Golden Paper Clips 2019 competition.** The jury awarded the bank for communication in connection with the Santander Bank Polska Rebranding project and for anti-crisis communication during the takeover of the demerged part of DBP by Santander Bank Polska.



- The Grand Prix in the 2019 Marketing Director competition for Artur Sikora, Head of Corporate Communications and Marketing Area at Santander Bank Polska.
- Distinction in the "Brand of the Year" category for exemplary rebranding and efficient brand communication. The distinction for Santander Bank Polska is part of the "Brand/Marketer of the Year" report published annually by the "Media and Marketing Polska" magazine.

Products and customer service



- "Golden Bank" for Santander Bank Polska for the best multi-channel service quality in a survey conducted for Bankier.pl and "Puls Biznesu". The competition jury recognised the Account As I Want It and the cash loan as the best products on the market. The Golden Banker statuette in the "Cash loan" category.
- 1st place in the Newsweek's Friendly Bank ranking in the "Traditional Banking" category and 2nd in the "Online Banking" category.
- 2nd place in the ranking of the Best Bank for Forbes companies.
- Five Forbes' stars for Santander Private Banking. This is the highest and most prestigious award rating Private Banking services in Poland. Santander Private Banking was appreciated for the skilful combination of the best components from the offer of the demerged part of Deutsche Bank Polska and Santander Bank Polska, adding to this the experience of the mother bank.
- The "Euromoney Awards for Excellence" for the best investment bank in Poland.
- Six awards in the Institution of the Year Competition in the following categories: "Best service in remote channels", "Best branch service", "Best mortgage service", "Best bank for companies", "Best remote account opening process", "Personality of the year". The title of the Personality of the Year went to Elżbieta Krauze – Director of the Customer Experience Excellence Department.

Employees



- The main award for the "Young Leaders" programme of Santander Bank Polska in the "Best Talent Management Programme" category as part of the 4th edition of the "Power of Attraction" competition organised by Puls Biznesu.



- **Best Benefits Strategy**, an award granted in a national competition for the most interesting and effective strategy of non-cash benefits for employees.



- The main prize for the BeHealthy programme in the Healthy Business Leader competition.



- **Top Employers Poland 2019.**

CSR



- Santander Bank Polska was awarded the title of "Socially Responsible Bank" in the **Institution of the Year** competition organised by **MojeBankowanie.pl** for Santander Universities.
- The title of "Socially Responsible Bank" for the Santander Bank Polska Foundation's Scholarship Program and supporting the development of talented young people in various fields, **awarded by MojeBankowanie.pl**.



- **2nd place in the Golden Banker 2019 ranking in the "Socially Sensitive Bank"** category for the Foundation's "Here I Live, Here I Make Changes" grant programme.



Chapter 3 Customers

GRI: 102-2, Custom indicator (Number of customers using mobile and online banking),
Custom indicator (Number of interactions in remote channels)

Customers and services

Introduction

Santander Bank Polska S.A. is a universal bank providing a full range of services for:



retail customers



small and medium-sized companies



large companies



corporations



public sector institutions



5,049.5

thousand clients of Santander Bank Polska S.A, including **3.6 million loyal customers**

For our clients we are available in Santander Bank Polska S.A. branches, partner outlets, Business and Corporate Banking Centres and through remote channels.

Business and Corporate Banking Centres



Branches

Santander Bank Polska	31.12.2019	31.12.2018
Branches (locations) Santander Bank Polska	515	612
Partner outlets	134	123
Business and Corporate Banking Centres	19	12
ATMs and CDMs	777	862
Dual-function machines	923	900

Santander Mobile/Internet

Santander Bank Polska	31.12.2019	31.12.2018
Number of customers (thousands)	5,049.5	4,884.2
Number of customers registered in Santander Internet (thousands)	4,423.6	4,019.1
Number of customers using mobile banking (Santander mobile) (thousands)	1,576.6	1,337
Number of companies registered in iBiznes24 (thousands)	18	17



57%

Percentage of customers using remote channels (online and mobile banking)



1,312.92

Number of customers using mobile applications



273,625,010

Number of interactions in remote channels – mobile and online transactions



749,658

Average number of transactions executed daily by customers in remote channels

Our offer is comprehensive and meets a variety of customer needs in the field of: current/personal accounts, credit products, savings-investment, clearing, insurance and card products.

Financial services include: cash management, payment and foreign trade services, capital market operations, money market, foreign exchange and derivative transactions, as well as underwriting and brokerage activities.

Within the framework of cooperation with the Group companies, the bank provides its clients with access to various specialist products, such as: investment funds, asset management, insurance, leasing and factoring products.



In 2019, we focused on upgrading our offer for each group of customers in terms of:

- transparency,
- simplicity,
- digitization,
- self-service,
- possibility of configuring selected parameters according to customer needs.

While working on the quality of our products and services, we make use of the solutions available in the Santander Group, the best international experience, infrastructure and market potential in Poland. We are available to our customers in branches and acquisition points, as well as in remote channels.

Santander Bank Polska S.A. – together with its non-banking subsidiaries – provides customer service through the following divisions:



Retail Banking
Division



Business and
Corporate Banking
Division



Corporate and
Investment Banking
Division

GRI: 102-2, Custom indicator (Information about key products, including new products launched during the reporting period), **Custom indicator** (Products and initiatives for small and medium-sized enterprises (SMEs)); **Other guidelines: PRB 3**

Retail customers

The Retail Banking division serves



individual customers

for better matching of their needs and expectations we have identified segments in this group: Standard, Premium, Select and Private Banking.



Small and medium-sized enterprises (with a turnover of up to PLN 8 million per year)

We serve small and medium-sized enterprises from all over Poland, representing all sectors except for those excluded in accordance with our Compliance policy. Our sectoral policies governing the financing of projects and clients from sensitive sectors are described in section Policies.

Key products and services

Retail customers	SMEs
<ul style="list-style-type: none"> • savings products, • mortgage and consumer loans, • credit and debit cards, • insurance products, • investment products, • billing services, • brokerage services, • topping-up mobile phones, • international payments and Western Union, • wealth management services. 	<ul style="list-style-type: none"> • company accounts, • loans, including loans to finance current operations, • investment loans, • loans granted on preferential terms in cooperation with the Agency for Restructuring and Modernisation of Agriculture, • guarantees, • leasing and factoring, • start-up financing (Santander Leasing), • deposits and investment products, • comprehensive trade finance services, • treasury products, • special offer for selected industries, including agriculture.

Contact channels

Our retail customers can contact us through:

- branch network,
- partner outlets,
- a network of agents,
- Multichannel Communication Center – telephone, chat, video,
- electronic banking, including:
 - Santander Internet,
 - Santander mobile application,
 - Santander mobile banking platform in a browser.
- dedicated advisors who maintain regular contacts with Private Banking and Select and Premium clients.

We maintain relations with business customers through:

- business advisors present in branches and outlets,
- the telephone Multichannel Communication Center,
- electronic channels:
 - online banking, i.e. Mini Firma, Moja Firma Plus and iBiznes24,
 - Santander mobile.

Objectives 2019

The bank's priorities in servicing retail customers remained unchanged: providing the highest level of service in all channels, protecting and multiplying customer savings, providing a wide range of investment products and increasing customer satisfaction.

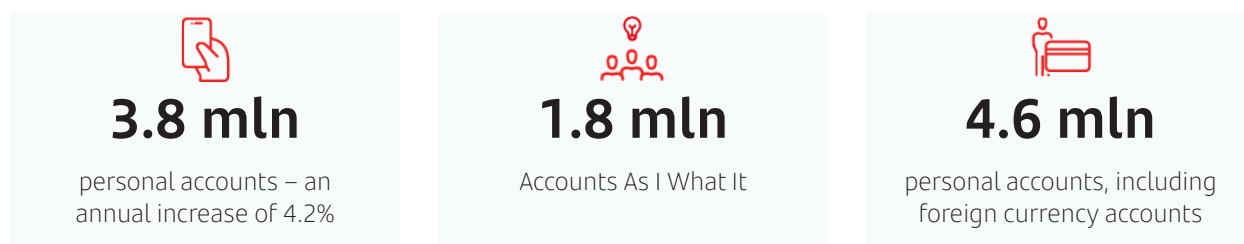
Therefore we focused on:

- continued improvement of the customer service quality (e.g. we are developing the options to freely adjust our offer to individual customer needs),
- simplifying customer service processes,
- increasing the level of customer self-service in remote channels,
- further optimization of the distribution network and mass rollout of the New Branch Model,
- implementation of a new credit process for customers from the small and medium-sized enterprise segment,
- activation of retail clients of the Brokerage Office through the offer of additional services (expert analyses, free consultancy, access to analytical programs),
- increasing the availability of the Brokerage Office's offer, as well as digitization and automation of brokerage service processes,
- introducing further non-financial services for bank customers (micro factoring, soft debt collection services, legal services),
- maintaining a high quality of service for Private Banking customers following the merger with Deutsche Bank Polska S.A.

Key initiatives in 2019

- In 2019, the bank's main product was the Account As I Want It addressed to a wide range of customers. This account can be freely configured by customers according to individual needs and preferences. A package of additional services and functionalities is associated with it. In October, we enhanced the attractiveness of this account for customers up to 13 years old, increasing the interest rate on balances up to PLN 3 thousand.

Accounts maintained by Santander Bank Polska in numbers¹:



- As a result of the implemented system improvements, we have shortened the process of opening an account and **limited the number of documents to be signed.**
- We have carried out a number of improvements **to strengthen card payment authorization systems.**
- We have launched a **new santander.pl website** with a revamped look, friendly interface, new content layout and simplified navigation. The website offers our customers an opportunity to easily compare products and fees. New features include a credit calculator and a tool which helps customers configure the Account As I Want It according to their needs.
- **We have provided** all investors using the Investor online transaction platform **with a comprehensive information service**, including expert analyses and brokers' recommendations.
- Santander Brokerage Office has increased the technological availability of its services, among others, by allowing customers to open brokerage accounts through the buy-by-click feature on Santander internet and extending the functionality of the mobile application for retail customers.
- We have simplified and automated credit sales processes with advisors in traditional channels and modernized the process of selling consumer credits via Santander internet and Santander mobile.
- In order to provide **Private Banking customers with the highest quality service**, we have introduced a number of enhancements. For more information on solutions dedicated for this group of customers go www.santander.pl/private-banking.
- For Select customers, we have launched the Cyberrescue
- We have developed Santander mobile and Santander internet services by introducing, among other things, the login chosen by the client, one login for personal and corporate banking, a 6-digit SMScode and service available in Ukrainian and Russian in these channels.
- We have introduced Strong Customer Authentication (SCA) in remote channels. The changes are related to the implementation of the PSD2 directive and their aim is to increase customer security. The use of strong authentication applies to all Santander Bank Polska customers.
- We have consistently improved online banking and the mobile application, e.g. by redesigning the main screen or offering a more convenient card service in the application.

¹ Numbers of accounts kept as at 31 December 2019.

GRI: Custom indicator (Products and initiatives for small and medium-sized enterprises (SMEs))

Initiatives for SMEs

- We constantly strive to improve the competences of SME advisors. In 2019, apart from the continuation of trainings conducted in previous years, the Adaptation Programme for SME advisers was launched in a new version. You can read about the project and other trainings in section Training and education.
- We have extended our offer with modern, mobile **payment terminals mPOS** designed for individuals conducting business activity.
- We have launched a **new channel to distribute** loans to SMEs through a network of external agents.
- We have launched a new **credit line under an agreement with the European Investment Bank (EIB)**, which provides customers with financing at a lower margin.
- We have introduced a new **Smart Loans** credit system in which you can check the available amount of credit and its price and apply for a loan. The loan is automatically sanctioned and the money is disbursed. This solution reduces the processing time from application to disbursement to one business day on average and increases the average value of a credit transaction. It is the first big step towards full automation of the credit process. Smart Loans is an intuitive, flexible system, primarily aimed at internal customers running their own businesses as sole traders. Ultimately, Smart Loans will completely replace the existing credit tools in our bank in the segment of small and medium-sized enterprises. For entrepreneurs, simple and fast financial solutions supporting their initiatives are extremely important, and Smart Loans is the answer to such needs.
- Since 2020, we have been working on **adapting Poczta 2.0** to the remote execution of credit agreements by sole proprietors, having access to Mini Firma electronic banking and a signed Company Identification Card (KIF). Poczta 2.0 allows for remote execution of processes previously available only in the branch. The mail system allows for communication with the customer, exchange of documents and their acceptance. This is a very convenient solution for the customer, because the entire credit sales process can be conducted remotely. The process will be extended to include De Minimis Guarantees, renewals, mortgages and other non-credit products.

Plans for the retail customer segment in 2020:

- **Simplifying** processes for the convenience of customers
- **Further digitization**
- **Increasing the possibility** of purchasing individual products in remote channels, e.g. accounts for children under 18 years old.

Santander Leasing

Activities of Santander Leasing S.A. in 2019 addressed to entrepreneurs:

The needs of entrepreneurs are an inspiration for Santander Leasing S.A., a company from our Group. One example is how the company has established new rules for financing photovoltaic solutions or entered into cooperation with InFakt, an online accounting service provider (for more information about the initiative read the section Support during the COVID 19 pandemic, sub-section "We support entrepreneurs").

- Cooperation with manufacturers/distributors of farming equipment, tractors and agricultural machinery in the form of factory financing, thanks to which the company offers common customers attractive financing on promotional terms.
- As part of the cooperation with the Ford brand, customers have access to factory financing directly from Ford dealers.
- Running sales of bank accounts for entrepreneurs as part of the promotion carried out jointly with Santander Bank Polska (the account is maintained on preferential terms and conditions with additional exemption from fees and commissions for activities related to the loan or lease agreement concluded during the promotion period).
- The company's offer was extended by group life insurance: Safe Instalment and Safe Customer. These are innovative solutions on the insurance market, covering assistance with rehabilitation and a medical package (including consultations with doctors).
- Santander Leasing entered into a loan agreement with the European Bank for Reconstruction and Development (EBRD) to finance energy-efficient and environmentally friendly investments and obtained additional financing through a bond issue. For more information on cooperation with the EBRD and green bonds go [Here](#).

GRI: 102-2, Custom indicator (Information about key products, including new products launched in the reporting period);

Other guidelines: PRB 3, EC/TCFD

Business customers

The units providing services to business customer are: **Business and Corporate Banking Division, Corporate and Investment Banking Division and non-banking companies from our Group.**

Business and Corporate Banking Division

The strategic goal and the highest priority of the Business and Corporate Banking Division is to support customers in the development of their businesses by offering them precisely tailored products and services in line with the specifics of their business.



Key products and services:

- loans,
- deposits,
- transactional banking,
- treasury products,
- leasing products,
- factoring products,
- capital market products,
- customized solutions.

In 2019, we focused on activities aimed at improving our comprehensive customer service. We put a special emphasis on:



building an offer for
selected industries



digitalisation of
processes and
products for the
corporate segment



effectiveness of
risk management
processes



development of
electronic banking
channels, CRM and
Big Data tools

A new action-based sales model has been implemented:

- 19 Business and Corporate Banking Centres serving companies and enterprises with turnover over PLN 8 million and credit exposure over PLN 5 million.
- Business and Corporate Banking Department – Premium serving the largest corporate clients, local governments and the public sector as well as clients from the real estate financing segment.
- Product units and units supporting development of products, processes and tools based on the Agile methodology.



The Business and Corporate Banking Division provides services to **25.3 thousand companies** from various industries, supporting them comprehensively in the process of building and developing their business.

" Business and Corporate Banking provides a package of banking services that allow managers to effectively operate and develop their business on the domestic and international market, including financing investments and current operations, and efficiently manage the liquidity of companies. In line with the vision of the whole organization, we help our customers prosper and take up new challenges while maintaining business continuity.

Michael McCarthy

Vice President in charge of the Business and Corporate Banking Division



Selected initiatives and activities in 2019:

Santander Bank Polska comprehensively supported the clients of Business and Corporate Banking in their development, among others through:

- financing investment projects of customers from the segment,
- continuing development projects that are important for ensuring the highest quality of services for customers,
- implementing regular customer satisfaction measurement,
- developing a product offer for joint customers of the Business and Corporate Banking and Private Banking segments,
- improved platforms to help exporters and importers to exchange knowledge and experience and establish business contacts,
- streamlined and simplified credit processes for customers of the division on a continuous basis,
- offering its clients added value in the form of expertise, B2B (business to business) contacts and support in the process of business plan implementation by providing tools and product solutions.

As part of our efforts to implement the strategy of social and environmental responsibility, we signed an annex to the agreement with Bank Gospodarstwa Krajowego, under which the scope of entities subject to financing with a **free Biznesmax guarantee** was extended to include companies carrying out pro-environmental investments (previously only innovative companies were eligible).

The bank continued activities supporting the process of building sector knowledge both within the organisation and among customers.

- We published studies on strategic sectors (automotive/TSL, food/FMCG, industrial production, joinery and services) and our experts participated in industry meetings where they had direct contact with key stakeholders.
- Department of Strategic Sectors prepared the "Packaging Revolution" report devoted to the multidimensional changes taking place in the packaging industry and in the widely understood plastic products industry. The report was presented at meetings, among others, within the Mazovia Circular Congress, TAROPAK and during joint workshops with the Polish-German Chamber of Industry and Commerce.
- The bank was the main partner of the "Transport of the Future" report prepared by PwC on behalf of and in cooperation with the Transport and Logistics Poland Employers' Union. As part of the implementation of the project concerning the transport sector, regional workshops were also held on the subject of transport.
- Additionally, the Bank published 10 dedicated market commentaries and regular articles on the situation in specific sectors.

The bank supported international expansion of Polish enterprises.

In 2019 we organized or participated in the following events:

- Economic and business seminar "Direction Mexico" held in Gdansk, where representatives of the bank presented their capabilities
- in supporting Polish companies planning to expand in Mexico. A model of bank's customer service via the International Desk in Poland and Santander Mexico was also presented.
- Inbound trade mission for the automotive industry organized by Santander Bank Polska and Santander UK in cooperation with the leading British automotive industry organization (SMMT) and the Trade Department of the British Embassy in Warsaw. The mission included a visit of the delegation to production plants and numerous B2B meetings with Polish companies interested in cooperation on the British market.
- Inbound trade mission from Spain for the cosmetics sector organized in cooperation with the Polish-Spanish Chamber of Commerce, PAIH and the Department of Strategic Sectors. The mission consisted of visits to a cosmetics factory and B2B meetings with the participation of Polish companies interested in expanding into the Spanish market and cooperating with Spanish distributors participating in the mission.
- A networking meeting in Madrid organized in cooperation with the Polish-Spanish Chamber of Commerce for Polish companies operating and investing in Spain in order to discuss the current situation and prospects for their further development on the Spanish market, to develop recommendations for representatives of the administration dealing with supporting foreign investors in Spain and to present forms of support offered by Santander Bank Polska S.A. and Santander Factoring Sp. z o.o. in the field of hedging, forms of settlement and financing of transactions.
- Workshops for companies from the packaging industry "The Packaging Revolution. Polish producers in the face of changes in regulations and consumer preferences" organized in cooperation with the Polish-German Chamber of Industry and Commerce (AHK Poland) and with the participation of representatives of the Department of Strategic Sectors for companies planning to enter the German market. The workshop covered such subjects as changes in regulations, trends in the industry, the packaging market in Germany and opportunities for Polish companies.
- A series of business breakfasts in 15 locations for about 260 current and prospective customers. During the breakfasts, thematic panels were held on the Santander Trade Portal and trade finance in partnership with the Department of Treasury Services, Santander Factoring Sp. z o.o., International Business and Google organized by the Foreign Trade Office.

In 2019, we introduced a number of changes in the iBiznes24 electronic banking channels (Internet, mobile, Connect), responding to the current needs of customers and meeting the requirements imposed by the regulators:

- We have carried out projects ensuring the bank's compliance with PSD2 requirements and implementation of the Split Payment and Individual Taxpayer Account,
- We have simplified the offer of authorization tools used in iBiznes24 electronic banking for corporate clients,
- For customers using Enova's financial and accounting systems, we have made the integration with iBiznes24 easier, faster and cheaper,
- We have launched new subpages of our website dedicated to electronic banking for corporate clients.

Corporate and Investment Banking Division

Santander Bank Polska aspires to be the first choice bank for the largest corporate clients. In order to achieve this goal, the Corporate and Investment Banking Division (BKI) puts customers in the centre of attention and strives to meet and exceed their needs and strengthen their positive experience, focusing on development in three dimensions: service quality, market positioning and human resources.

In 2019 we continued to provide comprehensive services to the largest corporate clients of Santander Bank Polska.



Our clients are **250 largest companies/business groups in Poland** representing all sectors of the economy.

(As at 31, December 2019)

Key products and services:

- transactional services,
- liquidity management,
- current, medium-term and long-term financing,
- working capital optimization,
- guarantees and letters of credit,
- handling mergers and acquisitions,
- issuing shares and bonds,
- treasury products,
- ESG-type financing.



The bank's initiatives

- The bank acted as a coordinator, agent and ESG agent in the ESG (Environmental, Social and Governance) loan agreement for the total amount of PLN 2 billion, which was concluded by a consortium of five banks and an energy sector company. According to the agreement, part of the margin depends on meeting certain social and environmental objectives by the borrower.
- The Ministry of Finance granted the bank a mandate to organize the issue of 10- and 30-year Eurobonds (so-called Green Bonds). The bonds were issued in February 2019. For more information about "Green Bonds" go [Here](#).
- We have developed the Kantor Santander platform – improving the customers' digital access to the foreign exchange market.
- As part of the bank's digital transformation, the Financial Markets Area has developed a new customer-centric strategy that identifies the following areas of change: process efficiency, automation and digitisation, use of new technologies and innovation, ecosystems and 24/7 availability.
- For institutional clients, we developed the brokerage infrastructure, starting a project to implement a new market-making system, focusing on one of the best solutions currently available on the equity market.
- We promoted Polish securities at foreign roadshows in Asian countries, the United States and Western European countries.
- The bank – in cooperation with the Santander Group entities – is working on a new website for its analytical products. The website will provide institutional clients with access, via a single platform, to products from all regions where Santander operates.
- We reduced the number of documents as part of our *paperless* activities, which resulted in faster and better customer service, greater business efficiency and higher security of documents and data.

Agile in practice

The Agile transformation involves the abandonment of complex hierarchical structures and the transition to working in small, interdisciplinary teams able to quickly and efficiently implement new solutions according to customer needs.

>1,000

employees covered by the
new Agile work model
(as at 31 December 2019).

The activities undertaken by us in the area of optimization of banking structures and methods of operation are aimed at ensuring greater organizational efficiency and, above all, standardized, high quality customer service, which will translate into an increase in the NPS value.

Santander Bank Polska has been implementing the agile mode of operation successively since 2018.

In 2019, the finalisation of activities on the Agile methodology implementation was one of the most important objectives of the bank's development.

The activities to build an Agile environment in the bank in 2019:

- The employees involved in the agile transformation were grouped into 17 tribes and 12 IT units.
- We have launched the following business tribes: Wealth Management, Bancassurance (in this way the bank has completed the implementation of the new model of cooperation with insurance companies), SME Tribe, Improvement of Corporate Banking Products and Processes, Credit Processes and Electronic Channels of Corporate Banking, Effective Distribution and Financial Markets and the Technology Tribe – Client Data Platforms which develops APIs, i.e. data exchange platforms and builds solutions processing customer data (including biometric data).
- We have introduced a new structure of the Digital Transformation Division, which is to facilitate the achievement of current goals i.e. taking care of positive experiences and customer satisfaction (NPS), security, stabilization of systems, simplification of processes and development of new technologies and innovations in the bank.
- In the Operations Area we have set up two units – Payments Tribe, which is responsible for the development of payment solutions, and Content Management & Process Automation Tribe, responsible for the development of digital workflow and process automation. These units develop solutions for several customer segments.
- Other departments have undergone transformations and changes that reflect business re-segmentation. The introduction of the new model was associated in each case with a change in the scope of responsibilities and has an impact on more effective management of people and businesses.
- We have adapted the office space in different locations of the bank to the needs of agile work methodology.

Designing positive customer experiences

In order for the solutions proposed for particular areas requiring improvement from the point of view of customer satisfaction (the so-called 'hot spots') to better meet the needs of customers, Service Design experts conducted workshops. Based on customer feedback, prototypes of solutions were developed. The proposals were then tested and refined with the customers, and in the second half of 2019 the implementation of the first concepts began within the increasingly mature and flexible Agile organization.

The Management Board and the top management of the bank were involved in the process of creative search for solutions using design thinking.

Every year in Santander Bank Polska S.A. we create more and more space for design thinking. This is facilitated by the methodology of Agile work, and its effects translate positively into the perception of the bank by customers.

Objectives for upcoming years

As part of the Santander Bank Polska Strategy for 2020-2022 which focuses on key stakeholder groups, we have set a number of specific objectives that bring us closer to the main goal – a Simple, Personal and Fair bank helping people and businesses prosper.



Our customer-centric targets for 2020-2022:

- to improve customer experience and impress customers,
- to simplify products and processes,
- to be the Bank As You Want It,
- to digitize customer service,
- to build an Open Banking Platform,
- to remain a safe and stable bank,
- to increase the activity of loyal customers.

GRI: 103-1, 103-2, 103-3 Relationships with customers, customer satisfaction, 103-1, 103-2, 103-3 Prevention of financial exclusion, financial education, Custom indicator (Key actions to increase customer satisfaction); **Other guidelines:** PRB 3, ESG Social

Customer-centricity

One of the bank's priorities is customer-centricity. It means that we adapt to our customers' expectations, focusing on providing them with products and services that meet their needs. When designing solutions we put the customer in the centre of attention. Thanks to this, we implement the bank's strategy aimed at facilitating everyday banking.

90%

of customers are
satisfied with the offer
tailored to their needs.

Increased client sensitivity is a fundamental element in improving the fulfilment of the brand promise: The Bank As You Want It/ You Bank As You Want. According to the brand promise, the bank adapts to the changing needs of its clients at every stage of their life. This is confirmed by research results – as many as **90% of customers** are satisfied with the offer tailored to their needs.

In 2019, our customer experience management strategy was based on three main pillars:

Listening to the Voice of Customer with in-depth analysis of business data and market trends

In our work on service quality, the starting point was to identify key areas of customer dissatisfaction. We identified them on the basis of customer surveys and analyses of business data and current consumer trends. We obtained feedback from customers on a continuous basis through:

- benchmarking studies, which allow to determine the position of the bank against the competition,
- relationship research during which clients are asked to evaluate their relationship with the bank,
- transactional research based on the client's various interactions with the bank (in particular, with the branch, partner outlet, Select advisor, etc.).

In addition, we carry out mystery shopping surveys, as well as in-depth, thematic ad hoc surveys. In 2019, a team of interviewers was created in the Multimedia Communication Centre, thanks to which some research is carried out by the bank on its own. In this way, we can manage the surveys more flexibly, launch them faster and, consequently, react to their results more quickly.

Customer experience design (Service Design)

Described in section Agile in practice.

In 2019 we launched the following projects:

- New standards of customer service – recommending more casual behaviour of bank advisors and encouraging them to try to handle customer's request at one time (FCR).
- "Clear Thing" – a project to simplify communication with customers.
- Increasing the competence of employees in the field of service design (EDU Service Design).
- The Customer-centricity Week in the bank, during which workshops, lectures and discussions were held and articles and videos were distributed to broaden and deepen our knowledge about the needs of customers in today's world.

The effects of these actions will be visible in 2020.

GRI: **Custom indicator** (Results of customer satisfaction measurement)

Dialogue with customers – surveying needs and satisfaction

We are open to the customers voice, we listen to them, we care about increasing the level of customer satisfaction and want to build long-term relationships based on trust and loyalty.

One of the activities aimed at consistency and high standards of service is continuous measurement of customer satisfaction with the bank in various channels, including branches, e-banking and mobile banking. We source our knowledge of the customer perspective from satisfaction and loyalty surveys.



NPS

Net Promoter Score – an indicator used to measure customer loyalty and their propensity to recommend a brand, is one of the main parameters monitored in our bank. It is also an element of the incentive systems for all employees.



In Santander Bank Polska, the level of loyalty of retail segment customers according to NPS **increased during 2019 by 4%**, from 35% in 2018 to **39% in the second half of 2019**. In relation to 2017, the result is higher by as much as 6%.

GRI: **Custom indicator** (Results of customer satisfaction measurement)

Customer service quality measurement

In 2019, just as in previous years, we were examining the quality of customer service in our Call Center. We checked whether the advisors talked with customers in line with the partner communication principles and whether they met the customers' expectations. This was done using a dedicated automatic survey, which is conducted directly after the conversation.

Clients assessed, among others, the advisor's friendliness, politeness and commitment on a scale from 1 (least satisfied) to 7 (most satisfied).



The survey was addressed to over 64 thousand customers. The response rate was nearly 28%. The SAT-NET customer satisfaction level reached **82.56%**.

Since 2019 we have also introduced a similar study for CCS services, i.e. customer service through automatic contact channels. The survey was conducted by way of text messages.



We have invited over 39 thousand clients to participate in the survey. The response rate was 10%, and the SAT-NET customer satisfaction level reached **64%**.

The abovementioned research is carried out for customers contacting our Call Center for the following segments: retail customers, including mortgage borrowers, SME and leasing.

GRI: 103-1, 103-2, 103-3: Responsible selling and prevention of misselling.103-1, 103-2, 103-3: Ethical marketing communication and reliable, comprehensible information about products and services, 103-1, 103-2, 103-3: Regulatory compliance., 417-2, 417-3, 419-1

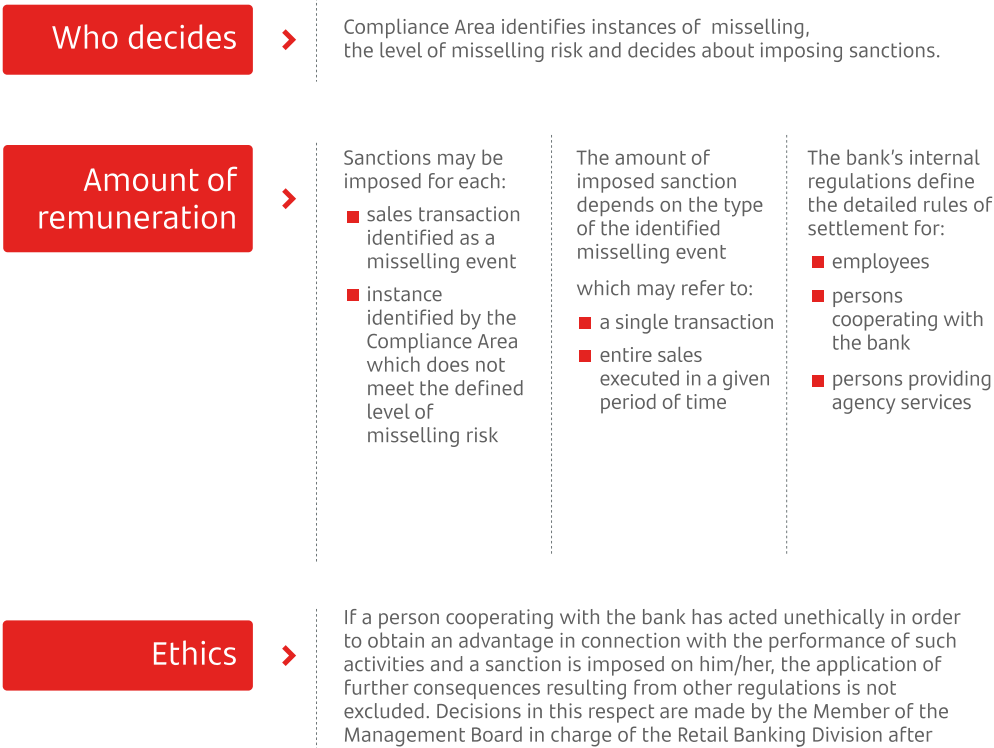


Responsible sales and marketing

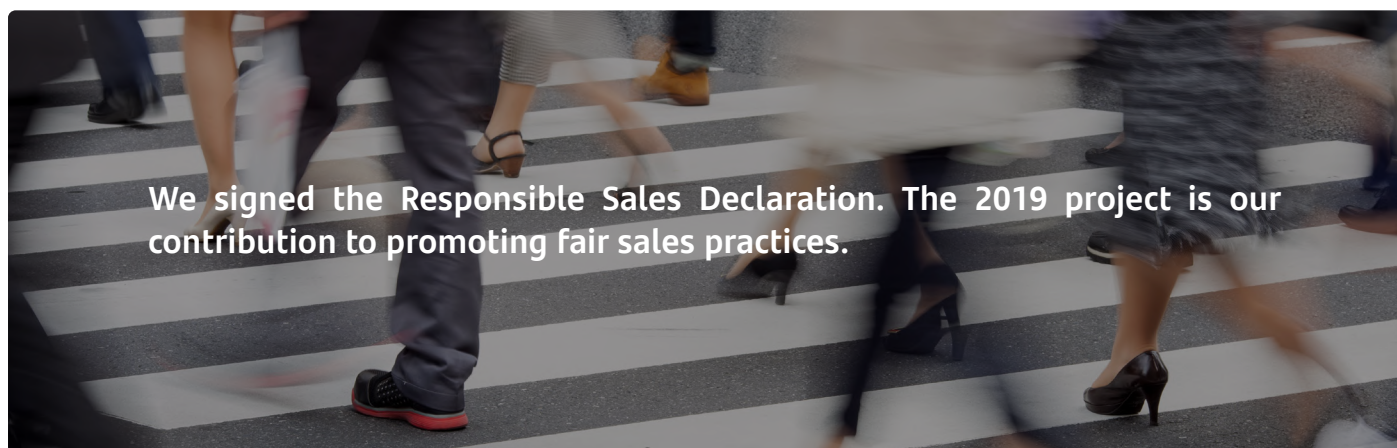
Counteracting misselling

Responsible banking is an element of our bank’s business strategy and is based on two pillars – the corporate culture and inclusive and sustainable banking. Such an approach assumes that we take utmost care of the way our employees provide their services.

We require that each contact with the client is individualised, taking into account the needs and capabilities of the client. Employees are obliged to follow the sales procedures in force in the bank and to use sales materials accepted by the relevant approval bodies.



GRI: 102-12; Other guidelines: PRB 4



Our bank is one of the initiators of the Responsible Sales Declaration. Together with other financial institutions we have established this project to:

- raise and disseminate ethical standards in customer relations;
- educate business and consumers;
- increase confidence in the financial industry;
- counteract unfair practices.

The self-regulations contained in the Responsible Sales Declaration cover the above objectives and we believe that they will also provide the Polish market with a source of knowledge about the highest standards in finance. The initiators of the project are committed to increasing the positive impact of the financial industry on the environment and building relationships with consumers and business in such a way that they can better serve society and the economy.

The use of financial services concerns everyone, so it is important that the whole sales process should be transparent, clear any doubts that might occur and take into account the needs of particularly vulnerable groups. Financial institutions should also take care of after-sales relationships, including ensuring secure use of the product and promptly taking into account any complaints. Regardless of the stage, it is also in the interest of banks to educate the public about the finance and bank products. It is also important to prevent unfair practices and to react quickly whenever they are discovered.

It is worth noting that this is the first cooperation of this kind of business organisations that care about improving the quality of banking services.

" The activities of financial institutions are not ordinary commercial activities. The bank is an institution of social trust which is particularly committed to conducting its business ethically. That is why it is so important for Santander Bank Polska to initiate and participate in all activities that strengthen the industry's ethical standards. We want them to include not only the principles developed at the international level, such as UNEP FI Responsible Banking Principles, of which we are a co-initiator and signatory, but also to respond directly to the diverse and changing needs of specific consumers and businesses. Self-regulation is the best way to do it.

Michał Gajewski
CEO

Each company that signs the Responsible Sales Declaration once must renew it every 12 months, subjecting itself to further audits. In the case of a negative result of such annual audit or failure to submit to it, the institution loses the right to use the Declaration's sign.

For more information on the principles contained in the Responsible Sales Declaration, the obligations of the signatories and guidance for all those who wish to join the initiative, go odpowiedzialnaspredaz.pl/en/home/



Responsible marketing and labelling

We ensure that products and services comply with regulations and that our marketing communications are ethical. These issues are regulated at the bank by the following documents:



Santander Bank Polska
advertising and marketing
communication manual



Procedure for the preparation
and verification of
communication and advertising
materials at Santander Bank
Polska



Product communication and
advertising guidelines for retail
and corporate customers

Compliance with regulations on responsible sales and marketing

GRI: 417-3, 417-2, 419-1

In 2019:

- **there were no cases** of non-compliance with regulations and voluntary codes on labelling and product and service information at the bank;
- compliance with the regulations on responsible sales and marketing was not examined or decided by the regulator. No financial penalties were imposed on the bank for non-compliance with laws and regulations on responsible sales, marketing and/or labelling of products and services.
- we recorded one case which was classified as a "mis-selling event". The data came from a phone check initiated by the bank. The result of the detection was the withdrawal of 100% of the sales bonus to the employee.

Complaints policy

At Santander Bank Polska, we not only make sure that complaints are handled to meet regulatory requirements. We also take steps to increase customer satisfaction with the process at every stage, from receiving the complaint to providing an answer. In order to be able to respond to clients' needs, after the complaint evaluation is closed, we measure their level of satisfaction with the process.

Customers can also contact our Customer Care Officer who represents their interests in the case of complaints. If a client does not agree with the decision concerning the complaint, he or she may apply to the Customer Care Officer asking for re-examination of the case. Such an approach provides a powerful support to customers and guarantees utmost care in dealing with complaints.

Customers may file complaints:



in electronic banking channels, including a video-chat and a text chat



by phone



in person at the branches



by traditional mail

We will respond to the complaints:



in electronic banking channels



by letter



by text message

We also send text messages on the case status informing the customers about:



receiving a complaint report



more time needed to evaluate a complaint (when it cannot be evaluated within 7 days)



closure of the case and the way in which the response was sent

In 2019, we took a number of measures to optimise the complaint process:

- We have increased the use of robots in the complaint evaluation process – complaints concerning fees and savings accounts were are now directed to the fast track process with the involvement of robots.
- We have launched a process of providing our customers with additional letters explaining how we calculate the charges for using cards and KGP accounts. We do this when we send a reply to the complaint via SMS.
- We have authorised employees of branches, helplines and advisors of the Select and Private Banking segments to communicate to clients the decision to accept a complaint in strictly defined cases, already at the time when the complaint report is filed (the refund, if any, is posted to the account within 2 working days).



GRI: 103-1, 103-2, 103-3: Security of services, transactions and customer data, 418-1, Custom indicator (Actions implemented to ensure cyber security); **Other guidelines: PRB 3**



Security

Our approach

For our bank, security is an absolute priority and we take care of it in many ways. We are concerned about ensuring the security of customer's money, data and banking operations performed by our customers in all channels.

We involve all employees of our organization as well as external entities in the process of ensuring security – as part of outsourcing and tasks performed in cooperation with third parties. Successful security management is possible thanks to effective regulations constantly adjusted to the current reality that we apply in the bank.

Due to the nature of technological risks, cyber security is now a key one. The bank has units responsible for continuous improvement of security of transaction systems, tools used by customers in their daily banking, their information, as well as infrastructure and technology used in the organization. Cyber security is an area for cooperation, not only internally within the bank but also with external organisations, hence our involvement and proactive efforts in this respect within the Polish Bank Association or our partnership with CERT.



Actions taken in 2019

- We focused on optimizing detection and protection processes in order to achieve a high level of resistance, adequate to global cyber threats.
- We developed the bank's potential to apply innovative technological solutions and automation in order to prevent cybercrime more effectively.
- We persistently developed a culture of cybersecurity among customers and employees, thus building awareness of the responsibility that rests with every web user.

Our **plans for 2020** are to further improve the above activities, as well as to continuously develop the competences of the team directly responsible for the cyber security of customers and the whole bank.

Customer data security

In accordance with the requirements of the GDPR – the General Data Protection Regulation in force from 25 May 2018, we protect personal data through systematic activities including updating relevant processes, procedures and policies, changes in data flow and storage management, appropriate communication, and taking into account the GDPR requirements in projects and system management.

GRI: 418-1

Complaints regarding breaches of customer privacy and data loss



28 complaints – total number of substantiated complaints about loss of customer data and privacy violations

We promote cyber-security

The bank is constantly carrying out educational activities aimed at building a cyber security culture among its customers. We make use of the opportunities offered by e-banking, our websites, social media or face-to-face meetings to contact our customers.

We publish up-to-date information about risks and the help you can get from them on our websites, in the form of news and in social media.

Moreover, we also use the most effective form of education, which is direct meetings with customers, whether in our branches or as part of social projects.

Campaign *Don't be a child on the web*

The bank's social media campaign in 2019 continued in 2020 the aim of which is to promote knowledge about cyber-threats and how to deal with them.

As part of the campaign:

- Our posts have reached over **5 million FB users**,
- In cooperation with local internet media, we have published a series of articles dealing with safe banking and security on the web,
- In cooperation with an external entity, we have implemented a new service supporting customers in the safe use of the Internet.



All our social projects in the field of online security are described in the Communities chapter, in section Security .

GRI: 103-1, 103-2, 103-3: Prevention of financial exclusion, financial education, Custom indicator (Number of customers using mobile and online banking).

Digitisation and innovation

We strive to ensure that our bank increasingly gives customers the opportunity to personalize their services and products on their own, by means of appropriate parameterization (without engaging advisors). These solutions are supported by the progressive digitization of banking processes and the growing number of customers who prefer remote channels.



We have 2.5 million digital customers,
of whom **1.6 million** customers use mobile banking

We offer our customers a wide range of payment methods

Santander Bank Polska offers its customers the widest range of mobile payments in Poland in terms of solutions and technologies. We were the first in the Polish banking sector to offer all types of mobile payments, including contactless payments with mobile phones in Santander mobile: BLIK, Apple Pay, Google Pay, Fitbit Pay and Garmin Pay. Our customers can pay for their purchases:



by phone



with a tablet



with a watch

Customers can execute transactions in:



points of sales



e-commerce



applications

" At Santander Bank Polska we believe that creating innovation relies on the right combination of addressing customer needs with business and technology. We are constantly looking for new concepts, we cooperate with start-ups, we design solutions in order to provide our clients with the best possible experience. 2019 was a very intense year for us, as we wanted to deliver a range of products and services, so that our customers can bank efficiently and effortlessly. In 2020, despite the crisis, we are not slowing down, because right now our customers need innovative solutions most. We intend to focus on further support of entrepreneurs and full digitalization of processes and climate change is also on our agenda.

Dariusz Paczewski

Digital & Innovation Leader

Santander One Pay FX

Santander One Pay FX is the first instant foreign payment service for retail and corporate customers based on blockchain technology. It gives customers ordering foreign transfers certainty that the money will appear in the recipient's account on the same or next day. Another convenient feature is that customers are informed about the exact amount in the target currency to be credited to the beneficiary's account even before the transfer is made.

The development of the Santander One Pay FX service is aimed at increasing the ability to send foreign currency amounts via new access channels instantly, including new currencies and directions.

Instant payments

We consistently implement projects promoting instant payments. Retail and business customers can use all types of instant transfers in PLN available in Poland to the widest extent and according to the highest security standards, which is also crucial. Instant money transfers can be sent not only from our bank account, but also from our credit card account. Dedicated solutions ensuring immediate settlements can also be used by the largest, most demanding company recipients carrying out the largest payment volumes, such as PayPal.

GRI: Custom indicator (Products and initiatives for small and medium-sized enterprises (SMEs))

Innovations introduced in 2019 allowing customers to use the bank's services more easily and safely

eAccounting for entrepreneurs

Our e-accounting is a service addressed to our customers who are sole traders. The solution makes it easier for them to manage their company's finances online. Customer can issue invoices electronically and manage the accounts themselves or with the help of a qualified accounting office – all from their computer or smartphone. This was the first project in our SME segment to establish cooperation with an external partner – a fintech providing e-accounting services to our clients.

Automatic moneyback from Booking.com

Bank customers booking accommodations on Booking.com via a dedicated website, after entering the details of their card issued by Santander Bank Polska receive an automatic 4% moneyback transferred by Booking.com directly to their card or account. All bank customers who have a debit or credit card and make a reservation through the website <http://booking.com/santander> can take advantage of the promotion. We introduced this solution for debit cards as the first bank in Poland and for credit cards as the second one.



Santander Bank Polska provides training with the use of VR goggles

Santander Bank Polska implements an innovative training program for advisors from the branch network using virtual reality. The trainings rely fully on multimedia and have been designed at the initiative and with the participation of bank employees. They allow employees to check and improve their skills of supporting clients in various situations.

We develop innovation through the Acceleration Programme

Our bank is constantly looking for the most interesting Polish start-ups to test their solutions which can expand our offer to meet customers' expectations and provide them with the highest quality service. In the process of cooperation with start-ups, the bank supports the Accelpoint accelerator. The cooperation covers recruitment, testing and launch of start-ups mainly from the FinTech sector. Start-ups participating in the project called AccelUp receive financial support and mentoring of industry experts.

The AccelUp acceleration program is designed for mature start-ups offering solutions ready to be implemented by a partner. Companies qualified for the program have the opportunity to apply for support from international investors, including Santander InnoVentures Fund.

In the first round of the program, conducted in 2019, 51 start-ups submitted applications to the accelerator and 42 of them were positively evaluated. In the bank, we selected and carried out five pilot accelerator projects, two of which are being prepared for implementation.

The second round of the programme is currently underway and we are preparing for the third round. The project is implemented in cooperation with the Polish Agency for Enterprise Development.

Salary When I Want It

In 2020, as the first bank on the market, we introduced the possibility for our employees to receive part of their salary before the payout date. The solution was implemented with the participation of Symmetrical start-up from the FinTech sector, which offers flexible access to remuneration from a mobile application. The pilot was carried out as part of the AccelUp project implemented with Accelpoint accelerator.

Thanks to the Salary When I Want our employees:

- have the opportunity to access their remuneration for work when they need it;
- manage their finances flexibly – money is quickly available on the account;
- control the entire process from an easy-to-use application.



Innovation projects and activities planned for 2020

Chatbot

This solution will allow for holding an automatic conversation in the chat room in a natural language, during which customers will obtain the information they need about the bank's offer. Moreover, the advisors will be able to use the chatbot to gain knowledge needed in their daily work with customers.

Cash loan over the phone in the bank branches

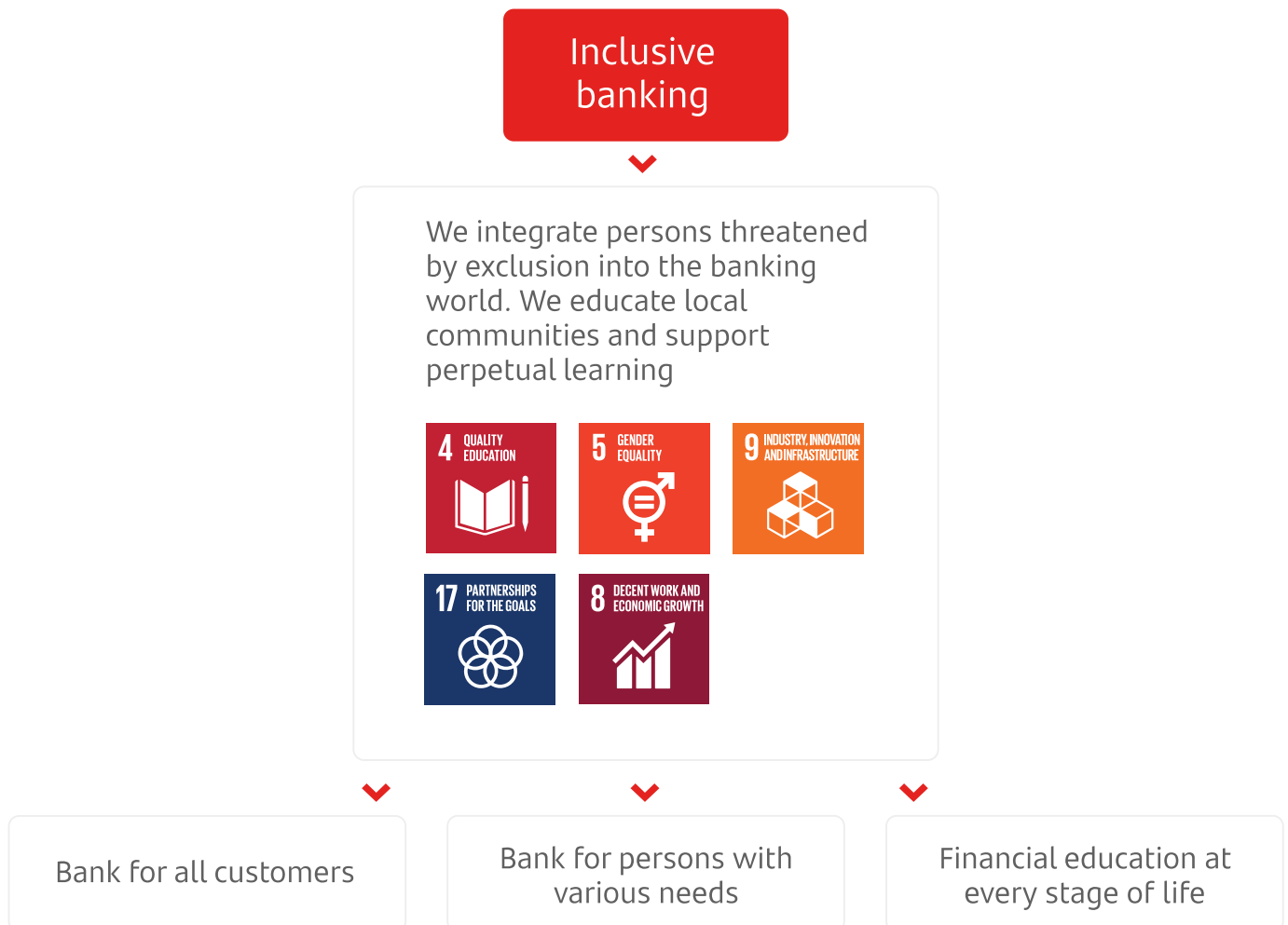
The pandemic situation requires us to be flexible in our approach to customers and service. Our goal is to make it easier for customers to purchase services, as well as to earn trust and offer a sense of security. Therefore, in selected branches we have introduced cash loan sales based on the existing service processes in the Multichannel Communication Centre.

- We will focus on applying innovation in response to the coronavirus pandemic.
- We are strengthening cooperation with our Group in the digital area – we are building common APIs (databases), exchanging technology, planning joint actions in the field of start-up acceleration.
- We intend to provide clients with an aggregator for accounts from other banks, using the PSD2 API.

Inclusive banking

Introduction

One of the pillars of the Responsible Banking strategy is inclusive banking. How do we implement it?



Other guidelines: PRB 3



Availability of products and services

In 2019, we concentrated on developing products and services for all retail customers. Our focus was to develop the offer for the youngest customers, salaried customers and foreigners.

We continued our strategy based on the freedom to adjust our offer to the individual needs of each client, hence our flagship product is still Account As I Want It. Our priority is to build positive banking experience for all customer groups and each customer individually.

Progress achieved in 2019

- Excellent customer service – NPS. Customers were satisfied with the simplified processes and the fact that our bank listened to their voice.
- We are the only bank in Poland that provides services in **Ukrainian and Belarusian**.



Since 2019, our customers (non-residents) from abroad can freely use the Santander mobile application in Ukrainian and Russian. New versions of the application have appeared in Google Play and AppStore. The Ukrainians are the biggest population among the foreign clients of Santander Bank Polska. Currently, we serve about 180 thousand foreigners, of whom over 105 thousand are Ukrainian citizens, followed by Belarusians and Germans.

- We provide a special lease offer for female entrepreneurs – a project financed from funds obtained from the IFC (International Finance Corporation, International Finance Corporation).
- We continue the project of free card terminals for SME clients under the Cashless Poland programme.
- We have simplified communication with customers.



More friendly communication about changes in the Schedule of Fees and Charges and regulations

In October 2019, we completed the distribution of the new Schedule of Fees and Charges and regulations. It is much more customer friendly than the previous communication.

We informed 4.5 million customers about beneficial changes in the fees and charges, including 2.5 million through traditional mail and 2 million through the Electronic Communication Channel (ECC). The cover letter was one of the first communications prepared in cooperation with the linguist Tomek Piekot. The text is clear, legible and written without the use of the banking jargon. The letter was personalised – addressed by name to each client. In the correspondence, we provided the information how long the customer has been using the banking products of Santander Bank Polska and thanked them for the time spent together with us. We adapted the correspondence in the ECC to the needs of people with visual impairments. This is the first step towards providing customers with accessible documents.

" Barrier-free service is a concept underlying specific actions that we implement for customers with different needs. In 2019, in accordance with the requirements of the "Act on Ensuring Accessibility for Persons with Special Needs" of 19 July 2019, the bank introduced the possibility to request for the so-called "accessible documents" provided for in the Act (non-personalised contract templates, regulations or the Schedule of Fees and Charges), either remotely or at branches. In addition, we have created a gradually supplemented repository of available documents in electronic formats – an audio recording or a video recording in the Polish Sign Language (PJM). Additionally, the bank offers the possibility to apply for a document in the format of an accessible PDF with internal, invisible tags. This means that they can be read by a person with special needs using commonly available screen reader technology which is also used at home.

Marta Walaszczyk-Szymańska

Manager of the Barrier-free Banking programme



Goals for increasing the accessibility of our bank:

- Simplification of processes for customers and digitization.
- Increasing the possibility of purchasing individual products in remote channels, e.g. accounts for children under 18 years old.
- Guaranteed access to high quality financial products and services – further development of the Barrier-Free Banking programme.
- Planned launches of other products and services tailored to the needs of different target groups;
- Continuous promotion of and engagement in financial education.
- The restructuring/after-sales process for customers having difficulty with debt service in online and mobile channels.

GRI: 103-1, 103-2, 103-3, FS 14, Custom indicator (Number of bank branches with Barrier-free Service certificate)

Other guidelines: PRB 1, PRB 3, ESG Social



Barrier-free banking

Our goal is to provide access to comfortable use of the bank's services and products for customers with special needs – including people with disabilities, seniors, pregnant women. We create the facilities in cooperation with clients and experts. We take care of accessibility in all forms of service – from branch network to mobile banking.

Barrier-free service

Under the programme, we are implementing new functionalities and solutions in the technological, communication and educational dimension. The bank has been providing and developing a comprehensive barrier-free service continuously since 2010.

Solutions and progress in implementation in 2019:

156

certified branches
(as of 30.04.2020)

10

branches awaiting
completion of the
certification process
in 2020.

80%

our ATMs are "talking"
machines.

- Barrier-free branches – we are systematically expanding our network of certified barrier-free branches. Every year, further branches undergo:
 - architectural accessibility audits for customers with disabilities (in 2019 – 26 branches),
 - audits recertifying the accessibility of barrier-free branches (57 recertification audits were carried out in 2019)
- We apply barrier-free service standards in all our branches.
- All branches of the bank have been equipped with a priority service desk entitling persons with visible disabilities, pregnant women and seniors to receive priority service.
- In our branches we have provided mini magnifiers and signature frames for blind and partially blind people.
- We equip our branches with portable induction loops to improve the comfort of customers with hearing impairment and hearing aid users. In 2019, we provided five branches with new devices. The list of branches offering the induction loop support can be found here <https://bank.santander.pl/ms/obb/petle-indukcyjne.html>
- Talking ATMs – we provide all our customers with access to a network of so-called "talking" ATMs adapted for use by blind and partially sighted persons. After plugging in their own earphones, customers hear step-by-step instructions in Polish which assist them with cash withdrawal, PIN change or card activation. Navigation is carried out using the keys on the numeric keypad without having to reach for the buttons on the screen. The new features introduced in 2019 include the option to turn off the screen for the time of the transaction executed through earphones to increase the security and comfort of the transactions carried out by blind people, and the possibility to switch the screen into a high-contrast mode, i.e. with a black background without any graphic elements and with yellow captions. The number of talking ATMs increased in 2019.
- Remote video support in the Polish Sign Language (PJM) - provided by the advisors from the bank's Contact Centre. At the turn of 2019/2020 we significantly expanded the group of advisors with professional knowledge of the sign language, thus increasing the availability of this solution for clients.
- The online and mobile banking platforms of our bank are audited and adapted systematically to the needs of customers with disabilities.
- The bank's advertising messages are tailored to the needs of people with visual impairments (audio description) and hearing impairments (subtitles and PJM translator). Videos are available on the "Barrier-free Service" website. (www.santander.pl/obb) and on the bank's YouTube channel.
- In 2019. In accordance with the requirements of the Act on Ensuring Accessibility for Persons with Special Needs of 19 July 2019, the bank introduced the possibility to request for the so-called "accessible documents" provided for in the Act (non-personalised contract templates, regulations or the Schedule of Fees and Charges), either remotely or at branches. In addition, we have created a gradually supplemented repository of available documents in electronic formats – an audio recording or a video recording in the Polish Sign Language (PJM). Additionally, the bank offers the possibility to apply for a

document in the format of an accessible PDF with internal, invisible tags. This means that they can be read by a person with special needs using commonly available screen reader technology which is also used at home ".The document repository is available on the bank's dedicated website.

- Throughout the year, the bank was involved in local initiatives and national events aimed at changing the perception of disability in Poland and in activities integrating people with disabilities into social and economic life.
- For detailed information about our social initiatives read the chapter Communities.

" For many years now, a growing involvement of the banking sector and banks in increasing the accessibility of their service has been observed, taking into account in particular the needs of customers with various disabilities. In my opinion, Santander Bank Polska is the leader in introducing special solutions in this area.

I'm a visually impaired customer of this bank myself. A few years ago, I was very happy when the bank launched the first talking ATMs. Today, there are more than 1,300 talking ATMs in the whole country. It's a pleasure that the bank is still developing a network of available cash dispensers. However, it's not only about quantity, but also about innovation. Recently when using an ATM, I noticed that a new feature has appeared: the screen can be switched to a high-contrast mode. Thanks to the fact that messages are displayed in large, clear yellow font against a black background. This means that cash withdrawal has become even easier for me. It's worth noting that everyone can benefit from this feature, even a person who might have trouble reading the instruction due to bright sunlight falling on the screen.

Both as a client and as a professional accessibility auditor and consultant, I try to help the bank improve and develop such features in its products and services. It is very important that Santander Bank Polska constantly listens to the needs of customers with disabilities and takes into account the feedback from accessibility specialists.

Mikołaj Rotnicki

Accessibility Expert from Utilitia sp. z o.o., a visually impaired client of our bank



We're not that different, are we?

From April to June 2019 we conducted an educational and information campaign addressed to the bank's employees and clients. The main medium of communication was a video entitled "We are not that different, are we?" whose aim was to show the perspective of people with special needs. Both the bank's employees and persons with disabilities feature in the video.



The campaign has reached over **100 thousand** Facebook users.

GRI: Custom indicator (Products and initiatives for small and medium-sized enterprises (SMEs))

Support in difficult situations

Our approach to retail customers and SMEs in financial distress

We are aware that there are many reasons why customers' may have problems with repaying their liabilities. We show our understanding and try to support clients in such circumstances.

The bank's main objective and priority in respect of clients in a difficult situation is to identify the causes of the situation and jointly find the best possible solution to restore the timely service of liabilities.

We monitor overdue payments from a very early stage. The customer can also make use of self-service options in the following contact channels:

- automatic outgoing phone call – the client can independently, without the participation of an advisor, obtain information and make various arrangements, in particular, declare the date of repayment or request for contact,
- automatic inbound call centre – the customer can also use a completely self-service inbound line,
- interactive text messages – with a response option,
- text messages with information.
- emails with information.

The client can declare the date of payment of the overdue instalment by himself/ herself, using the Santander internet service, without waiting for the contact from the bank. Two standard solutions are available:



a declaration of overdue
debt repayment within
7 days



requesting for a conversation
with an advisor at a time
convenient for the client to
agree a new repayment date



The advisor's contact with the client is always aimed at **individual identification of the problem** which affects timely payment of liabilities and at supporting the client in choosing the best solution in a given situation.

Solutions

Our first proposal for customers in the retail segment and SMEs is restructuring. Each client is assigned an individual advisor who recognizes and analyzes the specific situation and proposes restructuring solutions, adapting them flexibly to the difficulties faced by the client.

Possible solutions for retail customers and SMEs include

- grace period in the repayment of the principal of the loan,
- temporary reduction of loan instalments,
- extension of the loan period,
- establishing a new repayment schedule covering the overdue and not-overdue part of the loan,
- merger of all commitments into one loan,
- voluntary sale of real estate as collateral for the repayment of the loan (if the proceeds amount is lower than the value of the liability, we agree on convenient conditions for repayment of the remaining amount).

How can a customer apply for a change in loan repayment terms?



Report the problem through our helpline



Send an email or a letter with a request downloaded from the bank's website, from the "Problems with timely loan repayment" tab

Pursuant to the Act on support for mortgage borrowers in financial difficulties, the bank accepts clients' applications for support from BGK's funds.

For mortgage customers with loans in Swiss francs, the bank has implemented and offers the so-called "Six-pack of Aid Measures" of the Polish Bank Association. We propose all solutions from the six-pack, including the currency spread reduced to 2%, taking into account the negative Swiss franc LIBOR value, loan restructuring, reduction of the instalment value, change of loan collateral and currency conversion to PLN at the average NBP rate.

All information for our bank's clients in financial distress can be found [here](#).

Our approach to corporate clients in financial distress

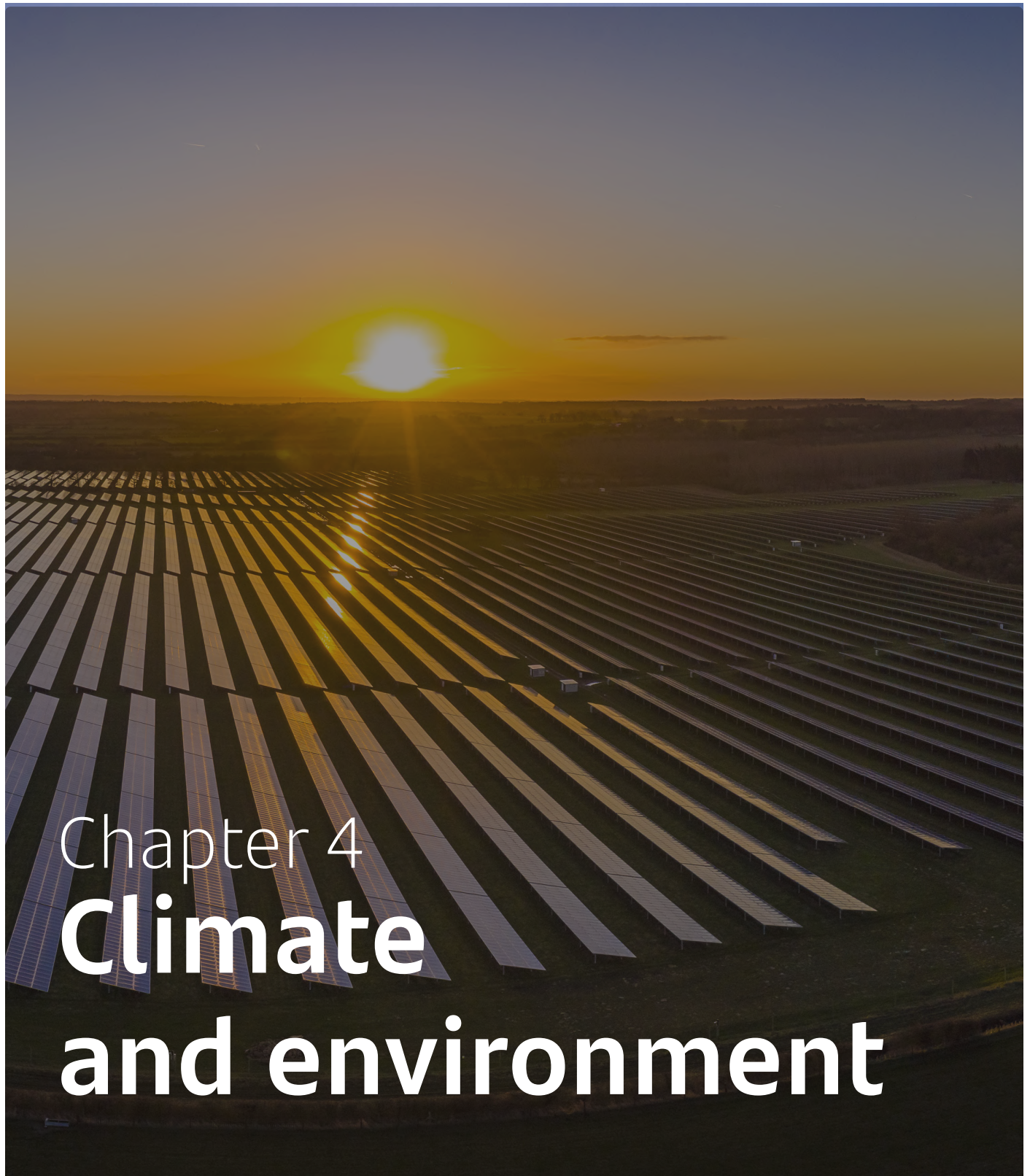
In the case of corporate clients in difficult situations, due to the complex nature of such cases we always carry out an individual analysis of the client's circumstances and the causes of the problems. The best type of support is agreed with the client by our individual advisor who after the analysis proposes restructuring solutions adapted to the financial and economic situation of the client.

The main objective and priority of the bank is to establish feasible conditions for voluntary debt repayment.

As part of its restructuring activities, the bank adjusts the repayment schedule to the client's payment capacity, enables the voluntary sale of redundant assets and supports clients in searching for investors (based on a granted power of attorney).

For more information about our actions related to COVID-19 pandemic go en.raport.santander.pl/support-for-customers/.



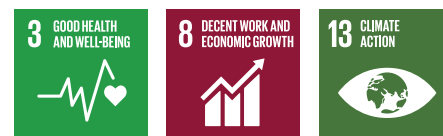


Chapter 4 Climate and environment

GRI: 102-15, 103-1, 103-2;

Other guidelines: EC/TCFD, PRB 1, PRB 2

Our approach



Responsible banking is part of Santander Bank Polska's business strategy which is based on three pillars. One of them concerns environmental issues. In 2019, the priority for us was green finance, i.e. development and implementation of a climate strategy, which assumes, among other things, financing climate protection, a package of green investments and internal actions to make us a green bank.

We feel obliged to address the biggest challenges facing the society in which we do business. We are aware of the growing role of financial institutions in the transition to a low-carbon economy. That is why we support and accompany our clients in the process of energy transformation, providing them with funds to finance their activities.

" We are ready to incur additional costs resulting from the implementation of new environmental policies, because we know that their effects will have a positive impact on the whole society and we hope to encourage other companies to do the same.

Michał Gajewski

CEO

Commitments of the Santander Group

- We believe that we can support our customers by helping them move towards an environmentally friendly (green) economy. That's why we want to help raise or provide EUR 120 billion between 2019 and 2025 and EUR 220 billion between 2019 and 2030 to finance green projects to mitigate negative climate change.
- We believe that combating global warming requires reducing greenhouse gas emissions and the footprint we leave in the environment. That's why we want 100% of our electricity consumption to come from renewable sources in all our locations, wherever possible – we want to achieve this by 2025. We also want to phase out the use of disposable plastic products in our branches and headquarters by 2021.
- We are committed to achieving carbon neutrality by 2020. That is, we will compensate for our own carbon emissions by financing solutions that support CO₂ capture and neutralisation and investments in renewable energy.



Commitments of Santander Bank Polska:

For business and regulatory reasons, as well as to meet the expectations of our stakeholders, we have decided not to finance new power coal mines and new power units fuelled by this raw material. The Risk Division is working on increasing the bank's financing opportunities for renewable and alternative energy sources.



We believe that we can support our customers by **helping them move towards a green economy.** That's why we want to help raise EUR 120 billion between 2019 and 2025 and EUR 220 billion between 2019 and 2030 to finance green projects to combat negative climate change.

We believe that combating global warming requires reducing greenhouse gas emissions and the footprint we leave in the environment. That's why **we want 100% of our electricity consumption to come from renewable sources in all our locations, wherever possible – we want to achieve this by 2025.** We also want to phase out the use of disposable plastic products in our branches and headquarters by 2021.



Policies

We apply the principle of prudence in managing our environmental impact, and the overriding document concerning our approach to environmental risks is the Sustainability (CSR) Policy of Santander Bank Polska S.A. which applies to the entire Group.

Our approach to environmental topics is laid down in:



Sustainability
Policy



Climate Change
and Environment
Management Policy.

In these documents we undertake to take into account in decision-making processes ethical, social and environmental dimensions as well as financial criteria and risk factors in line with the "Sustainability Policy" and other sectoral policies.

The "Climate Change and Environment Management Policy" is a document binding in the entire Group which defines activities and initiatives supporting environmental protection and mitigating the effects of climate change.

An important addition to the above documents are sectoral policies concerning the financing of projects and customers from high-risk sectors which were implemented in 2015 and updated in 2019:



Energy Sector
Policy



Soft Commodities
Sector Policy



Defence Sector
Policy



Mining and Metals Sector Policy **implemented in 2019**, which regulates, among other things, the provision of products and/or financial services to customers in the mining and metals industries for projects related to mining and metallurgy activities.

These policies specify, among other things, the criteria for the evaluation of companies from high-carbon industries. The bank applies strict limits to the financing of investments and projects. Only transactions that significantly improve the environmental impact (the minimum CO₂ reduction is 20%) or have a net coal power unit efficiency of at least 40% are allowed.

High-risk sectors

Energy sector

Soft commodities
sector

Defence sector

Mining and metals
sector

The sectoral policies set out the criteria applied by the bank for the provision of financial products and/or services – including all forms of financing, insurance services, asset management, capital investment and advisory services – to clients and projects related to the activities described in the policies.

Other guidelines: [EC/TCFD](#)

Environmental principles and declarations

Environment
management
system

Equator
Principles

providing guidance for
environmental and social
risk assessment in the projects
financed

"Soft Commodities
Compact"

- the bank is a signatory to this
agreement promoted by the
Banking Environment Initiative



Risks

In 2019, **Environmental and Social Risk Management (ESRM)** principles were introduced as criteria for assessing Corporate and Investment Banking projects. The “**Social & Environmental Risk Analysis**” procedure was created defining the process of social and environmental risk analysis which is obligatory for the bank and which may occur in connection with commercial activities carried out by the bank's clients.



We analyse whether clients' activities are subject to prohibitions or restrictions defined in the bank's sectoral policies. The purpose of the analysis is to provide a justified assessment as a condition for acceptance or rejection of an application for granting financial products or services for reasons related to social and environmental risk.

“ We are working on further improvement of processes for taking into account social, environmental and management risks. From the business point of view, these risks play an increasingly important role, and the streamlining of relevant processes will allow us to increase our involvement, for example, in the development of RES in Poland.

Michał Gajewski

CEO

GRI: 103-3: Environmental impact; Other guidelines: ESG: Environment, EC/TCFD

Targets

Environmental targets for 2020-2022

Further reduction of the internal environmental footprint (SCOPE 2)

Continuation of the development of green products - green cards, green bonds and ESG loans.

Integration of ESG and Impact on climate measurement in the design of new products (NPS embedded in the Agile process).

As of 2020, all energy purchased by the bank has a green certificate – as a result total emissions will be reduced by close to two-thirds versus 2019.

Completion of car fleet replacement - reduction of CO₂ emissions by almost 30% within 1.5 years.

100% reduction of disposable plastic at headquarters and branches.

ISO 14001 certification of HQ buildings.

GRI: 102-15, Custom indicator (Main environment-friendly products and services offered to customers, including those affecting climate change solutions); **Other guidelines: PRB 2, ESG Environment, EC/TCFD**

Green offer – products and services

Since the beginning of 2019, we have been even more strongly committed to implementing green solutions aimed at customers and other stakeholder groups.

Green bond issuance

Our bank, supporting pro-environmental initiatives, among others, raises funds from international financial institutions especially for this purpose. An example of such activity is the cooperation with the European Bank for Reconstruction and Development (EBRD), under which we issue Green Bonds.



Santander Bank Polska was the first commercial bank to issue green bonds worth EUR 137.1 million in 2017.

In 2019, as a joint bookrunner, we participated in the issue of 10-year and 30-year green bonds of the Ministry of Finance worth EUR 2 billion. The term green financing is understood to mean loans granted for energy efficiency, renewable energy activities and water efficiency.

Funds from the bond issue will be allocated, inter alia, for:



sustainable
agriculture



low-carbon modes
of transport



renewable energy



national parks



afforestation and
reclamation of
spoil tips

In order to demonstrate the achievement of the required volume of green loans, the bank intends to report a portfolio of loans from the real estate financing segment for which the financed projects meet environmental standards and energy efficiency criteria, confirmed by internationally recognised industry certificates (BREEAM, LEED) required by the International Finance Corporation (IFC). The portfolio reported to IFC is subject to validation by IFC specialists, who will then calculate the environmental impact and attained energy efficiency indicators.

Financing green buildings

The bank uses funds from the European Bank for Reconstruction and Development (EBRD) to offer clients loans under the Energy Efficiency of Buildings programme to finance the construction of buildings meeting environmental standards certified by generally recognised international certificates such as LEED or BREEAM, for a total amount equivalent to 140% of the funding raised, i.e. EUR 140 million.



31 green buildings

Since 2017 we have financed 31 green buildings (BREEAM and LEED certified), **for a total of EUR 613 million**. Both BREEAM (29) and LEED (2) certificates were awarded in the full range of assessments.



Green leasing offer

In 2019, Santander Leasing S.A. was developing its green leasing offer. The net value of assets financed under the offer as at 2 December, 2019 amounted to PLN 150 million. The offer included: electric cars (PLN 8.6m), hybrid cars (PLN 124m), photovoltaics (PLN 7.4m), heat pumps and biomass (PLN 4.7m) and electric forklifts (PLN 5m).

Since 2010, Santander Leasing has been a pioneer in financing electric vehicles. In 2017, the company financed, among other things, electric buses for the city of Warsaw with a total value of PLN 30 million and since 2018 it has been supporting eco-mobility with a special offer of 100% electric car lease. Customers who decided to lease an electric car during the promotional period could take advantage of the 100% leasing offer, which meant no interest costs for up to 36 months. **The Zero Emissions, Zero Interest campaign** was open to all electric car brands available in Poland and lasted until the end of 2019.

PLN 2bn
signed agreement

In September 2019, Santander Bank Polska signed with Energa the first ESG-linked (Environmental, Social and Governance) loan agreement in Poland based on the assessment of the borrower's commitment to sustainable development and responsible business. Santander Bank Polska acts as coordinator, agent and ESG agent.

The agreement for PLN 2bn signed by a consortium of five banks is valid until 2024, with the possibility of its extension until 2026. The amount of the credit margin will depend on the company's performance in three areas of sustainable development: environmental care, social responsibility and corporate governance (ESG indicators). The company plans to use the funds raised to expand its RES production capacity and to further modernise its distribution network, as well as to refinance its debt related to these areas of activity. In addition, the provisions of the agreement prohibit the funds under the loan from being allocated to any capital expenditures in the field of coal power engineering.

“ Santander is actively involved in supporting the Polish energy sector in its transformation towards sustainable development and a low-carbon economy. ESG-linked financing is an instrument which introduces not only tangible incentives for the borrower, but also real responsibility for actions aimed at improving the environmental and social profile.

Maciej Tarnawski

Director of Credit Markets Department in Corporate and Investment Banking Division of Santander Bank Polska

Electronic banking

We provide and promote – as a green solution – electronic payments such as BLIK, Apple Pay and Google Pay. The Mobile Banking Index survey conducted at the request of Santander Bank Polska shows that two-thirds of the respondents already use them. Paying by phone or watch has a chance to replace plastic cards. We encourage customers to choose the electronic form of contact with the bank as a more ecological solution. Giving up cards reduces the production of carbon dioxide even seven times – email generates only 4 grams of CO₂ and a paper letter generates as much as 29 grams. We also offer our customers the possibility to buy electronic public transport tickets in a mobile application, thus reducing the consumption of paper.

Green initiatives and projects

The bank and the Group's companies are involved in pro-environmental projects and support initiatives of a sectoral, multi-sectoral and international nature for the protection of the natural environment and its resources. Below are examples of such activities:

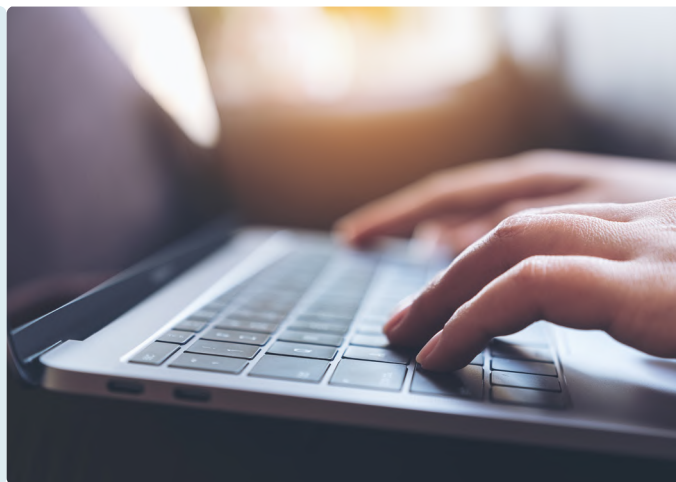


Joining the Polish Pact for the Sustainable Use of Plastics.

The bank – together with the largest industry organisations, including packaging manufacturers, producers of consumer goods (Coca-Cola, Unilever) and retail chains (Carrefour) – has undertaken to create a roadmap for the transition to a sustainable use of plastics in Poland by the end of 2019. We are the only bank that has been involved in this initiative. We want to support our clients in the transformation of their businesses to achieve compliance with applicable regulations and meet social expectations.

The #WeHaveCommonGoals competition 2019

The #WeHaveCommonGoals competition 2019 is a joint action of Santander Bank Polska and Outriders. The project consisted in searching for effective solutions to important environmental problems and their impact on everyday life. On the basis of the submitted applications, a series of articles was created, which focuses on the search for methods to introduce tangible, positive changes in the environment.



"Together for the Environment" Partnership

Participation in the "Together for the Environment" Partnership for the implementation of Sustainable Development Goals established by the UNEP/GRID Centre. The initiative supports the creation in Poland of the best possible conditions for the achievement of the UN 2015-2030 Sustainable Development Goals, especially the ones related to natural environment. The project assumes cooperation of many parties (across different sectors and industries) within the framework of activities carried out in accordance with the principle of environmental responsibility.



Green Ribbon #ForThePlanet

In 2019, Santander Bank Polska was a strategic partner of the campaign. The action was organized once again by the UNEP/GRID-Warsaw Centre on the occasion of World Environment Day, this time with a main theme #BeatAirPollution.

Our participation in this event is part of building environmental awareness among both employees and customers. We have declared, among other things, that from June all marketing materials of the bank will be printed on FSC-certified, 100% recycled paper. We have also carried out a campaign targeting customers. In our branches, we encouraged them to switch to electronic channels of communication (ECC) with the bank and resign from paper correspondence.



3,140

As a result of the campaign carried out between 5 and 7 June 2019 in the bank's branches 3 140 customers of Santander Bank Polska have decided to switch to electronic communication with the bank.

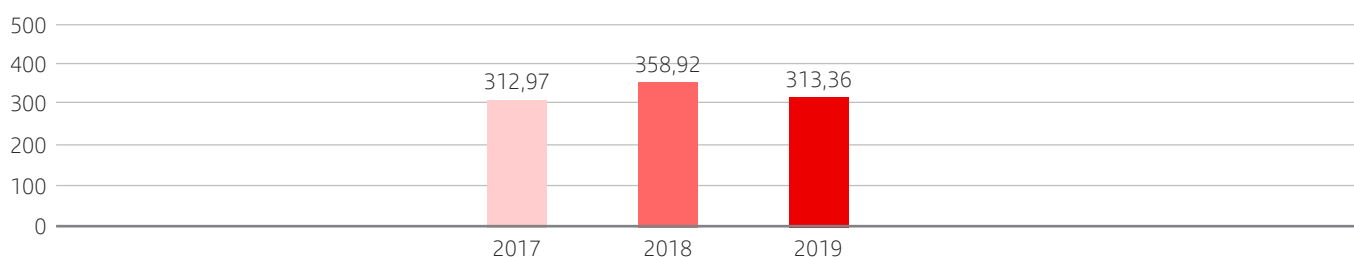
GRI: 301-1

The printers used in the bank are automatically set to duplex printing. Since 2017, the bank has had electronic invoice circulation system, which allows suppliers to send e-invoices.



In 2019, the bank consumed 313.36 tons of paper. A year earlier, its consumption was 358.92 tons and in 2017 it was 312.97 tons.

Paper consumption (tons)



GRI: 301-1, 302-1, 305-1, 305-2, 305-3; Other guidelines: ESG: Environment, EC/TCFD

Impact on climate

Banks play a crucial role in the orderly transition to a low-carbon economy. Santander Bank Polska supports and will accompany its clients in the process of energy transformation, financing those projects that significantly reduce the negative impact on the environment and society.

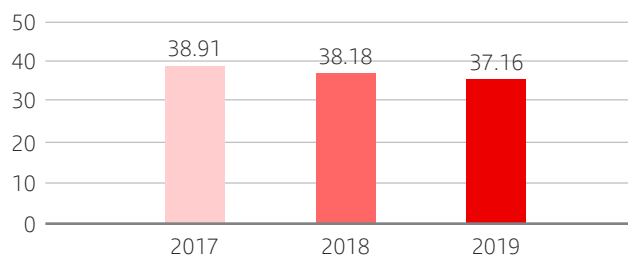
The risks of climate change have a high priority among other significant risks related to the development of the bank's business. We are developing a practice of monitoring the level of greenhouse gas emissions related directly and indirectly to our activities. As a result of the adopted initiatives and policies, in 2019 we achieved a significant improvement and reduction of direct and indirect emissions resulting from the bank's own operations, as well as in the monitored area of decarbonisation for energy sector clients, defined for the first time.

Greenhouse gas emissions from the bank's activities in 2019

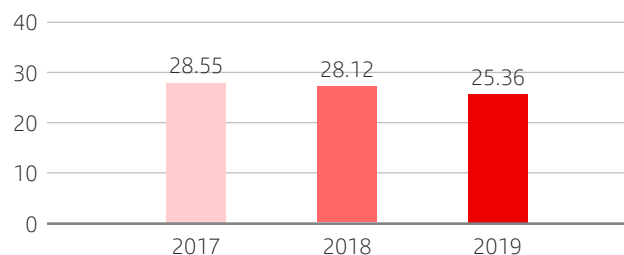


In 2019, the bank's total greenhouse gas (CO₂) emissions decreased by about **2.7%** versus the total emissions in 2018.

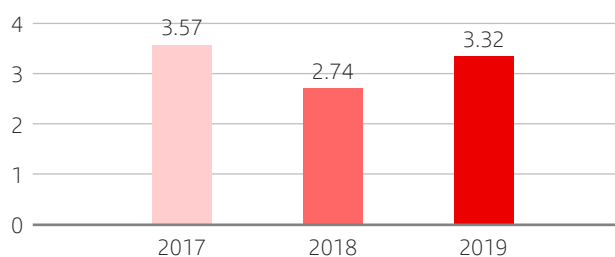
Total CO₂ emissions [thousand tons]



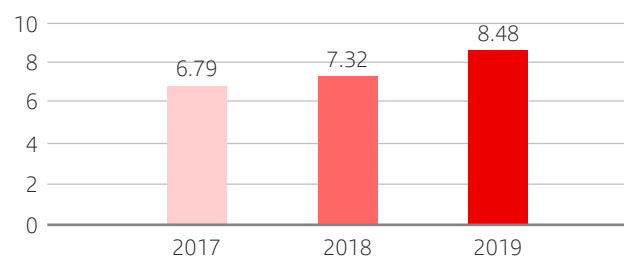
CO₂ emissions resulting from electricity purchased for the bank [thousand tons] – indirect emission (Scope 2 – according to GHG Protocol)



CO₂ emissions from heat generation [thousand tons] – direct emissions (Scope 1 – according to GHG Protocol)



CO₂ emissions related to transport and fuel burned in the engines of company vehicles [thousand tons] – residual indirect emissions (Scope 3 according to GHG Protocol)



CO₂ emissions in 2019 (in Mg/year)

CO ₂ emissions from electricity purchased for the bank [tons]	25 355.16
CO ₂ emissions related to heat generation [tons]	3 315.46
CO ₂ emissions from transport and fuel burned in company vehicle engines [tons]	8 475.04

Source: Calorific values (CV) and CO₂ emission factors (EF) in 2016 reported under the Emission Allowance Trading Scheme for 2019. Report prepared by KOBIZE CO₂, SO₂, NO_x, CO and TSP EMISSION FACTORS FOR ELECTRICITY based on information contained in the National Database on Emissions of Greenhouse Gases and Other Substances for 2018, Warsaw, December 2019

Consumption of energy resources in the bank in 2019

Petrol [m ³]	3 525
Natural gas [m ³]	1 417 876
Fuel oil [tons]	148
Diesel oil [m ³]	114 115

Electricity consumption by the bank for 2017-2019

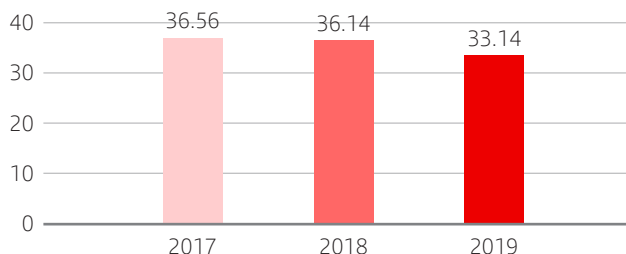


In 2019, the bank's total electricity consumption decreased by about **8.8%** versus energy consumption in 2018.

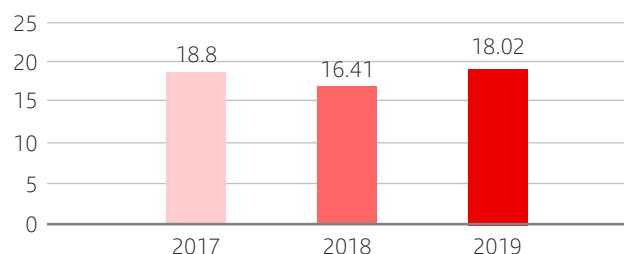
GRI: 302-1; Other guidelines: EC/TCFD

Energy consumption in connection with the bank's operations in 2019

Total electric energy consumption [thousand MWh]



Total consumption of energy from non-renewable sources [thousand MWh]



Electric energy consumption in the bank in 2019 (MWh)

Total electric energy consumption [MWh]	33 144.00
Total consumption of energy from non-renewable source [MWh]	18 018.23
including natural gas	15 100.38
including fuel oil	1 776.70
including diesel oil	1 141.15
Percentage of green energy purchased by the bank in 2019	15% – according to the law in force, in 2019 each seller had to sell energy with a minimum 15% share of RES. In 2020 we plan to obtain 100% of energy from RES.

Source: Electricity consumption based on reports from the seller. Consumption in large buildings, where the bank is re-invoiced, determined on the basis of values from invoices. Adopted rates of conversion of litres into MWh: 1 l of oil is 10 kWh, 1 m3 of gas is 10.65 kWh.



As part of the implemented #ResponsibleBanking strategy, as of 1 January 2020, 100% of electric energy purchased by the bank comes from environment-friendly sources. We have received an accession certificate for the Tauron Group's ECO Premium product, which confirms that the electricity sold to the bank is fully covered by the Eco Energy Sales Guarantee system and comes from environment-friendly energy sources. Upon completion of the contract, Santander Bank Polska will receive a certificate showing to what extent we have contributed to reducing CO₂ emissions. **As one of the first countries in the Santander Group, we have made such a significant contribution to the achievement of the Group's objective to use only ecological energy in all the Group's buildings by 2025.** The bank will continue to purchase electricity from Renewable Energy Sources in the coming years.

In addition, in 2021 the bank plans to carry out an energy efficiency audit which will also contribute to reducing energy consumption and emissions. In 2019 we started preparing the organisation for the implementation of an environment management system compliant with the requirements of ISO 14001:2015. In the period between 2020 and 2021, we want to certify the implemented management system. Another environmental target arising from the Santander Group's goals is to have each HQ building certified for conformance with environmental standards by 2025.

Other guidelines: [EC/TCFD](#)

Other emissions related to financial activities

For many years, Santander Bank Polska has been committed to publishing non-financial data as well as guidelines related to monitoring and improving the measurement of indirect impact of its financial operations. We understand our material role in the reduction of emissions which are included in Scope 3 (the so-called residual indirect emissions) of the main financial activities that affect the models and initiatives taken by the bank's clients to prevent climate change, in particular in the most sensitive sectors.

The reporting of the bank's indirect impact on the emissions of its clients depends on the quality of data provided by them, as clients also prepare for reporting in accordance with the new requirements. We have decided to start monitoring and reporting the indicators relating to emissions of selected groups of customers (the energy sector clients' emission index described further in the report). The bank plans to improve and fully implement the reporting in this respect within the deadline set by the European Union i.e. the next two years.

Investing in sustainable projects



In 2019, we continued to implement the adopted principles of sustainable growth through sustainable and green financing, coal de-investment and support for the transformation of the Polish energy sector into a low-carbon model. Issuance of green bonds, execution of **the first ESG-linked (E-environmental, S – social, G – governance)** loan agreement in Poland, granting loans and leases supporting energy efficiency are just some of the many green initiatives that were undertaken by Santander Bank Polska.

- 2017 – launch of the first green bonds offered by a commercial bank in the history of Polish banking.
- 2019 – participation in the issue of 10-year and 30-year green bonds of the Ministry of Finance worth EUR 2 billion.
- 2019 – new Mining and Metals Sector Policy.

In 2020, Santander Bank Polska provided the largest financing for photovoltaic assets in Poland to date (loan value approximating PLN 350 million, of which 50% comes from Santander Bank Polska). At the same time, the bank supports the transformation of the energy sector by using new green financing instruments which have not been employed in Poland so far: ESG-linked loans and SDG-linked bonds, described in more detail in other sections of the report. The amount of margin on these instruments depends, among others, on the reduction of CO₂ emissions and increase in the rate of RES in generated power.

The bank is also active outside the energy sector. One example is the first corporate green bonds in the media sector (Cyfrowy Polsat) where the main objective was to reduce CO₂ emissions.

> -30%
exposure to coal
companies

In 2019, the bank's exposure to enterprises with coal companies in their portfolio decreased by about PLN 974 million, i.e. over 30%. By 2030, we are planning to reduce the bank's exposure to coal producers completely (this is connected with the expiry of all historical financing agreements).

In accordance with the 2019 declaration, we completely abandoned financing of new power coal mines and new power units fuelled with coal. By 2030, the bank's exposure to energy coal producers will be reduced to zero.

All newly concluded financing agreements with companies from the energy sector contain clauses which explicitly exclude financing of capital expenditures related to coal energy from the provided funds. Santander Bank Polska has undertaken to support the transformation of the energy sector.

With regard to **financial services**, the climate change policy is implemented through financing and supporting projects associated with:



renewable energy



energy efficiency



electric, hybrid and
low-emission cars



water and waste
management
infrastructure



products and
services for
sustainable
construction



greenhouse gas
emissions



products and services
for the agricultural
and livestock breeding
sector (including
weather-related
and other natural
risks) responsible
investments



trading activities



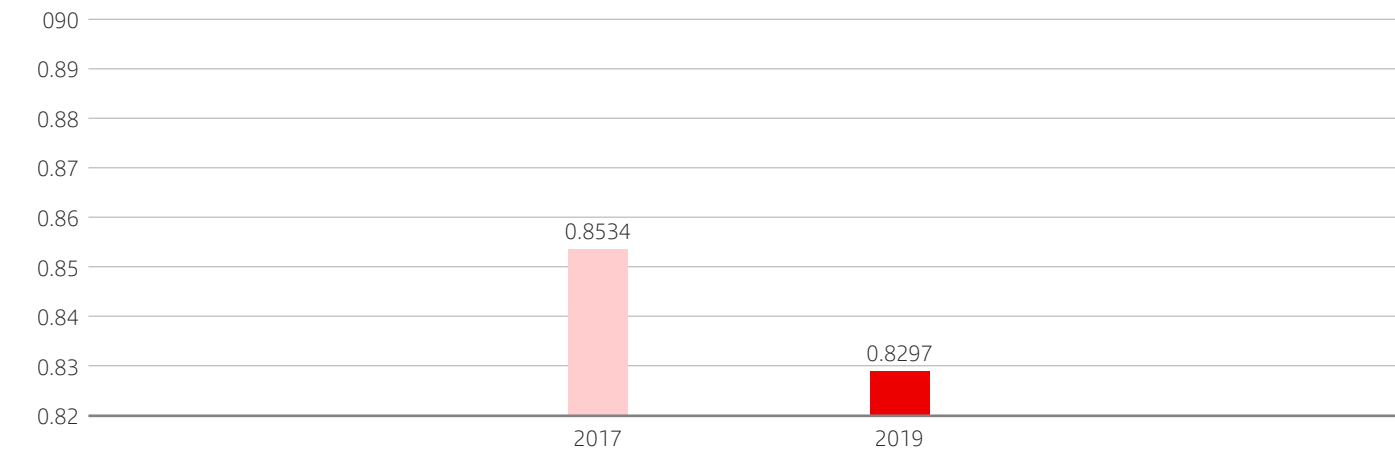
Indirect emissions

The chart below shows the change in the power generation emission factor in the years 2018-2019 for the bank's most important clients from the energy sector, representing not less than 80% of the sector's clients in the bank's financing portfolio.

As part of the disclosed results for 2018 and 2019, we defined a weighted average level of the electric energy generation emission factor for the bank's client portfolio, based on the amount of financing granted to a given bank's client and their specific CO₂/MWh emission factor for the energy generated by them.

GRI: 305-3; Other guidelines: EC/TCFD

Power generation emission factor in CO₂/MWh for the bank's portfolio of energy sector customers in 2018-2019



Weighted average CO ₂ /MWh emission ratio for bank's clients from the energy sector in 2018	0.8534 tCO ₂ /MWh
Weighted average CO ₂ /MWh emission ratio for the bank's energy sector clients in 2019	0.8297 tCO ₂ /MWh

GRI: 305-3; Other guidelines: EC/TCFD

-3%

The CO₂/MWh emission factor in 2019

The CO₂/MWh emission factor in 2019 for the electric power produced by energy sector customers financed by the bank decreased by about 3% versus 2018.

The presented trend of decreasing emission factor of energy sector customers is consistent with the commitment adopted by the bank to actively participate in the transformation of this sector.

The abovementioned factor was calculated by the bank for the first time, on the basis of data collected and made available by bank customers. The methodology of data collection and verification will be improved in order to transparently follow the progressing trends in reducing the carbon footprint in those selected sectors that have the greatest impact on climate and in accordance with the policies adopted by the bank.

A systemic approach to monitoring such data and indicators will allow the bank to track and verify progress in the fulfilment of the bank's commitment to participate in the energy transformation as well as to incentivise and support the bank's customers on their journey towards a sustainable economy and in line with the guidelines to combat climate change.

Other guidelines: [EC/TCFD](#)

Other activities of Santander Bank Polska indirectly related to climate change mitigation

In addition to minimising greenhouse gas emissions, we strive to ensure that our workplaces and customer services reflect our commitment to sustainability. In this spirit, we have taken steps to modernize the bank's buildings and open up high-quality, modern spaces for our customers and employees.



In 2019, we comprehensively modernised 34 branches of the bank. We adapted the interiors to the New Distribution Model, which focuses on professional and comfortable customer service and creating a friendly working environment.

Each facility has been upgraded with new air conditioning units to reduce energy consumption and recuperative ventilation systems. Thanks to heat recovery from the exchanged air, we reduce the consumption of energy needed to heat the branches.

The lighting inside and outside (including signage lighting with the bank's logo) are based solely on LED technology. The materials used for interior finishing are free from harmful volatile substances, and all wooden elements are **FSC certified** to confirm that the wood used in their manufacture comes only from legal sources.



Work Caffé

In September 2019, we opened the first branch in the new Work/Café format, which is located in Warsaw, in the Złota 44 building. It is a fully equipped co-working space, a café and a modern branch under one roof. The branch, just like the building itself, is equipped with the most modern technologies which guarantee the highest comfort, safety and low energy consumption optimized by the BMS system. We have created a comfortable workspace for our guests and clients with access to printers and Wi-Fi, equipped with meeting rooms and telephone booths.

It is the first facility of this kind in Poland which offers entrepreneurs assistance in business development and new opportunities to use the banking space for their own work: organizing meetings with customers, conducting training or business negotiations. Moreover, the branch offers space for organizing various types of events by entrepreneurs, researchers, foundations, etc. Work/Café is supported by a web service which not only complements but also expands the possibilities of this place.

In the Work/Café application you can:


- check the latest news from the bank,
- get to know the list of upcoming events organized in Work/Café,
- book a meeting with our advisor or a meeting room for Clients,
- but also see what's on our menu!

Additionally, Santander Bank Polska clients can book meeting rooms free of charge and in the café they get a 30% discount on the whole menu.

Through Work/Café we combine new, important expectations of our clients with traditional functions of bank branches. This is part of our distribution strategy, according to which Santander Bank Polska wants to be an omni-channel bank, giving its customers the opportunity to contact us as they want it – through a wide network of branches, stands in shopping centres, Multichannel Communication Centre, the best mobile application and the online banking platform.

Arek Przybył

Vice President of the Management Board in charge of Retail Banking Division

A background image showing a close-up of hands clapping. The hands are in focus, with one hand in the foreground and another slightly behind it. The background is blurred, showing other people in a crowd. The overall tone is warm and celebratory.

Chapter 5

Employees

GRI: 103-1, 103-2, 103-3: Employment terms and employee satisfaction; Other guidelines: ESG Social

Corporate culture

The organisational culture at Santander Bank Polska is consistent with the bank's business strategy and is based on the values set out in the General Code of Conduct.

The aim of our organizational culture is to build a friendly and inclusive workplace, to take care of the development of employees and their positive experiences as well as to increase their engagement.



Simple, Personal, Fair

Our culture is founded on three values: Simple, Personal, Fair.

Our guiding principles are set out in the General Code of Conduct – a document defining ethical standards and rules of conduct applicable to all employees. For more information about the Code go [here](#).

The corporate culture of Santander Bank Polska is based on:

8 standards of behaviour:



show respect



listen attentively



speak openly



keep promises



support others



be part of change



cooperate actively



work with
passion

Individual responsibility of each employee for managing risk in accordance with the pro-risk approach which consists of 5 principles:

- accountability,
- resilience,
- simplicity,
- challenge,
- customer focus.

Our priorities in 2019

Our priority is to build an inclusive, diverse and collaborative work environment that enables talent acquisition and greater autonomy for our employees. Activities focus on supporting and promoting the employment of people with disabilities and striving for a gender balance among top management.



As a signatory to the Diversity Charter, we have undertaken to create an organisational culture based on respect for diversity; develop policies and mechanisms that effectively support equal treatment and diversity management in the workplace; promote the benefits of diversity among stakeholders (employees, local communities, shareholders, customers).

Five priorities:



Promoting real diversity and inclusion in the workplace.



Building a positive customer and employee experience as parallel and complementary activities.



Speak Up Culture – actively encouraging open communication without fear.



Training and development of employee potential.



Building a sense of belonging to the global Santander Group and creating a friendly workplace.

Actions implemented in 2019

- An outplacement programme for people affected by collective redundancies which helped workers to find their way on the labour market.
- Transformation of the organization towards the Agile model (implementation of agile structures and new ways of work).
- Working with top executives on Leadership Commitments that complement the Simple, Personal, Fair values.
- Accelerating the bank's transformation by developing future leaders within the framework of the Young Leaders programme.
- Activating employees in social media to strengthen the Santander brand.
- SantanderGo! – launching a platform bringing together employees with similar passions and interests – social groups based on values and behaviour.
- SantanderWomen – supporting women in the workplace as experts and leaders within and outside the organization and creating a community of women.
- Launching ethical channels – activity of the Office of Ethics and Employee Relations.
- Continuation of the Differently Abled project promoting a diverse work environment.

As a result of the implemented actions, we have taken the leading position in the banking sector as an employer and recorded a significant increase in the employee engagement rate.



74 %

The employee engagement ratio in 2019

11,118

persons employed
in 2019 ¹

14,102

persons employed in
2019 in the Group ²

11 years

on average, employees
work for us for almost
11 years ³

39 years

average age of our
employees ⁴

0.8%

of employees with
disabilities

24%

employee
turnover ⁵

^{1,2} Number of persons employed in Santander Bank Polska / Santander Bank Polska Group, regardless of the job type and employment status.

³ Average employment time.

⁴ Average age of employees.

⁵ Turnover as number of terminated contracts in 2019 / average employment in 2019. The increase in the ratio results from the process of collective redundancies carried out in 2019.

Our plans for 2020 include:

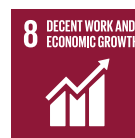
Continue to implement the Simple. Personal. Fair standards.

Promote an inclusive, simple and collaborative working environment.

Strengthen practices based on a responsible approach in consultation with all stakeholders.

GRI: 202-1, 401-1, 405-1; Other guidelines: ESG Governance

Diversity and human rights



Employment structure

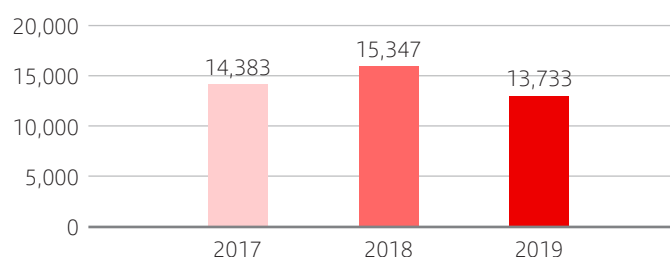
Employment in Santander Bank Polska and Santander Bank Polska Group

Bank's headcount: employees with an active status:

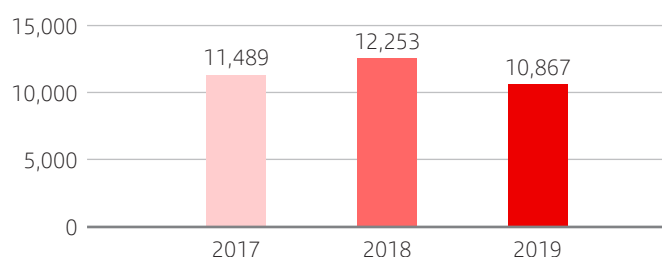


¹ Number of people employed in Santander Bank Polska with active status. The number of people employed in the bank – regardless of the job type and employment status – as at 31.12.2019 amounted to 11,118 people.

**Employment
in Santander Bank Polska Group***



Employment in Santander Bank Polska*



13,733 persons*

Group's headcount: employees with an active status

* Number of people employed by the Group with active status. The number of the Group's employees regardless of their employment status is 14,102.

More than half of the bank's employees are staff of the Business Support Centre. The second group are employees of the bank's branches all over Poland.

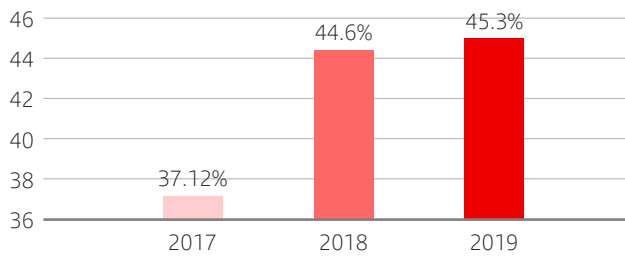
GRI: 405-1, 102-8

Percentage of bank employees in each category in 2019.

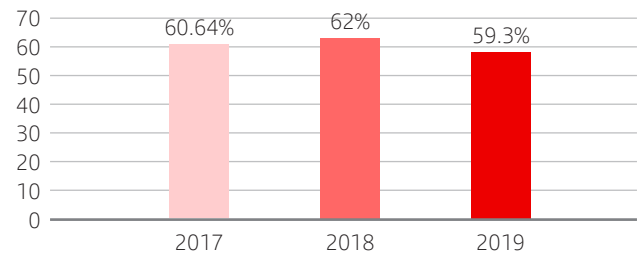
In relation to the total number of employees in the organisation

	Female (%)	Male (%)	Total percentage in each category
<30 years	(%)	5.46	17.19
30-50 years	48.88	21.44	70.32
>50 years	9.40	3.09	12.49

Rate of women in the bank's senior management

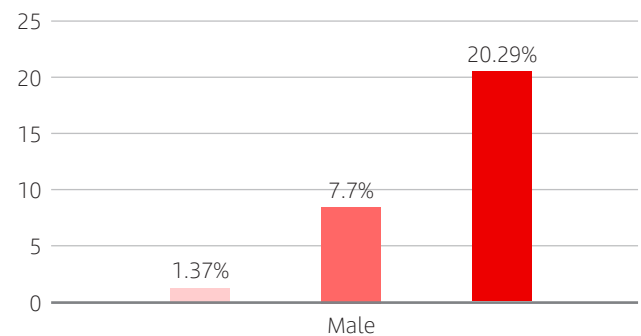
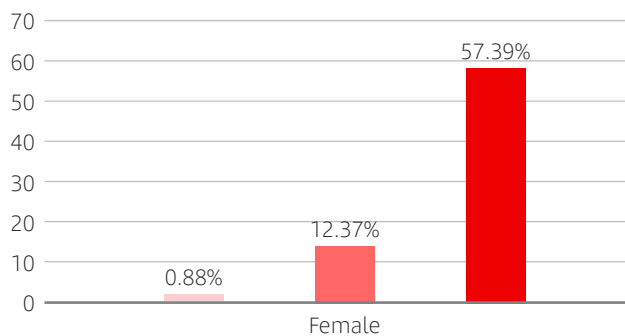


Rate of women in the bank's middle management*



* NThe category includes other managers, excluding Management Board members (the category concerns indicators 102-8 and 405-1).

Bank employees by employment structure (percentage of employees in each category in 2019. In relation to the total number of employees in the organisation)*



■ Senior management

■ Middle management

■ Other employees

*The category includes MRTs, managers grade 19 and 20 and managers in positions from Head of the Office and above, excluding Management Board members (the category concerns indicators 102-8 and 405-1).

**The category includes other managers, excluding Management Board members (the category concerns indicators 102-8 and 405-1).

***The data summary does not include members of the bank's management board and persons employed by the bank at 1/16 and 1/10 of the FTE. Values calculated based on the number of persons.

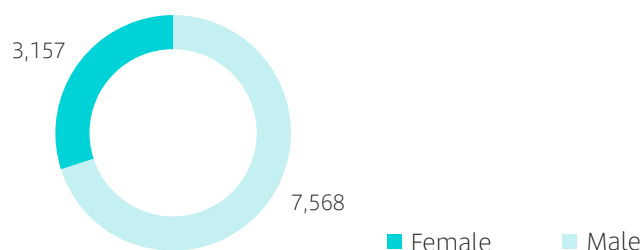
****This category includes non-management personnel (the category refers to indicators 102-8 and 405-1).

	Female (%)	Male (%)	Total percentage in each category (%)
Senior management	0.88%	1.37%	2.26%
Middle management	12.37%	7.70%	20.06%
Other employees	57.39%	20.29%	77.68%

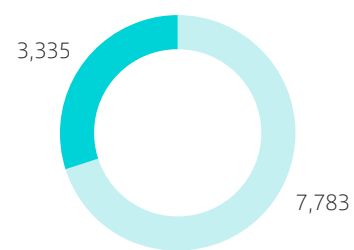
* The data summary does not include members of the bank's management board and persons employed by the bank at 1/16 and 1/10 of the FTE. Values calculated based on the number of persons.

Information on employees and associates by type of employment, type of employment contract region and gender in 2019

Total number of the bank's employees by gender (full-time equivalent)



Total number of bank employees by gender (persons)



Information on employees and associates by type of employment, type of employment contract region and gender in 2019

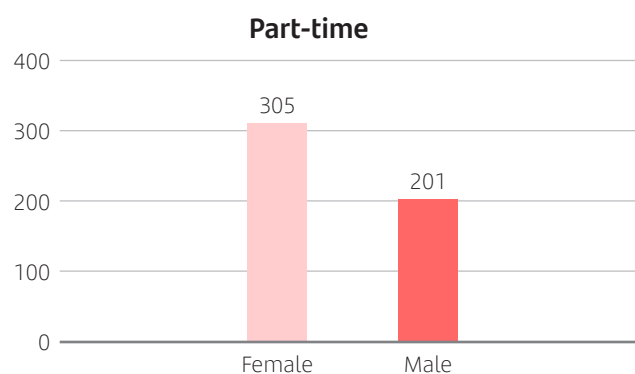
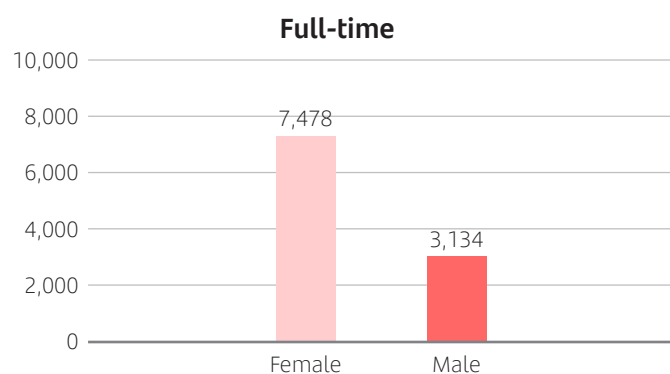
Total number of the bank's employees (full-time equivalent) by gender

female	7,568
male	3,157
Total	10,725

Total number of bank employees (persons) by gender

female	7,783
male	3,335
Total	11,118

Number of the bank's employees by employment type:



Number of the bank's employees (persons) by employment type and regions

Full-time

Capital city	2,045
Agglomerations	4,457
Large cities	1,813
Other	2,297

Part-time

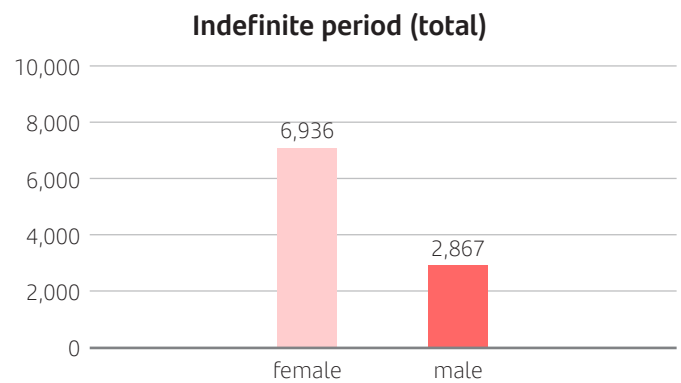
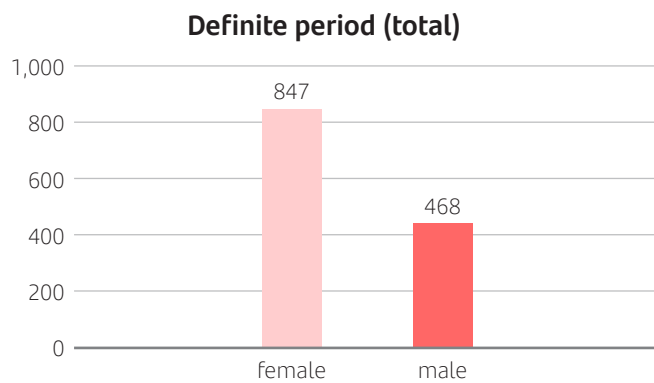
Capital city	152
Agglomerations	259
Large cities	73
Other	22

Number of the bank's employees (persons) by employment type

Full-time	10,612
female	7,478
male	3,134
Part-time	506
female	305
male	201

* This category includes non-management personnel (the category refers to indicators 102-8 and 405-1).

Number of bank employees by contract duration: (persons)



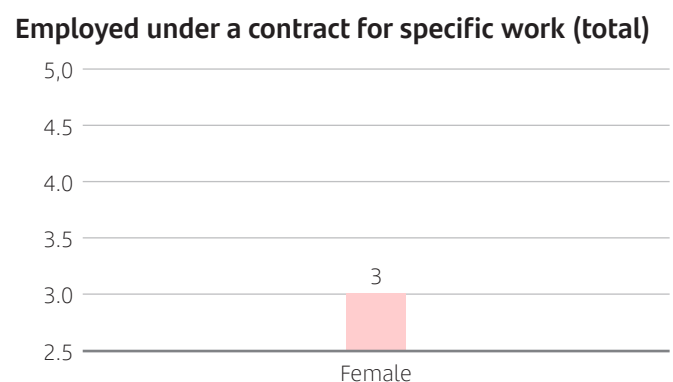
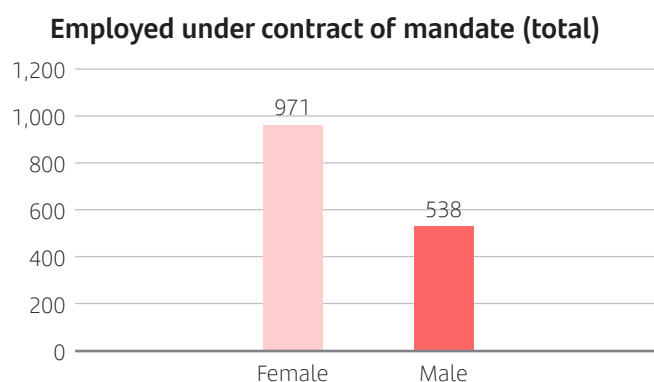
Number of bank employees (persons) by contract duration

Definite period (total)	1,315
female	847
male	468
Indefinite period (total)	9,803
female	6,936
male	2,867

Number of bank employees (persons) by contract duration and regions

Definite period (total)	1,315
Capital city	313
Agglomerations	521
Large cities	211
Other	270
Indefinite period (total)	9,803
Capital city	1,884
Agglomerations	4,195
Large cities	1,675
Other	2,049

Number of bank employees and associates employed under arrangements other than employment contracts (persons) broken down by:

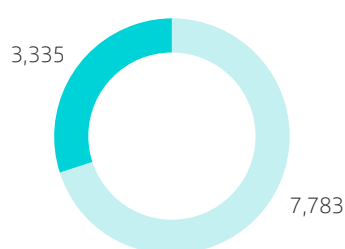


Number of bank employees and associates employed under arrangements other than employment contracts (persons) broken down by:

Employed under contract of mandate (total)	1,509
Female	971
Male	538
Employed under a contract for specific work (total)	3
Female	3
Male	0

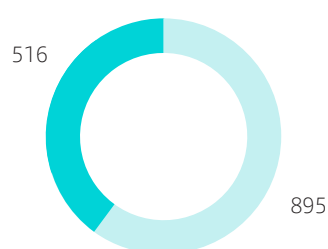
GRI: 401-1

Number of employees at the end of 2019



■ Male ■ Female

Number of newly hired employees (persons) by gender:



Number of employees at the end of 2019

11,118

Female	7,783
Male	3,335
Total number of newly hired employees (persons) by gender:	
Number of newly hired employees:	1,411
Female:	895
Male:	516
Rate of newly hired employees in the total number of employees by gender:	
Female*:	11.50%
Male**:	15.48%
Rate of newly employed women in the total number of new employees:	
Rate of newly employed men in the total number of new employees:	36.57%
Total number of newly employed employees (persons) by age group	
Number of employees <30	1,911
Number of employees 30-50	7,818
Number of employees >50	1,389
Number of new employees aged <30	733
Number of new employees aged 30-50	653
Number of new employees aged >50	25
Rate of new employees aged <30 in the total number of employees	6.59%
Rate of new employees aged 30-50 in the total number of employees	5.87%
Rate of new employees aged >50 in the total number of employees	0.22%
Rate of new employees aged <30 in the total number of newly hired employees	51.95%
Rate of new employees aged 30-50 in the total number of newly hired employees	46.28%
Rate of new employees aged >50 in the total number of newly hired employees	1.77%

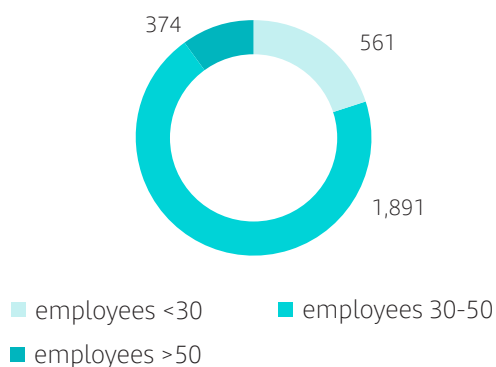
Total number of newly hired employees in 2019 (persons) broken down by location:

Full-time	1,250
Capital city	328
Agglomerations	507
Large cities	174
Other	241
Part-time	161
Capital city	44
Agglomerations	90
Large cities	23
Other	4

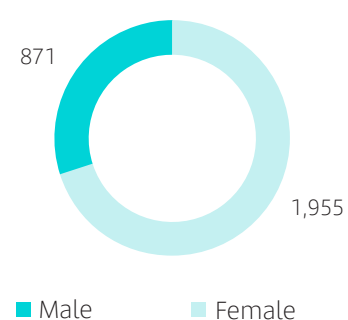
Total number of new employees (persons) by location

Number of employees: Capital city	2,197
Number of employees: Agglomerations	4,716
Number of employees: Large cities	1,886
Number of employees: Other	2,319
Number of newly hired employees: Capital city	372
Number of newly hired employees: Agglomerations	597
Number of newly hired employees: Large cities	197
Number of newly hired employees: Other	245
Rate of newly hired employees in the capital city vs. total number of employees in a given location	16.93%
Rate of newly hired employees in the agglomerations vs. total number of employees in a given location	12.66%
Rate of newly hired employees in large cities vs. total number of employees in a given location	10.45%
Rate of newly hired employees in other locations vs. total number of employees in a given location	10.56%
Rate of newly hired employees in the capital city vs. total number of newly hired employees	26.37%
Rate of newly hired employees in the agglomerations vs. total number of newly hired employees	42.31%
Rate of newly hired employees in large cities vs. total number of newly hired employees	13.96%
Rate of newly hired employees in other locations vs. total number of newly hired employees	17.36%

Total number of employees leaving the company (persons) by gender



Total number of employees leaving the company (persons) by age



Total number of employees leaving the company (persons) by gender

Total number of employees:	11,118
female:	7,783
male:	3,335
Number of employees leaving the company:	2,826
female:	1,955
male:	871
Rate of employees leaving the company in the total number of employees by gender:	
female:	25.12%
male:	26.12%
Rate of women in the total number of employees leaving the company:	69.17%
Rate of men in the total number of employees leaving the company:	30.82%
Total number of employees leaving the company (persons) by age	
Number of employees aged <30	1,911
Number of employees aged 30-50	7,818
Number of employees aged >50	1,389
Number of employees leaving the company aged <30	561
Number of employees leaving the company aged 30-50	1,891
Number of employees leaving the company aged >50	374
Rate of employees leaving the company aged <30 vs. total number of employees in a given age category	29.36%
Rate of employees leaving the company aged 30-50 vs. total number of employees in a given age category	24.19%
Rate of employees leaving the company aged >50 vs. total number of employees in a given age category	26.93%
Rate of employees leaving the company aged <30 vs. total number of employees leaving the company	19.85%
Rate of employees leaving the company aged 30-50 vs. total number of employees leaving the company	66.91%
Rate of employees leaving the company aged >50 vs. total number of employees leaving the company	13.23%

* The ratio of newly employed women in the reporting period to the number of all women employed in the bank on an employment contract as at 31.12.2019.

**The ratio of newly employed men in the reporting period to the number of all men employed in the bank on an employment contract as at 31.12.2019.

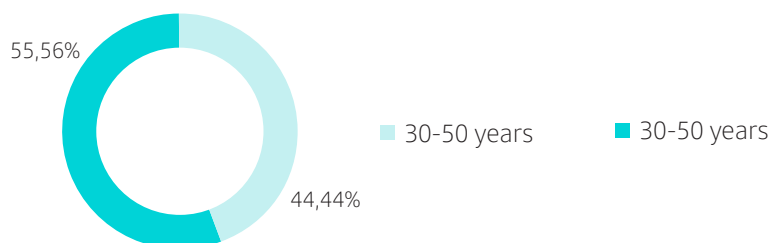


Total number of employees leaving the company (persons) by location

Number of employees: Capital city	2,197
Number of employees: Agglomerations	4,716
Number of employees: Large cities	1,886
Number of employees: Other	2,319
Number of employees leaving the company: Capital city	657
Number of employees leaving the company: Agglomerations	1,072
Number of employees leaving the company: Large cities	551
Number of employees leaving the company: Others	546
Rate of employees leaving the company in the capital city vs. total number of employees in a given location	29.9%
Rate of employees leaving the company in agglomerations vs. total number of employees in a given location	22.73%
Rate of employees leaving the company in large cities vs. total number of employees in a given location	29.21%
Rate of employees leaving the company in other locations vs. total number of employees in a given location	23.54%
Rate of employees leaving the company in the capital city vs. total number of employees leaving the company	23.25%
Rate of employees leaving the company in agglomerations vs. total number of employees leaving the company	37.93%
Rate of employees leaving the company in large cities vs. total number of employees leaving the company	19.50%
Rate of employees leaving the company in other locations vs. total number of employees leaving the company	19.32%

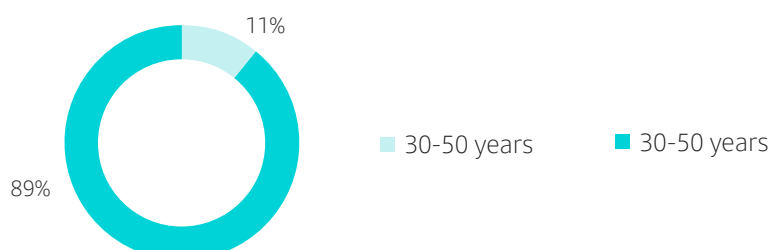
GRI: 401-1

Composition of the bank's Management Board by age and diversity



	Female (%)	Male (%)	Percentage in each category
<30 years	0	0	0
30-50 years	0	44.44	44.44
>50 years	11.1	44.44	55.56
Total percentage	11.1	88.89	100
Foreigners	0	33.33	33.33

Composition of the bank's Supervisory Board by age and diversity



	Female (%)	Male (%)	Percentage in each category
<30	0	0	0
aged 30-50	11	0	11
aged >50	22	67	89
Total	33	67	100
Foreigner	11	56	67

GRI: 103-1, 103-2, 103-3: Diversity and equal opportunities in the workplace, including equal pay for women and men;

Other guideline: ESG: Social

Diversity management

Diversity and respect for human rights are integral elements of our corporate culture.

We want to build an inclusive and diverse working environment. We strive to maintain a gender balance in management positions and on the management board and to close the pay gap between men and women. Our activities also focus on supporting and promoting the employment of persons with disabilities.

The following policies govern the protection and promotion of diversity within the bank:

General Code of Conduct

General Code of Conduct is an overarching document that sets standards and promotes the attitudes and rules of conduct of Santander Group employees. The Code is founded on the **Simple, Personal, Fair** values and is a set of rules that apply to all employees of our bank, regardless of their functions.

Respect and Dignity Policy

The policy specifies how to create a diverse work environment where ethical principles are observed and the personal dignity of each employee is respected. The document is intended to counteract negative phenomena of discrimination, mobbing or harassment. An annex to this policy is the document entitled "Support for Parents", which describes the bank's activities for the benefit of persons who are absent from work for a long time due to pregnancy or taking maternity, parental or child-raising leave.

Diversity Policy with regard to the composition of the bank's Management Board

The policy includes a commitment that the bank will make every effort to ensure that candidates for members of the Management Board and key executives have a broad range of qualities and competences and have independent judgements and opinions. In addition, the Policy provides for gender balance in the composition of the Management Board and declares that there shall be no discrimination between candidates for Management Board members.

Human Rights Policy

The policy formulates a number of principles with respect to different stakeholder groups, including the bank's commitment to ensure that all employees have equal opportunities for access to work and promotion and to prevent unequal treatment based on age, gender, race, religion, origin, marital status or financial situation.

The bank's commitments as a signatory to the Diversity Charter

The commitments relate to building an organisational culture based on respect for diversity, developing policies and mechanisms that effectively support equal treatment and management of diversity in the workplace, promoting the benefits of diversity among stakeholders (employees, local communities, shareholders, customers) and reporting on actions taken and their results.

Sustainable Development policy

The policy provides for respect of diversity and prohibits discrimination based on sex, race/origin, age or any other grounds, and prescribes equal treatment of employees and the pursuit of a balanced representation of women and men in all functions and responsibilities.

Development programmes for women implemented in 2019



The Supervisory Board aims to achieve a level of at least **30%** of women in the Management Board by 2025 and to increase diversity in terms of geographical origin.

As part of the programs, women leaders built their personal brands based on inspirational and mentoring sessions dedicated to leadership. We developed activities for the benefit of the women's community and supporting women in the workplace in the roles of experts and women leaders within and outside the organization.

Female Side of Business

This is a program initiated in 2018 by women for women. Its aim is to increase the number of women in managerial roles in Santander Bank Polska. We want women to get involved in building a community of women in Santander Bank Polska and the whole Santander Group, take up professional challenges and invest in their personal development without fear.

The programme is one of the activities within the *Diversity & Inclusion* project currently taking place across the Santander Group and adopted as part of our bank's HR strategy. The programme also contributes to the implementation of the Diversity Charter provisions by the bank.



Project activities:



mentoring



incentive meetings



networking meetings

Santander W50

This mentoring program is aimed at experienced managers and specialists. Its goal is to support preparation for top positions in companies and organizations by, among others, defining areas for development, building self-awareness, developing an individual mentoring plan or providing participants with substantive knowledge on project management and team management methods.



Monitoring of women's and men's pay

As part of its efforts to promote equal treatment of women and men, the bank monitors the remuneration of employees on the basis of gender using EPG (Equal Pay Gap) and GPG (Gender Pay Gap) indicators. For more information about it and about remuneration of women and men in Santander Bank Polska go to: Salaries and benefits

Support for women in collaboration with partners



Together with Vital Voices Poland and the Lesław Paga Foundation, we are a partner to programmes dedicated to women. The bank's female employees act as experts, mentors or take part in mentoring processes.



In 2019 we were a partner of the Female in Tech Summit, Europe's second largest conference for women in technology.



We are implementing the "Two Hours for the Family" campaign organised as part of the International Family Day. The bank's employees hired under contracts of employment can take advantage of the additional two hours of justified absence from work to spend extra time with their families.



We support women in SMEs. We conduct inspirational meetings for employees and clients from the SME sector in different parts of Poland. They are an opportunity to share business practices and stories, as well as to create networks and joint CSR activities.



We have launched women's communities on the SantanderGO platform (#WeHavePower and #SantanderWomen), where women can share experience and create social groups (e.g. groups for moms).



We have organized, among others, Women's Tech Week under the tagline "Women write the code of Santander's future". Through the stories from our experts working in the jobs of the future (Data Analyst, UX, Cybersecurity, etc.), we refuted myths about women's low interest in the IT area. We also talked about juggling professional and family life.

Plans for 2020 on development projects for women

#SantanderWoman

In 2020 we plan to launch the **#SantanderWomen** initiative. We want to create a professional community of men and women based on values such as: solidarity, mutual help and support for activities enabling women to take up managerial positions. The aim of the initiative will be to inspire and develop activities aimed at women and not only. Within the community, we plan to launch newsletters with interesting articles and hold inspirational meetings.

Promotion of employment of persons with disabilities

Since 2018 we have been carrying out the Differently Abled programme preparing our organization for employing persons with disabilities. In this programme we raise awareness of the needs and rights of people with disabilities and break down barriers related to their employment.



The bank employed **87** persons with disabilities under employment contracts as at 31 December 2019.

Our activities in 2019:

- We provided communication and education on the needs and rights of persons with disabilities, including workshops on savoir vivre in contacts with persons with disabilities and published a series of articles "Share your knowledge on disabilities" addressed to HR employees and managers.
- We encouraged employees to disclose information about their disability and, as a result, we offered a financial allowance for this group of employees in April 2020.
- We have expanded our cooperation with institutions (universities, foundations and other institutions) supporting employers in hiring people with disabilities in training, consultation and recruitment.
- We were the main partner of the "Night Listing" event of the Wrocław University of Technology the aim of which was to collect money for the scholarship fund for disabled students.



GRI: 406-1; Other guidelines: ESG: Social

Anti-discrimination



Respect for human rights according to the highest international standards is prescribed in our bank's "Human Rights Policy". The Policy sets out the principles of conduct and obligations resulting from the catalogue of international declarations applicable to the bank's relations with all stakeholders. Each commitment is accompanied by a specification of the activities through which it should be implemented.




Commitments to employees included in the "Human Rights Policy":

- preventing discrimination and practices that violate human dignity,
- a commitment not to use forced labour or child labour,
- respect for the right of association and collective bargaining,
- protection of workers' health,
- offering decent work, including fair remuneration, respecting the right to rest, protecting personal data and privacy and offering flexible working arrangements to enable employees to balance their careers with other interests and responsibilities.

To learn more about the bank's approach to diversity management, policies and results go to Diversity Management.

GRI: 406-1



In 2019, there were no cases of discrimination in the bank.



84%

of the bank's employees agree that the differences between employees are widely accepted and appreciated by the company.

Employment terms

Recruitment

By 2021, we want to become one of the top ten employers in at least six major geophysical areas in which we operate.

Santander Bank Polska has clear and transparent recruitment rules set out in the document "Organization of the Recruitment Process". All persons involved in the recruitment process are obliged to apply the principles of ethics resulting from the Labour Code and internal regulations, as well as provisions on confidentiality and non-discrimination.



Internal Recruitment

Priority is given to bank employees in internal recruitment processes. In this way we broaden the possibilities of employee development and support the building of individual career paths.

Recommendations Programme

The program involves employees in the recruitment process, encouraging them to recommend candidates for vacant positions. The system allows to reach a larger group of people interested in taking up a job in the bank, according to the recruitment criteria for a given position.

Internship and Training Programme

The programme is conducted in cooperation with universities in the country, attracting young, educated and talented employees. In 2019 we launched internships opportunities in such fields of specialty as Software Engineering, Cyber Security, Big Data and User Experience, acquiring the key competences of the future in accordance with the global development strategy.

In the recruitment process we also benefit from the support of external companies, use social media and take part in job fairs and events organized by universities, scientific circles and career offices.

The basic criterion for selecting candidates is compliance with the required job profile in terms of competence, experience, knowledge, motivation and personality, as well as matching the organizational culture.

In the recruitment process we promoted the employment of persons with disabilities as part of the Differently Abled Programme.



Recruitment in 2019:

- We continued to acquire competences aligned with the new profile and better adapted to such market challenges as continuous change, digitalization and robotization, Big Data and Cyber Security.
- We focused on activities supporting the image of the bank as a modern and responsible employer making use of available technological solutions (e.g. contact with candidates was supported by chatbot, the date of the recruitment meeting with the candidate was confirmed by means of Waywer's video message), being active in social media (LinkedIn, Facebook) and running programmes to encourage the employment of persons with disabilities. We are the second most active bank on LinkedIn and the third most active employer on LinkedIn in Poland. We were the first bank in Poland to start recruitment in social media.
- In cooperation with other bank branches around the world, we want to launch a common advertising platform for Santander Group employees in all countries. These activities will strengthen the exchange of experience and enable the bank's employees to develop careers in global structures.

GRI: 102-35, 401-2, 405-2

Salaries and benefits



Our commitment: We believe that our employees deserve fair remuneration determined according to transparent rules. That's why we are maintaining a fair pay scale and are committed to closing the pay gap by 2025.

The rules of remuneration of Santander Bank Polska's employees are governed by the Remuneration Policy. The policy defines the process of determining fixed and variable components of remuneration and the criteria for payment of variable remuneration and all other elements (fixed, variable, long-term incentive schemes, etc.). The total remuneration pay scale in the bank is in line with market practices and the amount of remuneration corresponds to the level offered in the banking sector. The bank's remuneration system aims at attracting and retaining the best qualified employees in the financial sector.

In 2019, we updated our Policy, for instance:

- We introduced references to Responsible Banking principles;
- We strengthened regulations ensuring the maintenance of a solid capital base for the institution;
- We elaborated the provisions on guaranteed variable remuneration, compensation for variable remuneration, retention plans, severance payments and damages;
- We defined the decision-making competences on the level of fixed remuneration for members of the Management Board and identified employees (Material Risk Takers).

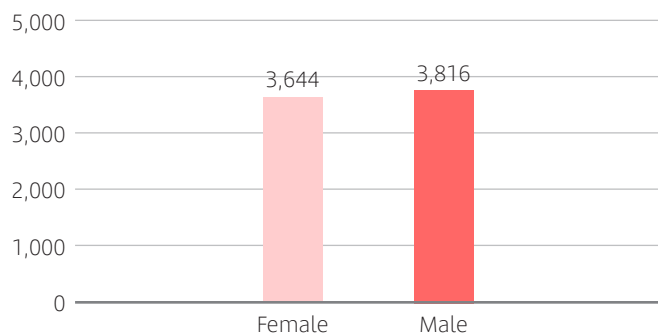


In 2019, as part of the annual employee remuneration review, we focused on individual performance and employee attitudes in line with bank values and talent retention.

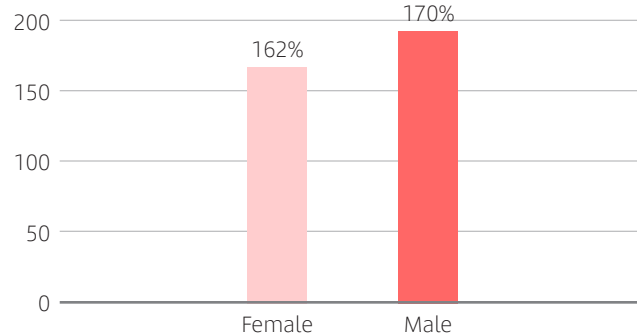
Santander Bank Polska's Remuneration Policy is based on the principles of equal treatment of women and men. To this end, we monitor the remuneration of employees based on gender using EPG (Equal Pay Gap) and GPG (Gender Pay Gap) indicators. We have included the EPG indicator in the pay rise process launched by the bank in 2019. The bank's pool of funds allocated to pay rises was divided in a way that reduces the pay gap between employees of different genders for the same positions.

GRI: 202-1, 405-2

Average monthly salary of staff at entry level

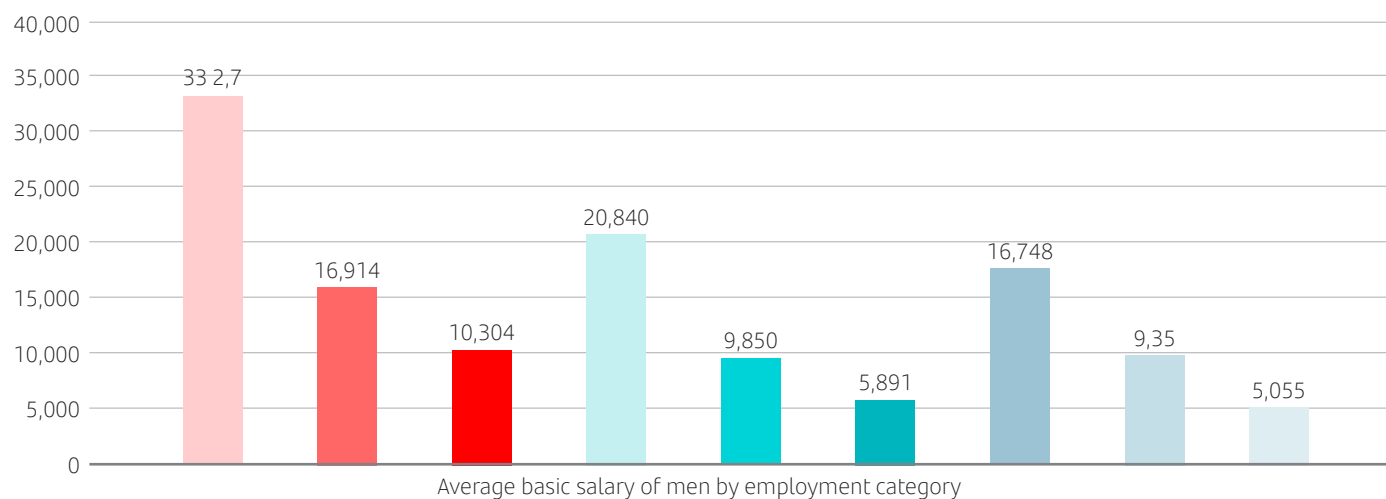
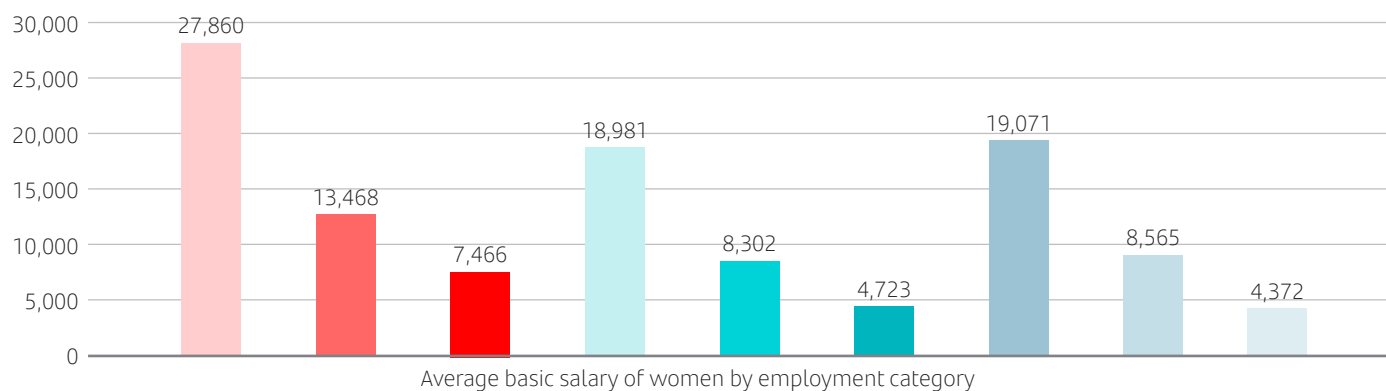


% of the minimum wage



Ratios of entry-level wage by gender in 2019

	Female	Male
Average monthly salary of staff at entry level	3,644	3,816
% of the minimum wage	162%	170%





Ratio of basic salary and remuneration of women to men by position	Average basic salary of women by employment category	Average basic salary of men by employment category	Ratio of basic salary paid to women vs. to men
Capital city – Senior management	27,860	33,207	84%
Capital city – Middle management	13,468	16,914	80%
Capital city – Other employees	7,466	10,304	72%
Agglomerations – Senior management	21,953	24,660	89%
Agglomerations – Middle management	10,723	12,736	84%
Agglomerations – Other employees	5,867	7,955	74%
Large cities – Senior management	18,981	20,840	91%
Large cities – Middle management	8,302	9,850	84%
Large cities – Other employees	4,723	5,891	80%
Other – Senior management	19,071	16,748	114%
Other – Middle management	8,565	9,835	87%
Other – Other employees	4,372	5,055	86%

¹ This category includes Head of the Office and above, excluding Management Board members

In 2019 we narrowed the pay gap between men and women in the bank. In the category "Capital city – Senior management", the basic salary paid to women increased by 8% compared to men's basic salary and in the category "Agglomerations – Senior management" by 7%. In the category "Large cities – Senior management" the corresponding growth was 3% and in the category of "Large cities – Middle management" by 4%. On the other hand, in the category "Agglomerations – Middle management" and "Agglomerations – Other employees" a decrease in the basic salary of women compared to the basic salary of men by 1% was recorded.

GRI: 102-41



Santander Bank Polska has six trade union organisations. There are no Collective Labour Agreements in the bank.

GRI: 401-2

All employees of our bank are eligible for additional benefits.

Santander Bank Polska offers its employees a wide range of benefits to meet the needs of different generational groups. It increases the feeling of comfort and safety of employees and their relatives. The range of benefits offered supports our strategy of creating a friendly workplace.

We want the available benefits to encourage employees to lead healthy lifestyles and help maintain a work-life balance. To read more about programmes to promote healthy lifestyles go to Wellbeing.



Health



Family



Education



Social support

Our benefits offer includes, among others

- Multisport card,
- group life insurance,
- discount program for business partner products,
- reimbursement of the purchase of corrective glasses,
- financial assistance,
- comprehensive private medical care.

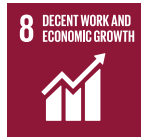
In 2019, the offering was extended to include a car program for employees, which allows: purchase of a new car for cash with an attractive discount, financing the purchase of the car with a loan on preferential terms, renting a car for 12/24/36 months with additional benefits, participating in an e-auction organized in cooperation with Santander Leasing S.A. and purchasing a certified post-leasing company car at an attractive price.

Employees can also use a cafeteria system, where the awarded points can be freely exchanged for the purchase of services and benefits from a wide range of hotel, tourist, cultural, sports and shopping offers.

As part of the support for families with children, the bank allocates funds for school trips for students under 18 years of age and reimburses the costs of childcare in nurseries, kindergartens and children's clubs, as well as the costs of organized trips (day camps, summer and winter camps). In addition, when a child is born, parents may, among other things, take an additional paid 3-week holiday, reduce their job hours or take advantage of the adaptation period.



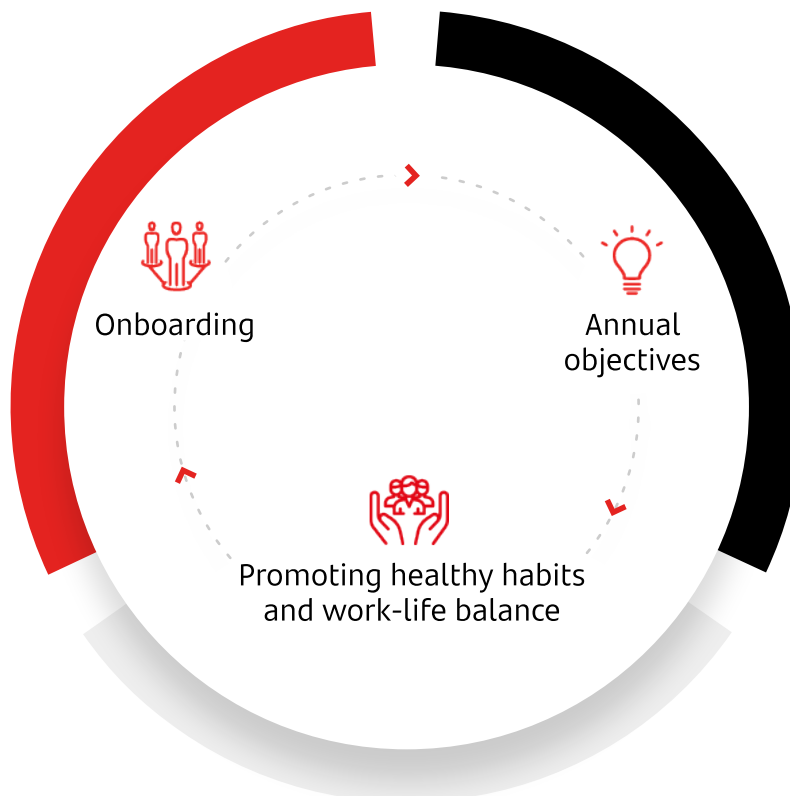
Wellbeing



We care for the well-being of our employees by offering them a wide range of non-cash benefits and making efforts to promote healthy lifestyles under the BeHealthy Programme.

Program BeHealthy

We care for the well-being of our employees by offering them a wide range of non-cash benefits and making efforts to promote healthy lifestyles under the BeHealthy Programme.



The BeHealthy programme (formerly: Healthy Bank) is present throughout the entire employment duration of our employees in the company and the first time they come across the programme is already at the stage of onboarding. From the very beginning, we want them to learn about the benefits that support a healthy lifestyle and development of good habits.

We have incorporated the BeHealthy objectives into our annual objectives as an option so that we can use the business target planning process to set our own healthcare goals. We encourage employees to, among other things, eat and drink water regularly, sleep regularly, practice mindfulness, remember about health check-ups and spend some time every day without access to their mobile phones.

It is crucial for us that our employees not only participate in the activities offered by the BeHealthy programme, but actually contribute to them. It is thanks to them that the social network is alive and attracts more people. The employees get involved in the organization of various events, upload footage for our video broadcasts, share their passions and support others as BeHealthy ambassadors.

In 2020 we want to introduce more innovations. We will not only look after physical and mental health, but also financial sustainability, developing healthy relationships and promoting ecology. We want every employee of the bank to feel that they are in a company that cares for them and provides opportunities to take good care of their own health.

The most important initiatives of the BeHealthy Programme:

Santander GO!

In order to support our employees in achieving their sports goals, we have launched an application for recording physical activities. Employees, regardless of location, can participate in games and freely communicate in groups related to their passions. The application is available both in the web browser and on smartphones, which means that the fitness culture accompanies our employees every day – also after hours.

The Santander GO! website also helps to find training partners, get advice from more experienced colleagues or just get active.

Some of the activities in the application, thanks to the partnership with the Santander Foundation, also have a charitable purpose. For instance, after reaching a certain pre-defined target e.g. the number of kilometres travelled, the Foundation makes a donation to a noble cause. In this way, each employee, even through recording a short walk, makes a contribution to supporting those in need. Among more than 80 activities that can be recorded on the website, there is also corporate volunteering. Each employee volunteer can share his or her emotions and encourage others to join in.

A regular video in the formula of sports news is also broadcast

The persons featuring in the programme are our employees who inspire each other to undertake activities that serve their health. We talk about people who took part in competitions, are preparing for a marathon or have found a great place to practice. We emphasize their successes, including the smallest ones which lead to larger goals.

BeHealthy Week

throughout the whole week, employees can benefit from consultations with physiotherapists or nutritionists and take part in workshops and webinars with experts. This is the time when we provide information on how to deal with stress and how to find a proper balance between private life and work.

Sports competitions and tournaments

500

employees took part
in the Poland Business
Run

- **Poland Business Run** – we are the most strongly represented organization in this competition. In 2019, **500** employees in **9** cities took part in the run. This is our record to date.
- **The sports tournament in Puławy** – is our internal Olympic Games which we organize every year for our employees. We compete in several sports disciplines, such as volleyball, basketball, running or football.
- **The North Race Helps** – employees from the North Macroregion organize a charity run once a year. In 2019, they collected **PLN 30 thousand**.

**PLN 30
thousand.**

collected in The North
Race Helps

- In addition, we take part in industry events such as the Company Runs or Sports Games.
- **Company running competitions** – 250 employees participated in the races in Wrocław and Warsaw.
- **Sports Games Wrocław** – 100 employees took part in basketball, volleyball and football games in the city of Wrocław.

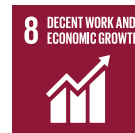
Rajd Bankowca Trekking Event

Every year the bank organizes a trekking event for employees and their families in interesting places in Poland and abroad. The event combines corporate integration and active family recreation. The dates of the events during the year partly coincide with school holidays for students to make it easier for parents with children to participate.



In 2019, Rajd Bankowca was attended by nearly **1,000** employees with families. On average 90% of participants expressed their interest in participating in the event next year and **91%** recommended Rajd Bankowca to other employees.

GRI: 403-2; Other guidelines: ESG: Social



Safety in the workplace

We create a safe and friendly working environment for our employees. We run health programs for our employees and activities related to the prevention of occupational health issues. We follow health and safety procedures and internal policies in this area.

Our initiatives in 2019:

- We developed a new risk assessment process for all employees. The documentation was approved by a physician specializing in occupational medicine and a trade union representative. We developed e-learning courses for employees in the area of occupational risk assessment.
- We conducted e-learning training to familiarize employees with the risk assessment documentation for **8,472** employees.
- We updated all health and safety procedures.
- We trained **52** employees in first aid.
- We carried out occupational health and safety audits in all branches and business support centre locations where Santander Bank Polska employees work.
- We trained our OHS employees in first aid by enrolling them in the Certified First Aid training.
- An OHS Coordinator was appointed to review the operation, cleaning and maintenance of air-conditioning and ventilation systems, including the chemicals used. The checks carried out in the Business Support Centre buildings did not reveal any irregularities.



In 2019, the accident severity index fell by 8.34 compared to the previous year which measures the average number of days lost per victim of a work-related accident.

Our health promotion activities included:



252

Dermatoscopic examinations in mobile buses, in four locations of the Business Support Centre (Warsaw, Poznań, Wrocław and Lublin). In total, 252 employees were examined.



331

Mammography examinations in mobile buses, in three Business Support Centre locations (Warsaw, Wrocław and Poznań). In total, 331 employees were examined.

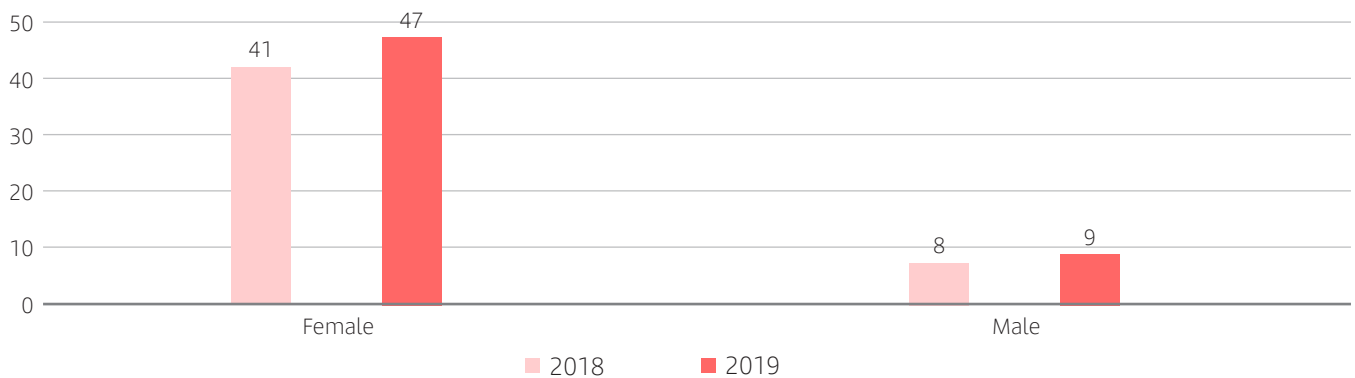


Our plans for 2020:

- Digitalisation of occupational health and safety processes.
- Implementation of an electronic application form for reimbursement of the cost of corrective glasses.
- Adaptation of the procedures in force, definition of the principles of operation and preparation of appropriate instructions in relation to the emergence of the epidemiological risk of SARS-CoV-2.

GRI: 403-2;

Accidents at work in 2019 by employee gender



Accidents at work in 2019 by employee gender

2018

2019

Accidents at work in 2019 by employee gender	2018	2019
Female	41	47
Male	8	9

Work accidents (incidents) in 2019 by gender



Work accidents (incidents) in 2019 by gender	Woman	Man
Number of employees at the end of 2019	11,118	
Total number of work-related accidents	47	9
Number of fatal work-related accidents (incidents)	0	0
Number of major work-related accidents (incidents)	0	0
Number of minor work-related accidents (incidents)	47	9
Total number of persons injured in accidents	56	
Accident incidence rate (IR, calculated as the total number of persons injured in accidents/employment × 1,000) – total	5.04	
Accident incidence rate (IR, calculated as the total number of persons injured in accidents/employment × 1,000)	6.04	2.7
Total number of lost days due to work accidents (LDR, calculated as the total number of lost days to the planned number of employees' hours of work in the reporting period × 200,000)	1,617	
Total number of lost days due to work accidents (LDR, calculated as the total number of lost days to the planned number of employees' hours of work in the reporting period × 200,000)	1,539	78
Accident severity rate (calculated as a total number of lost days due to an accidents/number of accidents) – total	28.88	
Accident severity rate (calculated as a total number of lost days due to an accidents/number of accidents)	32.74	8.67
Absence rate (AR, calculated as total number of days of absence from work / number of days of work in a year * 200,000) – total	25	
Absence rate (AR, calculated as total number of days of absence from work / number of days of work in a year * 200,000)	29	15

Source: Register of accidents at work, Employment report as of 31 December 2019.



GRI: 103-1, 103-2, 103-3: Employment terms and employee satisfaction; Other guidelines: SG: Social

Engagement and development

Objectives and priorities

We take a systemic approach to the organisation of the training process and care for the comprehensive development of employee competences. Training objectives are defined in our Training Policy.

In 2020, we implemented a new policy aimed at making our model more coherent with the global model of the Santander Group. The implemented policy sets out guidelines for designing, reviewing, executing and supervising the training process in order to:



support the
business
transformation



promote the
management
of talented
employees,
support innovation
and knowledge
sharing,



support cultural
transformation
within the
bank's corporate
governance
standards

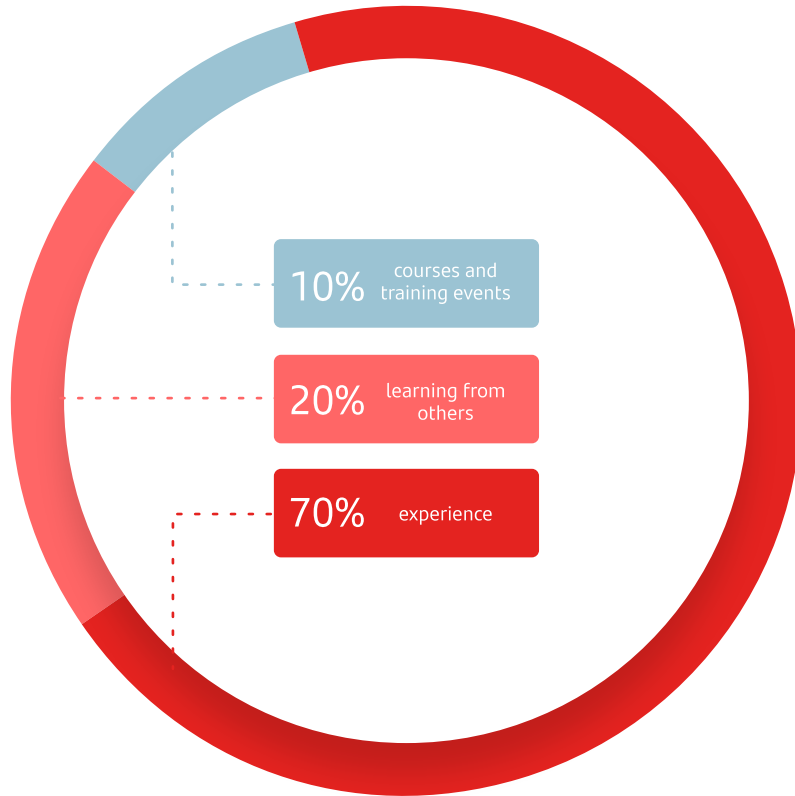
In 2019, the training objectives included: building an engaging working environment and strengthening leadership skills and development programmes for both managers and employees. We implemented solutions enabling "learning from each other" in both local and global perspective. We also implemented digital solutions supporting the proposed development programs.



Our activities focus on:

- building awareness of responsibility for one's own development,
- building an engaging working environment,
- knowledge sharing – readiness to share knowledge and experience,
- digital learning – searching and using digital educational and development formats.

The development of employees in the organisation is part of the 70-20-10 model: learning and development is gained 70% through experience in daily work, 20% through learning from others and 10% in courses and training events.



12,036

employees



843,771

hours of training



70.43

training hours
per employee on
average

GRI: 404-1, 404-2, 404-3; Other guidelines: PRB 5, ESG Social

Training and education



Development and training programmes offer an opportunity of comprehensive development of our employees. They support the implementation of the bank's strategic objectives and, at the same time, respond to the employees' needs related to career building and personal growth.

The training and development activities carried out in 2019 covered a wide range of topics and used various formulas, methods and tools. They supported the development of the following groups of employees: top managers, lower-level managers, female leaders and talented persons identified in the organization, Agile employees, the entire staff within the framework of centralised activities and employees with special development needs.

The implemented programmes are also aimed at strengthening the responsible banking culture. To this end, the bank implements programmes that cover building human capital, including the development of managerial and communication skills, leadership competences and initiatives related to responsible business and sustainable development.

GRI: 404-2

In 2019, our training and development priorities were:

Leadership development

Our employees from various units of the Santander Group worldwide (including Poland) have developed a model of leadership commitments defining the standards that leaders at Santander Bank Polska should follow.

An important element of our leadership development and acceleration of the bank's transformation was the "Young Leaders" talent management program, which we have offered to employees with the potential to take on leadership roles in the next 10 years – **280** Santander Group employees, including **17** from Poland.

100% of participants believe that the programme contributes to the bank's strategy and that participation in it has a positive impact on their personal and professional development.

Transformation towards a self-learning organisation

We launched an internal tutoring program called YOUNiversity and conducted a number of internal trainings. We continued to develop the competences of the bank's leaders and supported them in their daily team management. In connection with the transformation of the business model, we developed a catalogue of future competences and profiles of desired candidates for the coming years.





We strive to improve the quality of customer service, therefore we place great emphasis on high competences of our employees and individual approaches to customers. We are constantly improving our employees' competences through training delivered, for instance, by the SME Customer Excellence Office.

In 2019, we conducted training courses that provided factual knowledge and improved the quality of customer service:

- training in the credit process and credit analysis,
- expert training,
- training in the product offer,
- training to develop sales skills and knowledge about the company's business model,
- Adaptation Programme for SME advisers.

Our training plans for 2020:



Continue to build an engaging working environment so that relationships are based on trust, empathy, stability and building a sense of security.



Implement development programmes for both managers and employees. Our ambition is to make the most of the opportunities and benefits offered by "learning from each other" in both the local and global perspective and to further implement and exploit the available possibilities for development in digital channels.

GRI: 404-2; Other guidelines: PRB 5

Managerial training programmes

Programmes for the development of managerial skills and lifelong learning programmes were a permanent element of training and development activities carried out in 2019. They were aimed at building positive experiences of our employees to create an engaging working environment. Leadership Commitments which complement our Simple, Personal, Fair values were key to developing the substantive basis of our programmes.

Strengthening the value of leadership commitments has enabled us to build a cohesive and open platform for financial services, by acting responsibly and earning the lasting loyalty from our employees, customers, shareholders and local communities. As part of the implementation of leadership commitments, focus group meetings were held to tailor the implementation to the needs of different employee groups, in addition to workshops and inspirational sessions.

In 2019 we implemented the following programmes:

Leaders For Employees

A programme dedicated to senior managers. The aim of the programme is to transform leadership in the bank based on leadership commitments, our values and corporate behaviours. Development activities undertaken under the programme included: workshops, trainings, mentoring and coaching sessions.

Top Players

A program dedicated to key managers in the bank. The aim of the programme is to identify and develop managers with the highest managerial potential.

Young Leaders

A programme aimed at identifying and developing the next generation of leaders to speed up the Group's transformation and strengthen activities aimed at developing human potential. Program participants are involved in strategic projects. They take part in numerous development activities, such as meetings with top managers, mentoring, training games or leadership workshops.

Leader's Quest

The objective of the programme was to increase managerial competence of people who have no experience in team management and equipping new managers with knowledge and tools enabling them to efficiently and effectively manage people.

Maduro

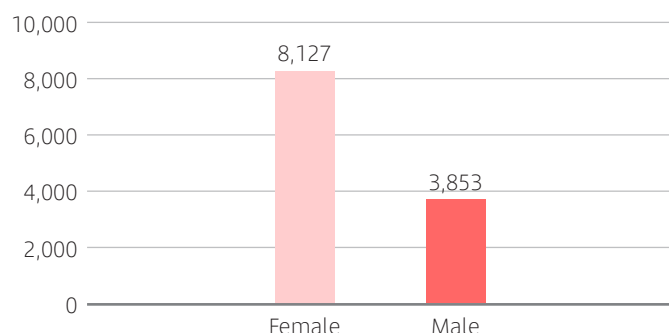
The aim of the program was to understand the characteristics of seniority behaviors in the AGILE transformation situation and to acquire basic skills of applying four pillars of seniority such as: Sense, Word, Style and System. The activities carried out built and strengthened the ability to reflect, identify real needs, listen and dare to name.

Leader in the world of VUCA

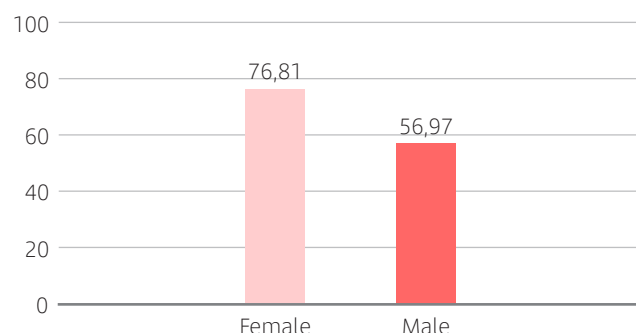
The goal of the programme was to understand which leadership behaviours help to meet the challenges in the dynamically changing VUCA reality, to learn how to adjust managerial interventions, in an agile and flexible way, within the preferred leadership styles: directional, participatory, developing and strengthening the leadership community in the organization through effective networking and mutual support.

GRI: 404-1; Other guidelines: SDG 4, SDG 5, SDG 8

Total number of training hours by gender



Average number of training hours – for all and by gender



Average number of training hours per year per employee by employment structure and gender

	Female	Male	Total
Total number of training hours by gender	624,269	219,502	843,771
Number of employees	8,127	3 853	11,980
Average number of training hours – for all and by gender	76.81	56.97	70.43

	Senior management	Lower-level management	Other employees
Total number of training hours by employment category	3,980	29,159	810,632
Average number of training hours by employment category	38.64	52.73	71.23

*This category includes the Management Board members and top executives

**Other management personnel.

***This category includes middle managers

Employee engagement

The engagement survey is an annual global initiative, carried out in all Santander Group companies. It is used to determine how the level of our motivation to work changes according to the support provided by the organisation on a daily basis. Based on the results obtained, we plan actions to support the dimensions that will be identified as requiring development and to further strengthen the ones that the bank is already strong at.

Employee engagement programmes



Our Best Ones

Development initiatives dedicated to the best advisors in the Branch Network. In 2019 over 100 people took part in them.



3:3 Programme

Initiatives dedicated to employees with the highest rating for a given year. Every year there are about 1,100 of them.



Change Ambassadors after the engagement survey (2018/2019)

An initiative bringing together employees from across the organisation volunteering to work with the results of the engagement survey. In 2018/2019, work focused on simplifying processes. Nearly 300 people took part in it.



Development Elixir

An initiative prepared by the Development Department, which consists of inspirational mails, webinars and sessions focusing on personal development, productivity and engagement building.



YOUniversity

A program in which bank employees learn from each other. The program involves 50 employees – tutors who share their knowledge with others.

In 2019, the main lines of action were:



Leadership and culture

consistent with the Simple, Personal, Fair values, as well as open and transparent. Leaders are role models.



Organizational efficiency

simplifying processes and procedures and providing the necessary support for further development and efficiency of our business.



Employee experience

providing positive experiences for employees in their daily work, especially newly hired employees in the period of adaptation to work in a bank, digitalization of work tools, promotion of healthy lifestyle and work-life balance.

74 %

According to our
research, the bank's
employee engagement
rate in 2019 was 74%.

For many years, our bank has operated a performance management system. Its aim is to create a culture of dialogue, promote a coherent value system and increase the engagement of employees in the implementation of strategic and operational tasks.



GRI: 404-3

Performance evaluation



In 2019, 82% of all employees were evaluated.

Percentage of employees subject to performance evaluation in 2019	Female	Male
Senior management*	33%	67%
Lower-level management**	96%	93%
Other employees***	77%	84%

*This category includes Management Board members and top management

**This category includes other managers

***This category includes employees who do not manage teams

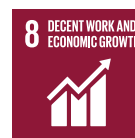


Chapter 6

Communities

GRI: 103-1, 103-2, 103-3 : Prevention of financial exclusion, financial education;
Custom indicator (Number of beneficiaries of projects and social initiatives in the field of education initiated and/or supported by the bank and/or the bank's Foundation in a given year);

Other guidelines: PRB 1, ESG Social



Education

Santander Universidades

Education and development of science is one of the priorities of the bank's social activity. The Santander Universidades (SU) project is a key area for us in this respect and is one of the pillars of the #Responsible Banking agenda.

By implementing the programme, we support good quality education, prepare students to enter the labour market and develop the idea of entrepreneurship. We believe that cooperation between business and academia will translate into the development of society and have a positive impact on the economy.

Santander Universidades offer for universities includes:

- Financing scholarships, awards and grants for the best students, doctoral students and academic staff with an aim to support individual development.
- Global grants for students, graduates and university staff – giving the opportunity to take intensive courses developing digital, language and soft skills in an international environment. Some of our programmes are:
 - Summer courses at prestigious universities such as Yale and Georgetown Universities. We believe that international experience significantly increases students' skills and competences.
 - Online courses focusing on the development of digital and soft skills designed to help young people acquire knowledge and skills and facilitate their entry into the new labour market.
 - Training programs to develop leadership skills – projects that prepare for the requirements and new responsibilities of future leaders in academic, social and business environments.
 - Grant programmes for people aspiring to be entrepreneurs or young entrepreneurs on SantanderX.com
- Financial and non-financial support for conferences, trainings and workshops for the academic community.
- Cooperation with student organisations.



Santander Universidades

Currently, Santander Universidades centres can be found at 12 universities in Poland. Each centre consists of a relaxation zone for students, a networking area and a customer service desk. The staff of the centres cooperate with the university authorities and student organizations to identify the greatest needs on an ongoing basis. Proposals are transformed into specific actions and projects that meet the expectations of the University and its students.

" The cooperation between the Maria Curie-Skłodowska University (UMCS) and Santander Universidades supported by the centre based on the university grounds is a great example of synergy between the academia and business. Implementation of many interesting and innovative projects brings benefits to the academic community, while strengthening the recognition of the Santander brand and the image of the UMCS as an institutions cooperating with the business community.

Dr Marcin Gołębiowski

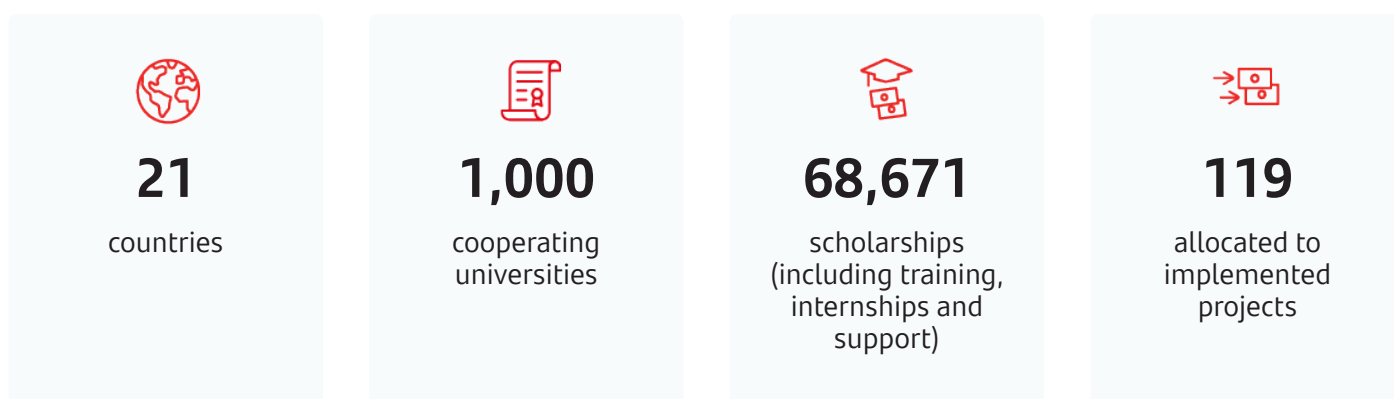
Director of the Maria Curie-Skłodowska University Promotion Office

For more information about Santander Universidades go bank.santander.pl/santanderuniversidades-pl/o-santander-universidades.html.

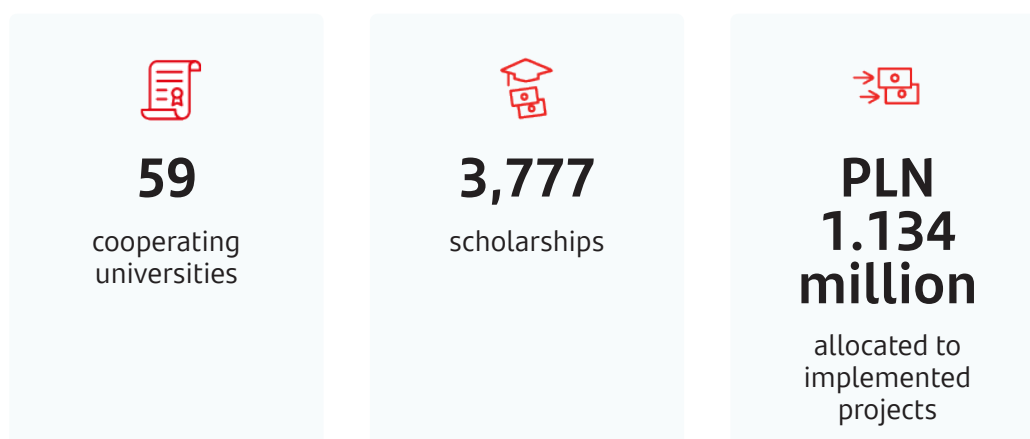
GRI: Custom indicator (Number of beneficiaries of projects and social initiatives in the field of education initiated and/or supported by the bank and/or the bank's foundation in a given year)

Santander Universidades in numbers

Santander Universidades worldwide



Santander Universidades in Poland



Global development opportunities

Students, graduates and faculty staff have the opportunity to actively participate in projects implemented on a global scale. An excellent example of such activities are the global Santander Scholarships, thanks to which eleven people from Poland went to the USA for intensive holiday courses, and five people took part in an innovative online project.



Global Santander Scholarships in 2019:

Santander-Yale International Experience Summer Program

During their five-week stay at Yale University, participants could choose courses from over 100 thematic workshops. The student from Poland who took part in the workshops focused on biology.

“ After the first week at Yale, I'm very impressed with the university and the quality level of classes. I am very excited to study with such a diverse group of students. Together with the rest of the Santander Scholarship beneficiaries, we have created a very harmonious group, often spending time together in the canteen, in the library and participating in various events and excursions organized by the university. My first biology class was very interesting, the programme for the 5 weeks is very intensive, but the classes are very professional and easy to understand.

Bartosz Jankowski

Student of the Medical University in Gdańsk

Georgetown Summer Workshop-Social Innovation and Financial Inclusion in the Digital Age

A two-week multi-disciplinary workshop on key trends affecting social and economic integration. Students worked on projects of innovative solutions, which are expected to help overcome the main challenges of our times.

TrepCamp Entrepreneurial Simulator 2019

An international development project for aspiring startuppers. It is carried out in major innovation centres such as Silicon Valley, New York, London, Boston, Mexico and San Diego. It allows participants to gain invaluable experience within a few weeks, which entrepreneurs normally acquire over a course of many years. During the three-week training, participants work in multidisciplinary teams to develop innovative, comprehensive solutions to a selected global challenge. The conceptual work is supported by a group of international mentors and entrepreneurs. The programme also includes seminars with experts, visits to business incubators, accelerators and innovation centres of leading global companies, as well as presentations in front of a panel of international investors.

" The time spent in New York has given me confidence. I saw how important it is for an entrepreneur to have a passion and commitment to what you do, because there will always be ups and downs. This trip taught me that the world is really full of amazing possibilities. And most importantly, that it is worth meeting people from different countries, because it enriches and broadens your horizons.

Magdalena Żylicz

Student of the Warsaw School of Economics

Santander W50: Preparing Our Women Board Members of Tomorrow at the University of California, Los Angeles (UCLA)

" Thank you Santander Bank Poland and UCLA Anderson for a fascinating journey into a world of leadership based on values, finance and other interesting topics. The courses are over, but our journey is just beginning. See you in Poland!

Patrycja Sznajder

on LinkedIn

Santander IE- Digital DNA

The scholarship holders took part in two five-week online courses on Digital Skills:

- New Technologies in Innovation – the aim of the course was to present the path of technological development from the point of view of companies and how companies use technologies to create a competitive advantage.
- Data Science and Visualization in Business – practical activities related to developing competences in working with data and its visualization and using data science in the development of the company.

" I am very pleased to have been able to participate in the Santander IE – Digital DNA scholarship program. It was 10 weeks of intensive learning in an international environment, under the guidance of enthusiasts and specialists in innovation and data analysis. Thanks to the program I created a comprehensive strategy for digitalization of the company, learned how to analyse and visualize data using tools such as Tableau, improved my communication skills and met inspiring people from around the world. The program gave me many opportunities for development, made me aware of the importance of technology today and provided a lot of joy and satisfaction with the course results.

Anna Szawerna

Wrocław University of Economics

All scholarship projects offered by the Santander Group can be found at [Santander-grants.com](https://santander-grants.com) and SantanderX.com.

GRI: 103-1, 103-2, 103-3: Prevention of financial exclusion, financial education

Financial education

Santander Bank Polska invests in financial education because we want our current and future clients to understand the causes and effects of various financial decisions. We run educational programs aimed at both the youngest and the elderly.

"Finansiaki"

"Finansiaki" is our own economic education project, which consists of:



Finansiaki.pl
website,



a guide for parents
"Finansiaki is Us!"



lesson scripts
for volunteers –
bank employees
conducting classes
in kindergartens and
primary schools

Finansiaki.pl website



The financial education website Finansiaki.pl supports parents and teachers in promoting knowledge about finance in its broadest sense. The website is accessible on mobile devices and has the WCAG 2.0 "Website without barriers" certificate at AA level. In March 2019, we launched a new version of the website. On the redesigned and revamped website finansiaki.pl there are free and ready to use (for download or display) educational materials for teachers, parents and children. Articles with advice for parents and lesson scripts for teachers have been prepared in accordance with the pre-school education curriculum and the general education curriculum for primary schools.

Website content:



Lessons scripts for
teachers



Educational
materials



Advice



Teaching aids



Animations



Games

The Book Finansiaki is Us!

It is a book about the first journeys of a child around the world of money written in the form of a guide, based on the current knowledge about financial behaviours of children and youth. It was prepared for parents – bank customers who have children and for whom economic education is an important goal. The expert partner to the publication is the Faculty of Psychology of the Warsaw University.

The book's first edition of 6,000 copies became very popular, so in January 2020 we printed another 5,600 copies. Since March 2020, the book has been available online, for free download from the Finansiaki.pl website.



"Finansiaki" – Lesson scripts for volunteers

Lesson scripts were developed specially for the volunteers from the bank. The bank's employees, as part of skill-based volunteering, conduct classes in kindergartens and primary schools. The educational materials have been developed by an expert – a psychologist specializing in economic psychology of children and youth, economic socialisation and money saving strategies. In 2019, we made two more lesson scripts available to employees, together with teaching aids.



In 2019, our volunteers conducted classes in kindergartens and schools attended by approximately **1,000 children**.

Santander Station

The Santander station is a CSR initiative that combines the involvement of employees as brand ambassadors with the activation of local communities.

As part of the project, a mobile educational and entertainment station in the form of a modern pavilion was built in five Polish cities.

Its visitors could take part in activities based on the bank's educational projects such as the How's Your Driving, Santander Orchestra or the Finansiaki project. The Station's guests participated in first aid workshops, games and competitions on economic knowledge. The space equipped with touch screens, tablets, holograms and a humanoid robot was a real treat for fans of cutting-edge technologies.



The ractions of the Santander Station in 2019:

- educational games developed for the Finansiaki project, where by participating in the game parents and children can find out that learning about the world of money – regardless of age – can be interesting, easy and enjoyable,
- economic game Leaders of Europe teaching young people the broadly understood basics of economics,
- first aid workshops, organized as part of the How's Your Driving project,
- attractions for fans of new technologies and those interested in modern banking services,
- Santander Orchestra concerts with young, talented musicians performing under the baton of Adam Sztaba, among others.

Thanks to a unique approach to CSR activities, the bank's employees have become ambassadors of the Station and of the Santander brand in local communities. In a special competition, they decided on the concept of the initiative, the implemented projects and the locations where the modern, mobile pavilion was erected. As a result, they were more strongly involved in building the bank's image and promoting its social role by acting as a link between global operations and the needs of local communities.

Santander station in numbers:



5

cities: Pruszcz Gdański,
Świdnik, Kostrzyn-on-
Oder, Bielsk Podlaski,
Wrocław



30

days of operation



Nearly

4,000

visitors



More than

60

rounds of
Finansiaki and
European Leaders
games



50

first aid workshops
under the How's Your
Driving Project



40 km

of rowing for a
charity cause

" It's a great attraction for local communities. I have been accepting congratulations and thanks to this day. The employees were very impressed by the power of this event. The city authorities thanked the Santander Orchestra for the performance, saying: "Kostrzyn audience awarded the artists with a standing ovation, which probably happened for the first time in our amphitheatre."

Renata Naduk

Director of Santander Bank Polska's Branch no. 1 in Kostrzyn-on-Oder

Bankers for financial education of youth – BAKCYL programme

BAKCYL is a strategic, long-term partnership of companies and institutions from the banking sector in Poland to raise the level of knowledge of the young generation in the field of practical finance. The project is part of one of the largest non-commercial educational programs of the financial sector in Europe: Bankers for Education.



254

classes conducted by Santander Bank Polska Foundation's volunteers as part of the program



6,096

people attended the classes

The "Happy senior" project brings generations together

The project is a series of educational activities related to finance and dance. Participants can choose one of the three topics:

- 1) Safe banking,
- 2) Senior Citizen's Banking ABC,
- 3) From Senior to Junior.

134 The main underlying concept is cross-generational experience sharing.

" I'm glad I took part in the Happy Senior project. It was an interesting experience for me – dancing with other seniors and people from the bank in Monika Grzelak's beautiful dance studio and then performing together in the Forum Gallery was an unforgettable experience. It's fantastic that the bank does not treat us only as customers but also cares about our security on the Internet. The workshops were very interesting. Thank you very much once again.

Wiesława Grabarczyk

participant of the "Happy Senior" project



Under the programme, 50 volunteers conducted 10 meetings for 362 beneficiaries.

Security

Educational project "Security in Cyberspace"

The program responds to the need for practical education on security in the virtual world. Educational activities are addressed to schools, universities, third-age universities and public administration units.

Through various activities, such as classes, lectures, training events, competitions and modern communication channels, we effectively reach the project's target group which includes children and young people, students, teachers and seniors. Since 2017, the programme has been implemented in cooperation with partners, including the Warsaw Banking Institute and the Polish Bank Association.

By educating people in skilful and safe use of modern digital tools, we want to contribute to improving the knowledge of Poles about cyber-threats.

The project activities included:



classes



lectures



workshops



competitions



educational
campaigns



publications

The beneficiaries included students, teachers and seniors. The project also included e-learning courses tailored for high school and university students on secure identity, security of mobile devices and secure online banking.

" The classes showed the students that the Internet can be a great place to expand their interests and knowledge, provided they follow certain rules for their own safety. The principles were communicated in a clear way comprehensible for young people, focusing on consequences rather than evoking fear. As the students developed a range of competences needed to handle specific issues, they considered the classes very useful and the advice worth remembering. In my opinion, there is no doubt that the children became sensitized to dangerous situations they may encounter in the virtual world.

Izabela Chwytoc-Filoc

Lecturer at the Warsaw School of Management

" The online classes "Safety in cyberspace" conducted by the Warsaw Banking Institute received highly positive evaluation from students and teachers at the school where I work. The students learned more about the dangers lurking in the Internet and the need to create safe passwords. Many of them changed their existing passwords right after the class according to the advice provided. They became aware of the consequences of using public networks and accounts opened on various social networking sites. The classes were conducted in a very interesting way and in a pleasant atmosphere. By asking questions during the webinar, the teacher encouraged the students to be active, while controlling and commenting on the information they provided at the same time.

Elżbieta Bręczewska

Teacher at Primary School No 47 in Bydgoszcz

Lessons, lectures, workshops and competitions in numbers:



56,208

students from 16 voivodships
took part in 2,342 educational
lessons on cyber-threats



24,154

students and 2,113 seniors
attended 287 lectures



100

teachers took part in workshops
organized in cooperation with
Wroclaw Teacher Training Centre



899

students of Lower Silesian
primary schools took part in
the "Cyber Safe" Competition,
organized in cooperation with
the Marshal's Office of the Lower
Silesian Province



1,381

students took part in the "IT
and Cyber Security" competition
organized for high schools from
all over Poland. The winner will be
invited to a study tour in 2020



1,256

students took part in the "IT and
Cyber Security" competition



3,536

participants took part in all competitions altogether



100

school forms participated in an interactive game prepared for the project



2,113

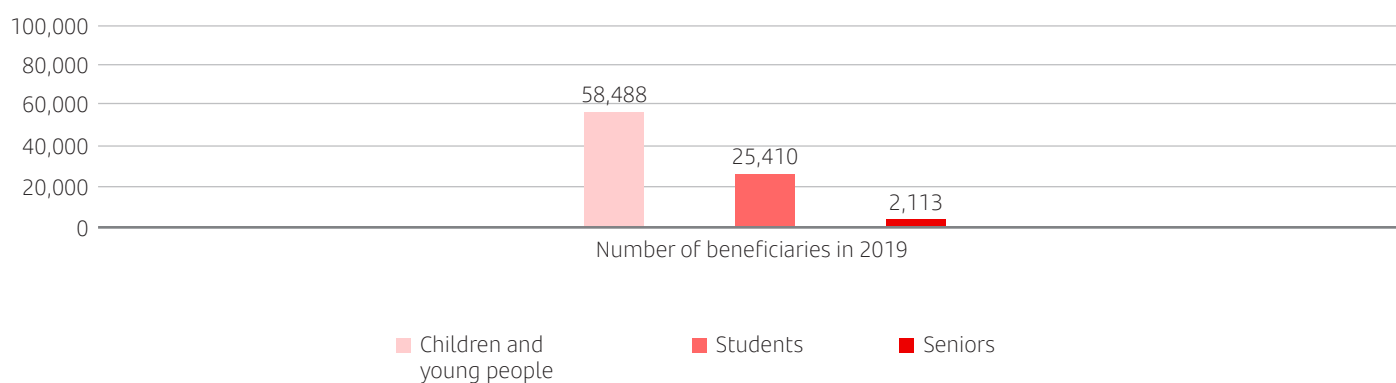
seniors attended **47** lectures on security in the virtual world, including transaction and identity security

Campaign implemented under the project "Security in Cyberspace"

Since the beginning of 2019, in cooperation with the project partners and the bank's Cyber Security Centre, a campaign has been carried out with the involvement of more than 20 banks, including Santander Bank Polska.

- We have supported the production of educational films about cyber security, safe use of e-banking and online shops.
- In total, 42 educational films were made with the participation of experts representing public institutions and banks, including the Ministry of Finance, the Ministry of Digitization, the National Bank of Poland, the Polish Financial Supervision Authority, the Bank Guarantee Fund, the Credit Information Bureau and the National Clearing House.
- Over 100 publications have been released, including the "Cybersecure Wallet" report, the "Active Senior" bulletin and the "Active Student" bulletin.
- The project was covered by local and national media and issues related to cyber security were the subject of a partner programme "Three Cents Worth of Economics" aired on nine radio stations and in Spotify.

For more information on the project go to www.cyberbezpieczenstwo.edu.pl



Cyberspace Security project in figures

	Number of beneficiaries in 2017	Number of beneficiaries in 2018	Number of beneficiaries in 2019
Children and young people	17,655	36,570	58,488
Students	7,860	12,540	25,410
Seniors	510	1,280	2,113

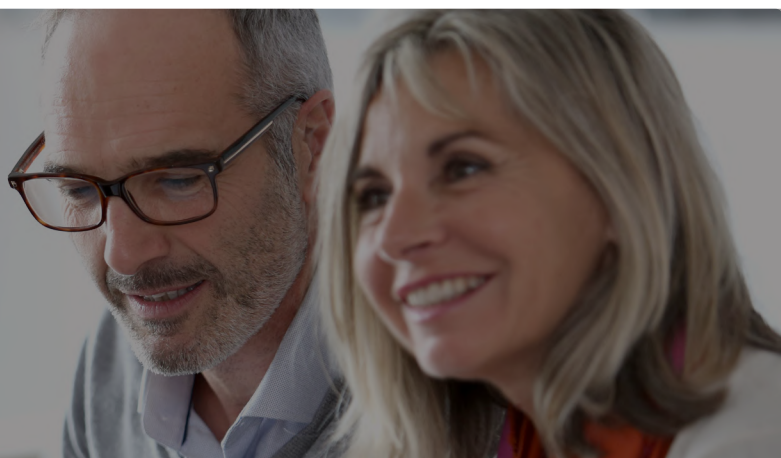
Independent and Safe Seniors on the Internet

" Financial abuse of elderly persons is a big problem. That's why the Santander Bank Polska Foundation and the Police have been working together for several years for the safety of seniors. As part of the project "Independent and safe seniors on the Internet" we want to make elderly people aware of the fact that it is worthwhile to use the benefits of the Internet, but we must follow certain rules so that nothing bad happens to us in the virtual world. We teach seniors all this during the events we organize, thanks to which in 2019 we educated nearly 3.5 thousand people. This year we want this number to be even greater.

Marzena Atkielska

President of the Santander Bank Polska Foundation

A series of workshops for seniors, attended by approximately 3.5 thousand people. During the meetings, volunteers provided information about Internet security and how to take care of the safety of their money and data online.



As part of the educational activities conducted by the Santander Bank Polska Foundation and the Police, a number of projects targeting seniors have been developed, including the "Happy Senior", "Grandson and Policeman Scam", "Don't get tricked Senior!", "OLABOGABABCIU", "Senior Time" and others. Bank practitioners, volunteers from the Foundation and policemen taught safe behaviours and warned against certain dangers in real world and on the Internet.

"How's Your Driving" project



It is an initiative to promote responsible and polite behaviour on the road that we have been implementing since 2015. As part of the project, we provide advice on, among other things, the driving culture, car operation and equipment, traffic regulations, first aid in the event of a collision and road accident, proper carriage of children and driving techniques. We also organize events in urban space involving local communities. As part of the Santander Station, a mobile educational pavilion, we organised safety classes. The project's ambassador is the racing driver Kuba Giermaziak, who promotes his knowledge on using a car use and safe driving.

"How's Your Driving" project



143 thousand

people watching the project fan page on Facebook



60

first aid workshops for 400 persons, both children and adults

#SMARTOFF Campaign

The campaign was conducted as part of the How's Your Driving project in 2019. This was one of the first campaigns to raise awareness of the danger of using a mobile phone while driving. The campaign tried to raise the awareness of the risk of looking at a smartphone screen while driving.

How's Your Driving in social media



15 million

beneficiaries per
year (Facebook)



1.3 million

beneficiaries –
monthly week's
reach (Facebook)



13 thousand

comments on posts
and over 3,000
instances of sharing
(Facebook)



2.5 thousand

fans (Instagram)

For more information about the campaign go [here](#).

"Safe to know" program

An educational programme in which we raise students' awareness of basic safety principles, for example: the functioning of security services, safe use of roads and safe behaviour at school, at home and in contacts with strangers. It is addressed to pupils of primary schools in the Wielkopolska Region, and educational meetings are conducted by police officers together with volunteers from the Santander Bank Polska Foundation.

Supporting entrepreneurship

Start-ups



Fintech Huge Thing

We support start-ups as part of the Poland Prize programme, which aims to prepare foreign start-ups to operating in Poland and facilitating their further development. Santander Bank Polska is a key partner of the accelerator in the Fintech segment. Our goal is to establish business relations with companies that successfully pass the acceleration process and then scaling them within the Santander Group.

In 2019, we selected four companies to take part in an intensive training and targeting programme. They will receive funding of up to PLN 200 thousand for the implementation of the proof of concept process in the bank, including validation of the proposed solution, testing the potential for technological integration and the real possibility of delivering and maintaining the solution by the start-up.

The programme involves bank employees who act as mentors. Their role is to support the start-up on the path leading to the implementation of the solution, to be a guide to the processes and conditions prevailing in the bank and to define milestones on the way to implementation of the solution.

Start-ups at Fintech Huge Thing:

Saffe

Payment and
authentication
solutions using
face recognition

Tap2Pay

Electronic
payment gateway
for SMEs for very
fast integration
in e-commerce
and social media
channels.

Thinkout

A solution aggregating
information on
payments and liabilities
of an entrepreneur
(SME), using PSD2
mechanisms

Pago

A platform for
receiving and paying
all utility bills and
invoices in one place

Women entrepreneurs



Technology is omnipresent in everyone's daily life, and women are entering a world that was previously dominated by men more boldly. Creating technological innovations requires specialist competences and skills, which are becoming highly sought after on the labour market. That is why, as a bank, we engage in initiatives supporting women's entrepreneurship and the development of their technological skills. We are striving to reduce gender inequalities which are still high in the IT world (to the disadvantage of women).

At Santander Bank Polska we support the development of women both inside and outside the organisation. You can read about our diversity and gender equality projects here.

Women in Tech Summit 2019 – women encode the future

" It was great to participate in an event where women are in the foreground as experts with their skills and experience. The workshops and panels were informative and interesting, touching on important aspects of our industry: cyber security, artificial intelligence, supporting diversity. Of great value was the opportunity to participate in mentoring sessions with people who have many achievements in the technology industry.

Ewelina Piochowiak

Test Engineer, IT Area Payments Building Block, Santander Bank Polska

" The Women In Tech Summit was a place of exchange of international trends and experiences and for me personally it was a great inspiration for future development and pursuit of the goal. I was very proud of Santander's stand – it just looked its best and served the best coffee.

Monika Sikorska

Dev Engineer, Tribe Content Management & Process Automation, Santander Bank Polska

It was the largest event for women in technology and science in Europe organized by the Educational Perspectives Foundation. Our bank was the official partner of this initiative, which aims to show the strength of women in modern technologies. Cybersecurity was one of the key topics addressed in 2019. For more information about cyber security programmes go to here.

The meeting is an opportunity to exchange experiences, inspire and meet the most outstanding women working in the technology sector all over the world – programmers, female scientists, as well as students of IT and Engineering. Among the participants of the conference there were students of technology universities, science majors from Polish universities and a group of students from Eastern Europe (Ukraine and Belarus), Central Asia (Uzbekistan) and Caucasus (Georgia, Armenia).

The event was attended by three female bank employees who received free tickets to the conference as part of a competition organized during Women's Tech Week.

Women in Tech Summit 2019:

- Workshops and lectures on 5G, Artificial Intelligence, Internet of Things, Machine Learning and Big Data.
- The special guest was Sabrina Gonzalez Pastorski, a 26-year-old physicist from Harvard, considered one of the most eminent minds of the young generation, called the "new Einstein".
- One of the main speakers was Elżbieta Solińska, Chief Operations Officer at Santander Bank Polska, who talked about many dimensions of modern banking – including the digital revolution and security, the role of related employee competences and the talent sought after on the market.
- The organizers made available to the participants the legendary German encryption machine called the Enigma.



"Women in Tech 2019" in numbers:



2

days of meetings,
lectures and
workshops



6,350

participants from 52
countries worldwide



2,977

student grants for
free participation in
the conference



52

country
representatives at
the event



150

speakers and
lecturers



80

technology
workshops on career
and soft skills



154

mentoring sessions

Women's Tech Week

A week dedicated to women who actively participate in the transformation of our bank in the area of new technologies.



As part of the event:

- We discussed examples of professions that transform our bank;
- We presented the stories of women in Santander Bank Polska – experts in the selected fields – who work on the development of processes, products and services and guard our security in cyberspace;
- We organized a contest – every day in the publications issued as part of Women's Tech Week we asked a question about a specific competence of the future. The winners received free tickets to the Women in Tech Summit 2019 conference.

GRI: Custom indicator [(Number of employee volunteers involved in corporate volunteering projects in the reported year) Total amount of money allocated to social engagement activities / year] [Total amount of money allocated to social engagement activities / year]; **Other guidelines:** ESG Social



Corporate volunteering

The bank's corporate volunteering activities are regulated by the Santander Bank Polska Corporate Volunteering Policy which defines the areas of volunteering activities, describes procedures and presents indicators applicable to volunteering. The units responsible for corporate volunteering in the bank are the Santander Bank Polska Foundation and the Public Relations Department, acting in cooperation with the HR unit.

Principles of volunteering

Corporate volunteering is managed by the Santander Bank Polska Foundation. Volunteers of the Santander Bank Polska Foundation are bank employees. To read about the social activities of the bank and the involvement of volunteers read [here](#).

From 1 January 2019, each employee of Santander Bank Polska has 8 hours a year at his/her disposal to spend on volunteering activities within the three areas set out in the Corporate Volunteering Policy:



supporting education
and science
development



promoting equal
opportunities



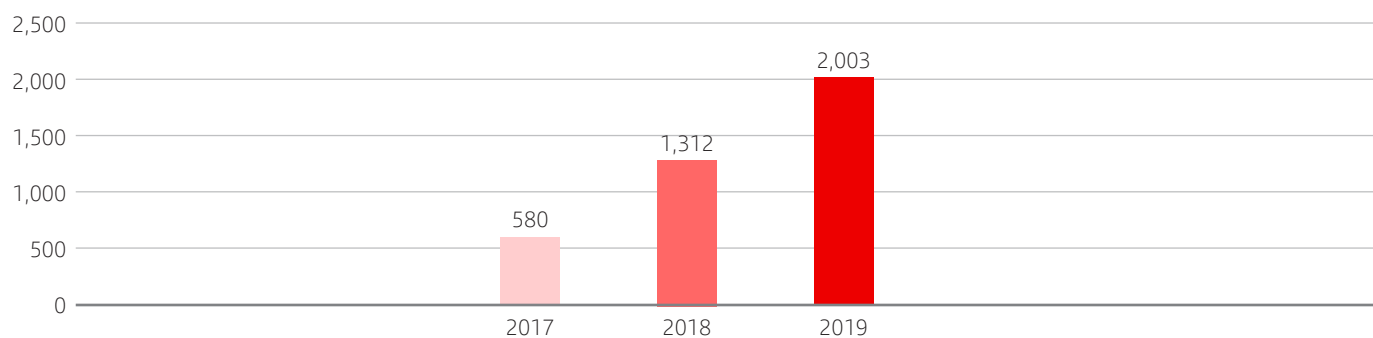
building civil society



2,003

volunteers were involved in corporate volunteering activities

Number of bank employees involved in volunteering projects



Year	2017	2018	2019
Volunteers	580	1,312	2,003

GRI: Custom indicator (Number of employee volunteers involved in corporate volunteering projects in the reported year)

Corporate volunteering 2019 in numbers:

2,003

volunteers of the Santander Bank Polska Foundation took part in 202 corporate volunteering activities

250,000

beneficiaries took advantage of the help by Corporate volunteers

PLN 326,395.24

allocated by the Santander Bank Polska Foundation for volunteering activities

Volunteering initiatives

Charity flower fair

A flower fair during which our employees were able to buy spring flowers and take part in florist workshops allowed to collect PLN **35,000** for rehabilitation of one of the bank employees. The fair was organised in 4 cities: Warsaw, Lublin, Poznań and Wrocław and more than 50 volunteers were involved in its organization.

Fundraiser for the "Second Wing"

The action was a continuation of the initiative of the Risk Department in partnership with the Social Home for Intellectually Disabled Children and Youth in Łopienno and consisted in organizing a fundraiser for the expansion of the House. The amount of PLN **15,700** was collected.

Project "From Heart to Heart"

The project involved the organization of workshops during which volunteers made heart-shaped pillows for women after mastectomy to which they attached cards with best wishes for the future. The workshops were held in Warsaw, Wrocław and Poznań. The pillows were handed over to the Amazon Club at the Oncology Centre in Warsaw. On the same day, ladies from the Amazon Club carried out a short workshop on breast self-examination for our employees. The idea of the action was very much appreciated and several departments organized it on their own.

Children's Day with a fishing rod

The main benefit of this volunteer event was the integration of **48** children from different environments, including the children from the Pryzmat Association in Żary, and infecting them with a passion for fishing. The role of the Santander Bank Polska Foundation volunteers was to prepare a place to play with the children, take care of the children during the event and handle the service of meals.

Senior Café

The project involved renovation of an old, dilapidated room in Lubin and converting it into a café – a meeting place for seniors. Volunteers from the Santander Bank Polska Foundation not only helped with the renovation, but also bought and assembled the furniture. The cafeteria will host various events, educational meetings, including those organised in cooperation with a branch of Santander Bank Polska focusing on cyber security and scams.

Concerts in the dark

A series of **11** symphonic concerts organized all over Poland, during which our volunteers conducted a fundraising for the Polish Association of the Blind. The main goal of the concerts was to increase social sensitivity to the needs of visually impaired people and to familiarize the invited guests with the way the blind and visually impaired experience the world. Therefore, during the performances, the musicians played part of the repertoire without a conductor, not seeing each other and relying solely on hearing. Thanks to the involvement of more than **50** volunteers from the Santander Bank Polska Foundation, **PLN 40,000** was raised during the event.

Enchanted Song Festival in Krakow

Nearly **50** volunteers from the Santander Bank Polska Foundation, together with the Anna Dymna's "Mimo Wszystko" Foundation, cooperated during the 15th Enchanted Song Festival on the Main Square in Krakow. Their main role was to organize the Outdoor Gallery and the Family Tent. The Santander Bank Polska Foundation has additionally funded six main prizes for the competition winners.

North Helping 2019

For the second time, the employees of the North Macroregion, together with the Santander Bank Polska Foundation, organised the "North Helps" charity event. The event was attended by 500 people – employees, their children and friends. Volunteers of the Santander Bank Polska Foundation and the E. Dudkiewicz Hospice Foundation in Gdańsk took part in a run along the streets of Gdańsk from the headquarters of the North Macroregion to the Hospice. The distance was more than 7 km long and was covered by 280 people.

Taking care of the gardens in the Royal Łazienki Park

The project consisted in garden maintenance work carried out in the Royal Łazienki Park. For 5 days, nearly **100** volunteers planted flowers, mowed the grass and cleaned the gardens.

Eco-Central Santander

An event during which volunteers of the Santander Bank Polska Foundation and employees of the Central Macroregion of Santander Bank Polska collected **225 kg** of waste within **5** hours in the Szachty area of Poznań. The objects they collected could be used to assemble one passenger car, fully furnish a guest room and a bathroom or make a number of interesting art installations. About **100** volunteers from the Foundation participated in this environmental action, including children and residents of the Fabianowo and Świerczewo districts of Poznań.

Forest planting

160 volunteers from the Santander Bank Polska Foundation in cooperation with the Włoszakowice Forest District planted nearly **4** hectares of forest. Two locations were chosen: Krzycko Wielkie and Włoszakowice. As part of the action, foresters organised a short eco-lesson telling the participants about their daily work and how they maintain and protect the valuable forest resources.

Santander Bank Polska Foundation



The Santander Bank Polska Foundation implements most of the bank's social programs and provides organizational and financial support for corporate volunteering.



The aim of the social projects and programs run by the Santander Bank Polska Foundation is to support:

- financial education of children, youth and seniors,
- education of youth through the implementation of scholarship programmes,
- children's sports activities,
- local communities,
- culture,
- educational institutions, NGOs and children's homes.



In 2019, the Foundation executed about **180** agreements with social partners. The most important cyclical projects carried out by the Foundation include grant programs to support local communities. In 2019, the Santander Bank Polska Foundation conducted two grant competitions – Bank of Young Sports Champions and "Here I Live, Here I Make Changes".



**PLN 800,000**

allocated by the Santander Bank Polska Foundation for grant programs

**227,776**

people received support under the Santander Bank Polska Foundation's programs.

Grant program - Bank of Young Sports Champions



" We focus primarily on supporting the physical development of young people. In the 2019 edition of the Bank of Young Sports Champions grant competition, we co-financed activities such as: team sports competitions, Olympics and Paralympics. We put special emphasis on the promotion of fair-play principles, both in sport and in everyday relations with peers.

Marzena Atkielska

President of the Santander Bank Polska Foundation

The aim of the programme is to promote sporting activities and fair play principles in sport. As part of the 2019 edition, we supported sports projects for people aged 5 to 26. We focused primarily on fostering their physical development by organising events such as team sports competitions, Olympics, Paralympics with particular emphasis on promoting the principles of fair play in sport.

**PLN 300,000**

The total amount
of funding
provided under the
programme

**PLN 1,995**

Minimum grant value

**PLN 9,000**

Maximum value
of the grant

**48**

Number
of organisations that
received support

**48**

Number of projects
that received support

**10,569**

Total number
of beneficiaries

Grant program - "Here I Live, Here I Make Changes "



" The project, carried out within the framework of the Santander Bank Polska Foundation's grant program enabled integration of young people from our school with seniors from the Kurpie and Ostrołęka Seniors Association. Thanks to the grant, a place for training, exercise, meetings and cross-generation integration was created. I hope that it will serve well both young people and seniors for a long time.

Tadeusz Olszewski

Director of Józef Psarski Vocational School No. 1 in Ostrołęka

The aim of the Program is to improve the standards and quality of life through the introduction of sustainable changes in the local environment and the integration of local communities. Thanks to the awarded grants new facilities were built or existing ones were renovated and upgraded, contributing to major positive changes in local communities throughout Poland.



PLN 500,000

The total amount of funding provided under the programme



68

Number of supported organisations



68

Number of supported projects



217,207

Total number of the programme beneficiaries



PLN 5,000, 7,000 or 10,000

The amount of a single grant

Santander Bank Polska Foundation's scholarship program

The scholarship is intended for outstanding students from primary and secondary schools. It is a reward for the effort put into learning and is a motivation to continue working and achieve better and better results. By supporting young people, the Foundation contributes to the development of their talents and passions and makes it easier for students from all over Poland to get the best possible education.

PLN 5,000

was awarded to a scholarship holder in the school year 2019/2020

24

students received a scholarship from the Santander Bank Polska Foundation.

PLN 118,238

is the total value of all scholarships

#Pracownia@ Project

As part of the project, the Foundation provides second-hand computer equipment free of charge to educational institutions, non-governmental organizations and children's homes.

In 2019, the Foundation donated 871 computers to 37 organizations as part of the project, thus supporting 18,578 beneficiaries.

Cultural projects



PLN 158,500

allocated by the Santander Bank Polska Foundation

Projects promoting culture and integrating people with disabilities:

A series of "Reach out where the sight does not reach" concerts in the dark

The funds collected during the project were donated to the Polish Association of the Blind in order to subsidize the rehabilitation of blind and partially sighted people, as well as organize workshops and provide counselling for them. Concerts were held in several cities of Poland (Krakow, Bydgoszcz, Białystok, Legnica, Katowice, Wrocław, Warsaw, Szczecin, Łódź, Zielona Góra and Poznań). The Foundation co-financed the project with a grant of **PLN 40,000**.

Third Enchanted Song Festival

A vocal competition for talented people with disabilities organized by the Anna Dymna "Mimo Wszystko" Foundation.

The Foundation co-financed the project with a grant of **PLN 90,000**.

Aplauz Dance Festival 2019 in Marklowice

An event popularizing group dancing.

The Foundation co-financed the project with a grant of **PLN 5,000**

World Song Festival 2019

The aim of the festival was, among other things, to promote children's artistic creativity, integration of talented youth, improvement of foreign language skills and international cultural exchange.

The Foundation co-financed the project with a grant of **PLN 1,500**

Borderland Cinema Festival

Promoting film culture and overcoming prejudices and stereotypes about Poles, Czechs and Slovaks

The Foundation co-financed the project with a grant of **PLN 5,000**.

Disenchanted Moniuszko Concert

The Foundation co-financed the project with a grant of **PLN 6,000**

Purchase of prizes for the grand opening of the 29th Art Competition for Children and Young People - medals and a statuette of "The Oder - Queen of Lower Silesian Rivers"

The Foundation co-financed the project with a grant of **PLN 6,000**.

Organized by the Agnieszka Osiecka Atelier Theatre Foundation.

Organized by the Agnieszka Osiecka Atelier Theatre Foundation.

The Foundation co-financed the project with a grant of **PLN 30,000**.

Co-financing of the "Be Together"

Project organized by the TIFF Collective Foundation in Wrocław (activation of persons with disabilities through cultural activities).

The Foundation co-financed the project with a grant of **PLN 5,000**.

10th National Autumn Sung Poetry Competition "On the Strings of Poetry"

Organized by the Association of Grabski Friends in Lublin.

The Foundation co-financed the project with a grant of **PLN 7,000**.

The "Children for Children" concert

Organized by the Parents' Council of the Special Educational and Childcare Centre in Puck

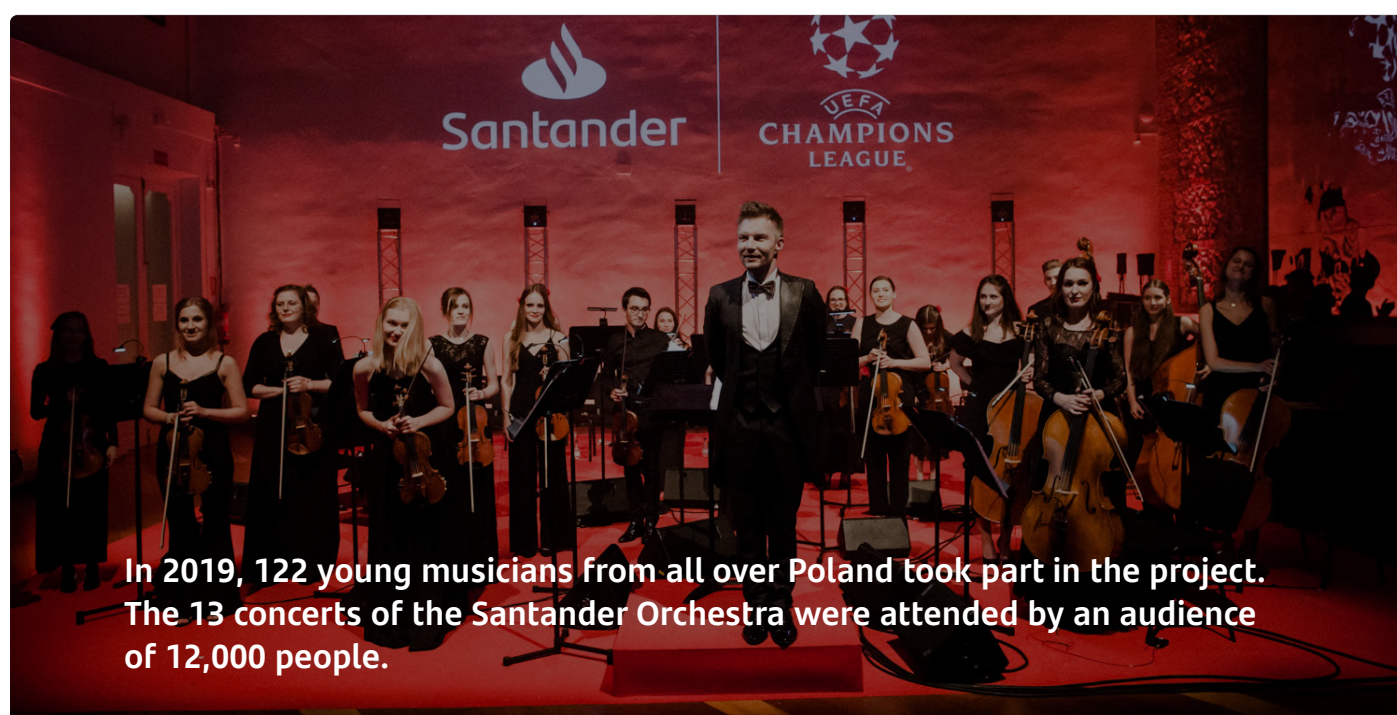
The Foundation co-financed the project with a grant of **PLN 3,000**.

More information about the Santander Bank Polska Foundation and its programs can be found on the Foundation's website at

Cultural patronage

Santander Orchestra

Santander Bank Polska's original project addressed to the most talented young musicians to support their career development. Santander Orchestra is not only an orchestra, but above all an educational project combining music practice at the highest level with additional activities which are most often unaddressed in traditional education. Therefore, apart from classes with world-famous musicians, students and graduates of music schools participating in the project attended lectures on copyright law, finance management, body biomechanics, music psychology and image and career building.



The Santander Orchestra in 2019:

- **4 symphonic concerts:** in Kielce, Katowice, Warsaw and Olsztyn, which took place during the 23rd Ludwig van Beethoven Easter Festival conducted by Maciej Tworek and with the participation of one of the most outstanding pianists of the young generation Yutong Son and singer Nikoalya Didienko.
- **3 chamber concerts:** in Madrid (during the celebration of the UEFA Champions League final), in Kostrzyn-on-Oder at the "Kostrzyn on Wave" Festival conducted by Adam Sztaba and in Gdańsk – a performance at the Gdańsk University of Technology during the open-air event "Summer Night Music" conducted by Sebastian Pełowski.
- **6 "Symphosphere" concerts** conducted by Marcin Sompoliński on one stage with such world famous artists as Leszek Możdżer, Tia Fuller or Lars Danielsson. In Wrocław as part of the "Jazz on the Oder" Festival and in Warsaw, Lublin, Katowice, Szczecin and Gdańsk during the autumn tour.

Symphonic concerts

Chamber concerts

Concert Tour

"Jazz on the Oder"
Festival

For more information about the Santander Orchestra visit the web page <https://www.santander.pl/ws-santanderorchestra/#/>

55th Santander Jazz on the Oder Festival

Our bank became the title sponsor of one of the largest and most important jazz festivals in Poland and Europe, "Jazz on the Oder". The invited artists included internationally acclaimed jazz musicians, such as Jazzmeia Horn, Keyon Harrold, Kandace Springs, Tia Fuller, Stawek Jaskutek with his project "Komeda Recomposed", Kuba Więcek and Adam Bałdych.

The festival is an opportunity to promote young, debuting artists. Since the first edition, which took place in 1964, a competition for Jazz Persona of the Year for young musicians has been organized continuously until today. Over the decades, the competition has discovered such famous stars of the Polish jazz scene as Ewa Bem, Włodzimierz Nahorny, Krzysztof Urbański and Andrzej Zaucha. In 2019, the Grand Prix was won by Kuba Banaszek Quartet.



Young talented musicians from the Santander Orchestra conducted by Marcin Sompoliński also performed during the Festival. They played on one stage together with outstanding jazz musicians like Leszek Możdżer, an American saxophonist Tia Fuller, a Swedish double bass player Lars Danielsson, guitarist Wojtek "Monter" Orszewski and drummer Wojciech Buliński, who invited the audience to join them on a beautiful musical journey.

The festival was also accompanied by an open-air jazz zone with free entrance for all jazz fans, operating throughout the entire festival. It attracted in particular school and college students interested in an ambitious and original artistic offer.

Accompanying events also included meetings with artists e.g. with the legendary saxophonist Przemek Dyakowski and Tomasz Lech, a writer and Krzysztof Komeda's foster son, as well as exhibitions of jazz posters and the first edition of the Marek Karewicz Photo Competition.

55th Santander Jazz on the Oder River Festival 2019 in numbers

5

festivals

18

concerts on 3
music stages

20,000

listeners

19th Spanish Cinema Week

For years one of the most important areas of our sponsoring activities has been culture. We are particularly keen to get involved in projects that stay in the memory of the audience for a longer time thanks to the emotions they evoke. We are also fond of projects promoting Spanish culture. By participating in them, we emphasize the fact that for nine years we have been part of the global Santander Group which originated in Spain.

The Spanish Cinema Week is the only event in Poland dedicated exclusively to cinematography from the Iberian Peninsula and a unique opportunity to see films from this country that have won the hearts of Spanish viewers and critics. Santander Bank Polska was the patron of the festival in 2019.



The 19th edition of the event took place in selected cinemas in 10 cities of Poland: Warsaw, Kraków, Wrocław, Białystok, Katowice, Łódź, Gdańsk, Gdynia, Poznań and Lublin. The programme included 16 films from 2018, among them, as many as twelve premiered in Polish cinemas. They were both the most famous new productions, as well as independent movies representing artistic cinema or titles awarded with Goya awards which are often referred to as the 'Spanish Oscars'. In many cases it was the only opportunity to see them in Poland.

Among the biggest hits of the film event were: "The Realm" by Rodrigo Sorogoyen, "Champions" by Javier Fesser or "Wave of Crimes" one of the most popular Spanish productions directed by Gracia Querejeta.

19th edition of Spanish Cinema Week in numbers:

32
festival days

10
cities

123
screenings in 11
cinemas

21,406
viewers

16
accompanying events:
language workshops,
literary workshops,
film screenings for
children, meetings
with experts

10
"Santander Bank
Polska invites"
special screenings

240
bank customers
invited to special
screenings

114
invitations
forwarded to bank
employees

"Reach out where sight does not reach" - 11 symphonic concerts in the dark

During the performances, the musicians played part of the repertoire without a conductor, not seeing each other and relying solely on hearing. The aim of the event was to increase social sensitivity to the needs of people with visual impairments and to bring them closer to the way they experience the world. For the first time we decided to talk about the needs of people with disabilities through music, because it is the only field of art that can be fully enjoyed without involving the eyes.

The social partner of the event was the Executive Board of the Polish Association of the Blind. During the concerts, guests could make donations to the Polish Association of the Blind.

The organizer of the concerts was Santander Bank Polska in cooperation with POLFUND Fundusz Poręczeń Kredytowych S.A. and the Silesian Philharmonic, while the Ignacy Jan Paderewski Foundation of Santander Bank Polska was the patron of the event. For more information about the concerts and the commitments of the Foundation go to Santander Bank Polska Foundation.



Each of the "Reach out where sight does not reach" concerts began with a piece by the blind Spanish composer Joaquín Rodrigo, played by the orchestra in total darkness. During the concert one could also hear works by other outstanding artists who struggled with sight problems, e.g. Johann Sebastian Bach or Georg Friedrich Händel. Outstanding artists participating in the events included Waldemar Malicki, Carmen Giannattasio, Krzesimir Dębski, Anna Jurkiewicz, Ewa Uryga and the Votosi ensemble. The orchestra was led by renowned conductors, i.e. Francesco Bottigliero, Mirosław Jacek Błaszczyk and Robert Kabara.

- The concerts were attended by an audience of **7,000 people** – customers and bank employees, including about 400 persons with disabilities.
- The video promoting events in social media had nearly **6 thousand** viewings.
- During the concerts, **PLN 35,000** was collected for the Polish Association of the Blind.
- The event was very popular among employees with **2,000** hits of the internal communication message concerning this event on the Intranet.

During the concerts, Santander Bank Polska volunteers took care of persons with disabilities, especially helping them to arrange transport and accompanying on the way to the concert venues.

Sports sponsorship

Garmin Iron Triathlon 2019

In 2019, the bank was a strategic sponsor of the 8th Garmin Iron Triathlon – the oldest and largest series of triathlon competitions in Poland. During the season, 9 events were held in nine Polish cities: Płock, Ślesin, Augustów, Stężyca, Gołdap, Elbląg, Chodzież, Brodnica and Nieporęt.

6,850

athletes, players and children
– record high total number of
participants in the event history

1,425

competitors participating
in one event of the series
(Nieporęt) – record high
attendance of a single event



" In 2019, in connection with Santander Bank Polska's support to the series of events, I took part in several competitions organised as part of the Garmin Iron Triathlon, including as many as 5 times at the so-called half-Ironman distance (1.9 km swimming, 90 km cycling and 21 km running). As a result, I won 2nd place in the general classification of the series in the abovementioned category, which was the reward for all the hard work, hundreds of hours spent on training, often in unfavourable conditions. Triathlon, combining swimming, cycling and running, is a really beautiful sport which requires a lot of determination to achieve the set goals but brings a lot of satisfaction in return. It is a sport worth investing in and promoting. Every sport is key to our health, and triathlon is a combination of three disciplines in one, so the benefit is also triple. The professional organization of the series of events is also worth emphasizing. It is not an accident that GIT competitions have won the "Event of the year" title many times among triathletes in Poland.

Grzegorz Kędzior

Financial Services Area Director, Santander Bank Polska

Garmin Iron Triathlon is the oldest and largest series of triathlon competitions organized in Poland, which every year provides many positive emotions. Since the beginning of its existence tens of thousands of competitors have taken part in the event. It is a competition mainly for amateurs who try their hand at this discipline, but also for professionals who stand together on one starting line with them. The series provides the participants with many unforgettable experiences. The triathlon races are open to young triathlon adepts, but also to older ones, from the 70+ age group. An accompanying event is the Garmin Kids' Race for Children, which allows the youngest to catch the sports bug and spend time actively. The Garmin Iron Triathlon is a series of great sporting events for whole families, but also for thousands of fans who follow the competition live in different places all over Poland. Since its inception, the series has been constantly evolving, so that in the last season, we were able to offer the participants races in as many as 9 different locations, as well as three different distances at each stage, so that each person could choose the right distance for themselves. Every year, the Garmin Iron Triathlon generated incredible emotions connected with direct competition. Fighting for the best possible times, places on the podium, beating life records, but also – for many competitors – overcoming their own weaknesses and breaking down barriers. We are extremely pleased as the organizers that for 9 years now we have been able to observe the participants competing against each other in the spirit of fair play.

Marcin Florek

LABOSPORT Polska sp. z o.o.

Santander Polish Masters

The cooperation with Santander Bank Polska proved to be one of the most valuable relationships for us. The series of Santander Polish Masters golf tournaments was record-breaking in 2019, consisting of 11 elimination tournaments played on 11 golf courses across the country. The whole thing was crowned with a great, three-day final. Santander Polish Masters contributed to the popularization of golf in Poland and encouraged to spend time actively. Altogether, 1,500 players took part in the series – both beginners and experienced golfers. And 30% of the players were bank customers who received free invitations to participate in the events. Santander Bank Polska understood the idea of golf from the beginning and seemed to be an ideal partner for Polish Masters. Sport is based on the principles of fair play, honesty and respect. These are values close to the bank and extremely important in business relations.

Anna Maliszewska

Tournament Director Santander Polish Masters



In 2019 the bank became the title sponsor of one of the most important series of golf tournaments in Poland, Santander Polish Masters. As part of the series – from April to September – 11 elimination tournaments were held on the best golf courses in Poland, each attended by about 100-120 players. Every tournament was accompanied by a golf academy i.e. a training program for those who wanted to learn the secrets of this sport.

In the 2019 season there were two new categories: Stroke Play Gross and the Best Female Golfer. The series was also expanded with additional 3 two-day tournaments.

The tournament has a sporting character so its results are included in the ranking of the Polish Golf Association.



1,400

The total number of players in the Santander Polish Masters elimination and final tournaments, including Santander Bank Polska customers.

UEFA Champions League

“ We take advantage of the strategic sponsorship of the UEFA Champions League on many levels, to foster our relations but also for the purpose of sports activities during various outdoor events. We have carried out many competition activities for football in the bank's external communication channels which helped us to better reach our customers who are football fans and activate the ones who are not fans yet. Sponsorship of the most important club football tournament based on the Fair Play and One Team principles perfectly matches the values that guide us in our daily operations of Santander Bank Polska.

Anna Gawrońska

Relationship Marketing Manager, Santander Bank Polska

In 2019, the bank continued the Group's strategic project of sponsoring the world's most prestigious club football tournament, the UEFA Champions League (UCL). In 2019 we organized in Warsaw:



3

events attended by the Ambassador of the Santander Group for UEFA sponsorship – former Brazilian footballer Ronaldo Luis Nazário de Lima: a media briefing, a meeting for clients and a meeting for bank employees and their children.

As part of the project we also organized:

- customers' trips to the matches,
- competitions for customers and employees,
- employee football tournaments,
- promotional activities of the project, including football activities for visitors to the Santander Station.

A background image showing a close-up of hands typing on a laptop keyboard. The image is slightly blurred and has a dark, muted color palette, serving as a backdrop for the chapter title.

Chapter 7

Guide to the report

About the report

The Corporate Social Responsibility Report of Santander Bank Polska for 2019 is the seventh report presenting a comprehensive overview of our organization's impact on social, economic and environmental issues. The report covers the period from 1 January 2019 to 31 December 2019, unless it is explicitly stated otherwise in the report text. Our reports are published annually. The previous report for 2018 was published on 5 August 2019 <https://raport.santander.pl/>

The report was prepared in accordance with the Global Reporting Initiative (GRI) international standard, at the Core level.

The report also refers to international guidelines and objectives relevant to our organisation and the financial sector, such as:



UNEP Finance Principles for Responsible Banking – PRB



European Commission Guidelines on the Disclosure of Non-Financial Information Related to Climate Impact and the Task Force on the Disclosure of Financial Information Related to Climate Impact (TCFD)



Task Force on Climate-Related Financial Disclosure (TCFD)



ESG factors: Environment, Social and Governance



Sustainable Development Goals (SDGs) identified as strategic for Santander Bank Polska

The GRI table (a common table for GRI and other international guidelines) indicates reference to the content of the report for each guidance and objective.

GRI: 102-49

Identification of material reporting topics

Identification of material reporting topics

- in 2019 – as in previous years, a stakeholder panel according to the AA1000SES stakeholder dialogue standard;
- in 2020 – an internal analysis of our organisation's social, economic and environmental impact. We organised an internal workshop on the environmental impact of operations and our economic responsibility in view of the climate change;
- in 2020 – a survey among Santander Bank Polska's expert group of stakeholders, which concerned the bank's responsibility and impact on society, the economy and the environment.

The final decisions concerning the materiality of the identified reporting topics were made by representatives of the bank's top management. At this stage of reporting, the materiality of the reported topics was analysed.

The results of the above research and analyses were taken into account in the preparation of this report. All the reporting topics, which were identified in the process of defining the report content as material affect both our organisation and its objectives and our environment.

There have been no significant changes to the measurement methods used in this report compared to the previous report. Changes have occurred in the list of material reporting topics. A summary of material topics for 2018. and 2019 is presented in the form of a table.

This Report has also corrected some of the information published in previous years. The correction was made to "About Santander Bank Polska" and concerned the numbers of ATMs, CDMs and dual-function machines in 2017 and 2018.

Material reporting topics

The list of material reporting topics for 2019 is the result of the actions outlined above. The order of presenting material topics does not reflect the degree of their significance. The topics are presented in the table below in comparison with the material reporting topics in 2018.

Topic	Material topic in 2018	Material topic in 2019	Impact on the bank	Impact on the environment
Responsible sales and misselling prevention	Yes	Yes	Yes	Yes
Ethical marketing communication, reliable information about products and services that customers can understand	Yes	Yes	Yes	Yes
Compliance with regulations	Yes	Yes	Yes	Yes
The role of values and ethics in the organizational culture, including building responsible employee attitudes	Yes	Yes	Yes	Yes
Quality of customer service and customer satisfaction	Yes	Yes	Yes	Yes
Inclusive banking – accessibility of products and services, preventing financial exclusion and providing financial education	Yes	No	Yes	Yes
Security of customer services, transactions and data	Yes	Yes	Yes	Yes
Climate and environmental impact	Yes	No	Yes	Yes
Diversity and equal opportunities in the workplace, including equal pay for women and men	Yes	Yes	Yes	Yes
Employment terms and employee satisfaction	Yes	No	Yes	Yes
Performance results and economic impact	Yes	No	Yes	Yes
Mobile and online banking and the approach to direct contact with customers (branch network)	No	Yes	Yes	Yes
Product portfolio, including new products and innovations	No	Yes	Yes	Yes
The bank's strategy and development directions	No	Yes	Yes	Yes

GRI: 102-53

Contact

If you have questions or suggestions concerning this report, please do not hesitate to contact us.

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Indeks GRI Standards

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
GRI 101.	Foundation 2016	Basic Information [No indicators included]					
I. GENERAL DISCLOSURES: ORGANISATIONAL PROFILE							
GRI 102-1	GRI 102. General Disclosures 2016	Name of the organization.	About Santander Bank Polska				
GRI 102-2	GRI 102. General Disclosures 2016	Activities, brands, products and/or services.	About Santander Bank Polska Customers and services Retail customers Business customers				
GRI 102-3	GRI 102. General Disclosures 2016	Location of organization's headquarters.	The registered office is located in Warsaw, Al. Jana Pawła II 17.				
GRI 102-4	GRI 102. General Disclosures 2016	Location of operations	The area of operation covers the whole territory of Poland. About Santander Bank Polska				
GRI 102-5	GRI 102. General Disclosures 2016	Ownership and legal form	About Santander Bank Polska				
GRI 102-6	GRI 102. General Disclosures 2016	Markets served	About Santander Bank Polska				
GRI 102-7	GRI 102. General Disclosures 2016	Scale of the organization	About Santander Bank Polska				
Custom indicator	Not applicable	Number of brand touchpoints in Poland, including branches broken down into outlets run directly by the bank and partner outlets.	About Santander Bank Polska				
GRI 102-8	GRI 102. General Disclosures 2016	Markets served	Employment structure	SDG 5, 8			
GRI 102-9	GRI 102. General Disclosures 2016	Supply chain	Responsible supply chain				
GRI 102-10	GRI 102. General Disclosures 2016	Significant changes to the organization and its supply chain	Responsible supply chain	SDG 5		ESG Social	
GRI 102-11	GRI 102. General Disclosures 2016	Precautionary Principle or approach	Risks and impact Policies			ESG Environment	EC/TCFD

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
GRI 102-12	GRI 102. General Disclosures 2016	External initiatives and externally-developed economic, environmental and social charters, principles, or other initiatives to which the organization subscribes,	Approach to sustainable development Our business strategy Partnerships External initiatives Responsible sales and marketing	SDG 12, 13, 17	PRB 4	ESG Environment ESG Social ESG Governance	
GRI 102-13	GRI 102. General Disclosures 2016	Membership of associations	Membership in associations	SDG 13, 17	PRB 4		
Strategy							
GRI 102-14	GRI 102. General Disclosures 2016	Statement from senior decision-maker	Interview with the CEO			ESG Environment ESG Social ESG Governance	
GRI 102-15	GRI 102. General Disclosures 2016	Key impacts, risks and opportunities	Approach to sustainable development Risks and impact Our business strategy Our approach Green offer – products and services	SDG 3, 8, 12, 13, 17	PRB 1, 2	ESG Environment ESG Governance	EC/TCFD
Custom indicator	Not applicable	Description of the bank's strategy, including the management approach to responsible business and sustainable development	Approach to sustainable development Our business strategy	SDG 13, 17	PRB 1		
Ethics							
GRI 102-16	GRI 102. General Disclosures 2016	Values, principles, standards and norms of behaviour	Code of Conduct	SDG 8		ESG Social ESG Governance	
GRI 102-17	GRI 102. General Disclosures 2016	Values, principles, standards and norms of behaviour	Reporting ethical concerns Ethical education	SDG 8		ESG Governance	
Governance and target setting							
GRI 102-18	GRI 102. General Disclosures 2016	Governance structure of the organization including committees of the highest governance body	Management structure Approach to sustainable development	SDG 13, 17		ESG Environment ESG Governance	
GRI 102-20	GRI 102. General Disclosures 2016	Executive-level responsibility for economic, environmental, and social topics	Approach to sustainable development	SDG 13, 17		ESG Environment ESG Governance	
GRI 102-21	GRI 102. General Disclosures 2016	Consulting stakeholders on economic, environmental, and social topics	Stakeholders		PRB 4	ESG Governance	

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
GRI 102-22	GRI 102. General Disclosures 2016	Composition of the highest governance body and its committees	Governance structure			ESG Governance	
GRI 102-23	GRI 102. General Disclosures 2016	Chair of the highest governance body	Governance structure			ESG Governance	
GRI 102-26	GRI 102. General Disclosures 2016	Role of highest governance body in setting purpose, values, and strategy	Governance structure Approach to sustainable development	SDG 13, 17		ESG Environment ESG Governance	
GRI 102-29	GRI 102. General Disclosures 2016	Identifying and managing economic, environmental, and social impacts	Approach to sustainable development Our business strategy	SDG 13, 17	PRB 2	ESG Environment ESG Social ESG Governance	
GRI 102-31	GRI 102. General Disclosures 2016	Review of economic, environmental, and social topics	Approach to sustainable development	SDG 13, 17	PRB 5	ESG Environment ESG Governance	
GRI 102-32	GRI 102. General Disclosures 2016	Highest governance body's role in sustainability reporting	Approach to sustainable development	SDG 13, 17	PRB 6	ESG Environment ESG Governance	
GRI 102-35	GRI 102. General Disclosures 2016	Remuneration policies	Salaries and benefits	SDG 5, 8			
Stakeholder engagement							
GRI 102-40	GRI 102. General Disclosures 2016	List of stakeholder groups	Stakeholders		PRB 4	ESG Governance	
GRI 102-41	GRI 102. General Disclosures 2016	Employees covered by collective bargaining agreements	Salaries and benefits	SDG 5, 8			
GRI 102-42	GRI 102. General Disclosures 2016	The basis for identifying and selecting stakeholders with whom to engage	Stakeholders		PRB 4	ESG Governance	
GRI 102-43	GRI 102. General Disclosures 2016	Approach to stakeholder engagement including frequency of engagement by type and by stakeholder group	Stakeholders		PRB 4	ESG Governance	
GRI 102-44	GRI 102. General Disclosures 2016	Key topics and concerns that have been raised through stakeholder engagement and how the organization has responded, including through its reporting.	Stakeholders		PRB 4	ESG Governance	
Reporting							
GRI 102-45	GRI 102. General Disclosures 2016	List of all entities included in the organization's consolidated financial statements	About Santander Bank Polska				
GRI 102-46	GRI 102. General Disclosures 2016	The process of defining the report content	About the report			ESG Governance	
GRI 102-47	GRI 102. General Disclosures 2016	List of identified material topics	About the report			ESG Governance	

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
GRI 102-48	GRI 102. General Disclosures 2016	Explanation of the effect of any restatements of information given in previous reports and the reasons for such restatements (e.g. mergers and acquisitions, change of base years or periods, nature of business or measurement methods)	About the report				
GRI 102-49	GRI 102. General Disclosures 2016	Significant changes from previous reporting periods in the list of material topics and topic boundaries	About the report				
GRI 102-50	GRI 102. General Disclosures 2016	Reporting period	About the report				
GRI 102-51	GRI 102. General Disclosures 2016	Date of most recent report	About the report				
GRI 102-52	GRI 102. General Disclosures 2016	Reporting cycle	About the report				
GRI 102-53	GRI 102. General Disclosures 2016	Contact details	Contact				
GRI 102-54	GRI 102. General Disclosures 2016	Claims of reporting in accordance with GRI standards	About the report				
GRI 102-55	GRI 102. General Disclosures 2016	GRI Content index	About the report				
GRI 102-56	GRI 102. General Disclosures 2016	The organization's policy and current practice with regard to seeking external assurance for the report	About the report				
EC/TCFD		The impact of climate issues and related risks on a company's business model, strategy and financial plans. Climate impact of the business model	Risks and impact				
			Green offer – products and services			ESG Environment	EC/TCFD
EC/TCFD		The company's dependence on natural capital	Impact on climate				
			Risks and impact				
EC/TCFD		The company's dependence on natural capital	Green offer – products and services			ESG Environment	EC/TCFD
			Impact on climate				
EC/TCFD		Opportunities related to resource efficiency, cost savings, use of low-carbon energy sources, development of new products and services, access to new markets and building resilience throughout the value chain	Risks and impact				
			Green offer – products and services				
EC/TCFD		The company's climate policy, including climate change mitigation or adaptation policy	Impact on climate				
			Green offer – products and services				
EC/TCFD		The company's climate policy, including climate change mitigation or adaptation policy	Our approach Policies	SDG 3, 8, 12, 13	PRB 1, 2	ESG Environment	EC/TCFD

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
EC/TCFD		Climate related targets, including greenhouse gas emission targets	Targets Impact on climate			ESG Environment	EC/TCFD
EC/TCFD		Energy-related policy targets	Targets Impact on climate			ESG Environment	EC/TCFD
EC/TCFD		Management supervision over climate risks and opportunities The role of management in assessing and managing climate risks and opportunities	Our approach Policies Risks	SDG 3, 8, 12, 13	PRB 1,2	ESG Environment	EC/TCFD
EC/TCFD		Processes used to identify and assess climate-related risks, main risk types and how to manage the risks	Risks and impact Risks Impact on climate			ESG Environment	EC/TCFD
EC/TCFD		Main climate risks throughout the value chain in the short, medium and long term. Risk maps that take climate issues into account	Risks and impact Risks			ESG Environment	EC/TCFD
EC/TCFD		Integrating climate risk and opportunity assessment into relevant investment, credit and insurance strategies	Risks and impact Impact on climate			ESG Environment	EC/TCFD
EC/TCFD		Main pro-environmental products and services offered to customers, including those affecting climate change solutions	Impact on climate			ESG Environment	EC/TCFD
II. SPECIFIC DISCLOSURES ON MATERIAL TOPICS							
Material topic: Performance results and economic impact							
GRI 103-1	GRI 103. Management approach 2016	Explanation of the material topics and their boundaries	Approach to sustainable development	SDG 13, 17	PRB 2	ESG Environment ESG Governance	
GRI 103-2		The management approach and its components	Approach to sustainable development	SDG 13, 17	PRB 2	ESG Environment ESG Governance	
GRI 103-3		Evaluation of the management approach	Approach to sustainable development	SDG 13, 17	PRB 2	ESG Environment ESG Governance	
GRI 201-1		Direct economic value generated and distributed	About Santander Bank Polska				
GRI 203-2		Significant indirect economic impacts	Approach to sustainable development	SDG 13, 17		ESG Environment ESG Governance	

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
Prevention of financial exclusion, financial education							
GRI 103-1	GRI 103. Management approach 2016	Explanation of the material topics and their boundaries	Customer-centricity Digitisation and innovation Barrier-free banking Santander Universidades Financial education	SDG 4, 8, 10, 11	PRB 1	ESG Social	
GRI 103-2		The management approach and its components	Customer-centricity Digitisation and innovation Barrier-free banking Santander Universidades Financial education	SDG 4, 8, 10, 11	PRB 1	ESG Social	
GRI 103-3		Evaluation of the management approach	Customer-centricity Digitisation and innovation Barrier-free banking Santander Universidades Financial education	SDG 4, 8, 10, 11	PRB 1	ESG Social	
Custom indicator	non applicable	Information about key products, including new products launched during the reporting period	Retail customers Business customers			PRB 3	
Custom indicator	non applicable	Number of customers using online and mobile banking	Customers and service Digitisation and innovation				
Custom indicator	non applicable	Number of transactions in remote channels	Customers and service				
Custom indicator	non applicable	Products and initiatives addressed to Small and Medium Size Enterprises (SMEs)	Retail customers Digitisation and innovation			PRB 3	
Custom indicator	non applicable	Number of bank branches with Barrier-free Service certificate	Barrier-free banking	SDG 8, 10			
Custom indicator	non applicable	Number of beneficiaries of projects and social initiatives in the field of education initiated and/or supported by the bank and/or the bank's Foundation in a given year	Santander Universidades	SDG 4, 8, 11		ESG Social	
FS 14	Sector Supplement	Measures taken to ensure access to financial services for people from disadvantaged populations	Barrier-free banking	SDG 8, 10		PRB 3	

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
Material topic: The role of values and ethics in the organizational culture, including building responsible employee attitudes.							
GRI 103-1	GRI 103. Management approach 2016	Explanation of the material topics and their boundaries	Code of Conduct Anti-corruption policies Reporting ethical concerns	SDG 8		ESG Governance	
GRI 103-2		The management approach and its components	Code of Conduct Anti-corruption policies Reporting ethical concerns	SDG 8		ESG Governance	
GRI 103-3		Evaluation of the management approach	Code of Conduct Anti-corruption policies Reporting ethical concerns	SDG 8		ESG Governance	
GRI 205-2	GRI 205: Anti-corruption 2016	Communication and training about anti-corruption policies and procedures for employees and managers	Anti-corruption policies				
GRI 205-3	GRI 205: Anti-corruption 2016	Confirmed incidents of corruption and actions taken	Anti-corruption policies				
Custom indicator	non applicable	List of key activities and initiatives implemented in the bank during the year to raise the employees' awareness of business ethics and the bank's organizational culture	Ethical education		PRB 5	ESG Governance	
Custom indicator	non applicable	Number of violations and/or other issues needing resolving reported to the ethics mailbox and helpline	Reporting ethical concerns	SDG 8	PRB 5	ESG Governance	
Material topics: Responsible selling and prevention of misselling. Ethical marketing communication and reliable, comprehensible information about products and services. Regulatory compliance.							
GRI 103-1	GRI 103. Management approach 2016	Explanation of the material topics and their boundaries	Responsible sales and marketing	SDG 12, 17			
GRI 103-2		The management approach and its components	Responsible sales and marketing	SDG 12, 17			
GRI 103-3		Evaluation of the management approach	Responsible sales and marketing	SDG 12, 17			
GRI 417-2	GRI 417. Marketing and Labeling 2016	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning product and service information and labelling	Responsible sales and marketing	SDG 12, 17			
GRI 417-3	GRI 417. Marketing and Labeling 2016	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	Responsible sales and marketing	SDG 12, 17			

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
GRI 419-1	GRI 419. Socioeconomic Compliance	Non-compliance with laws and regulations in the social and economic area – significant fines and non-monetary sanctions for non-compliance with laws and/or regulations	Responsible sales and marketing	SDG 12, 17			
Relationships with customers, customer satisfaction and data security.							
GRI 103-1	GRI 103. Management approach 2016	Management approach 2016 Explanation of the material topics and their boundaries	Customer-centricity				
GRI 103-2		The management approach and its components	Customer-centricity				
GRI 103-3		Evaluation of the management approach	Customer-centricity				
Custom indicator	non applicable	Main activities to ensure customer satisfaction	Customer-centricity				
Custom indicator	non applicable	Customer satisfaction measurement results	Dialogue with customers – surveying needs and satisfaction				
Material topic: Security of services, transactions and customer data							
GRI 103-1	GRI 103. Management approach 2016	Explanation of the material topics and their boundaries	Security		PRB 3		
GRI 103-2		The management approach and its components	Security		PRB 3		
GRI 103-3		Evaluation of the management approach	Security		PRB 3		
GRI 418-1	GRI 418. Customer Privacy	Total number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Security				
Custom indicator	non applicable	Measures implemented to ensure cybersecurity	Security				
Environmental impact – resources, materials and emissions							
GRI 103-1	GRI 103. Management approach 2016	Explanation of the material topics and their boundaries	Our approach Policies	SDG 3, 8, 12, 13	PRB 1, 2	ESG Environment	EC/TCFD
GRI 103-2		The management approach and its components	Our approach Policies	SDG 3, 8, 12, 13	PRB 1, 2	ESG Environment	EC/TCFD
GRI 103-3		Evaluation of the management approach	Targets			ESG Environment	EC/TCFD
Custom indicator	non applicable	Main environment-friendly products and services offered to customers, including those affecting climate change solutions	Green offer – products and services		PRB 2	ESG Environment	EC/TCFD
GRI 301-1	GRI 301. Materials	Materials used by weight or volume	Impact on climate			ESG Environment	EC/TCFD

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
GRI 302-1	GRI 301. Energy 2016	Energy consumption within the organization	Impact on climate			ESG Environment	EC/TCFD
GRI 305-1	GRI 305. Emissions 2016	Direct (Scope 1) GHG emissions	Impact on climate			ESG Environment	EC/TCFD
GRI 305-2	GRI 305. Emissions 2016	Energy indirect (Scope 2) GHG emissions	Impact on climate			ESG Environment	EC/TCFD
GRI 305-3	GRI 305. Emissions 2016	Other indirect (Scope 3) GHG emissions	Impact on climate			ESG Environment	EC/TCFD
GRI 308-1	GRI 308. Supplier Environmental Assessment 2016	New suppliers that were screened using environmental criteria	Responsible supply chain	SDG 5		ESG Environment	EC/TCFD
Material topic: Employment terms and employee satisfaction							
GRI 103-1	GRI 103. Management approach 2016	Explanation of the material topics and their boundaries	Corporate culture Objectives and priorities			ESG Social	
GRI 103-2		The management approach and its components	Corporate culture Objectives and priorities			ESG Social	
GRI 103-3		Evaluation of the management approach	Corporate culture Objectives and priorities			ESG Social	
Employment, remuneration and additional benefits, safety							
GRI 401-1	GRI 401. Employment 2016	Total number and rate of employees who left the organization by gender and age	Employment structure	SDG 5, 8			
GRI 202-1	GRI 202. Market Presence 2016	Ratios of standard entry level wage by gender compared to local minimum wage	Salaries and benefits	SDG 5, 8			
GRI 401-2	GRI 401. Employment 2016	Additional benefits provided to full-time employees	Salaries and benefits	SDG 5, 8			
Occupational Health and Safety							
GRI 403-2	GRI 403. Occupational Health and Safety 2016	Type and number of work-related injuries	Safety in the workplace	SDG 3, 8		ESG Social	
Training and Education							
GRI 404-1	GRI 404. Training and Education 2016	Average hours of training per year per employee	Training and education	SDG 5, 8		ESG Social	

GRI content index	GRI standard	Indicator name	Section of the report	(SDGs) ^[1]	PRB ^[2]	ESG ^[3]	EC/TCFD ^[4]
GRI 404-2	GRI 404. Training and Education 2016	Programs for upgrading employee skills and transition assistance programs	Training and education	SDG 5, 8	SDG 5, 8	ESG Social	
GRI 404-3	GRI 404. Training and Education 2016	Percentage of employees receiving regular performance and career development reviews	Training and education	SDG 5, 8		ESG Social	
Material topic: Diversity and equal opportunities in the workplace, including equal pay for women and men							
GRI 103-1	GRI 103. Management approach 2016	Explanation of the material topics and their boundaries	Diversity management			ESG Social	
GRI 103-2		The management approach and its components	Diversity management			ESG Social	
GRI 103-3		Evaluation of the management approach	Diversity management			ESG Social	
GRI 405-1	GRI 405. Diversity and Equal Opportunity 2016	Diversity of governance bodies and employees by gender, age, minorities and other diversity indicators	Employment structure	SDG 5, 8		ESG Governance	
GRI 405-2	GRI 405. Diversity and Equal Opportunity 2016	Ratio of basic salary and remuneration of women to men	Salaries and benefits	SDG 5, 8			
GRI 406-1	GRI 406. Non-discrimination 2016	Incidents of discrimination and corrective actions taken	Anti-discrimination	SDG 5, 8		ESG Social	
GRI 414-1	GRI 414. Supplier Social Assessment 2016	New suppliers that were screened using social criteria	Responsible supply chain	SDG 5, 8		ESG Social	
Social engagement and public policy							
Custom indicator	non applicable	Number of employee volunteers engaged in corporate volunteering projects during the year under review	Corporate volunteering	SDG 11		ESG Social	
Custom indicator	non applicable	Number of beneficiaries of volunteering projects/ year	Corporate volunteering	SDG 11		ESG Social	
Custom indicator	non applicable	Total amount of money allocated to social causes per year	Corporate volunteering	SDG 11		ESG Social	
GRI 415-1	GRI 415. Public Policy 2016	Total value of political and similar contributions.	O PLN				

¹ Reference to UN Sustainable Development Goals 2015 - 2030

² Reference to UNEP Finance Principles for Responsible Banking

³ Reference to ESG factors (Environment S – Social G – Governance)

⁴ Reference to the European Commission Guidelines on reporting climate related information (including the Guidelines of the Task Force on Climate-related Financial Disclosures / TCFD/)

Glossary

Agile

Agile ways of work are based on interdisciplinary teams which are close to the customer and can quickly implement new solutions

BGK

Bank Gospodarstwa Krajowego

OHS

Occupational Health and Safety

CIB

Corporate and Investment Banking

Contact Centre

Centre for contacts with customers (Multichannel Communication Centre)

CRM

Customer Relationship Management

CSR

Corporate Sustainability and Responsibility

EBRD

European Bank for Reconstruction and Development

EPG

Equal Pay by Gender. Santander Bank Polska monitors the EPG indicator.

Equator Principles

International project on social and environmental risks with the participation of financial institutions

ESG

Environmental, Social and Governance. ESG means non-financial rating factors for companies and organisations: environmental (E), social (S) and governance (G).

FOB

Responsible Business Forum

GPG

Gender Pay Gap. Santander Bank Polska monitors the GPG indicator.

GRI

Global Reporting Initiative

Stakeholders

Parties who have influence on the organisation or are under the organisation's influence

IFC

International Finance Corporation

LEED

Leadership in Energy and Environmental Design

LIBOR

London Interbank Offered Rate

MCC

Multichannel Communication Centre

Misselling

Irresponsible and unethical selling of financial products

SME

Small and Medium-Size Enterprises

NBP

National Bank of Poland

NPS

Net Promoter Score – an indicator for measuring customer loyalty and customer propensity to recommend a brand

OBB

Barrier-free service

PSL

Polish Sign Language. Remote video service in PSL is provided by the bank's Contact Centre employees.

POS

Point of sale terminal for cashless payments.

PRB

Principles for Responsible Banking – a set of six principles which define the framework for responsible management in the banking sector

WIG-ESG

Index of companies listed on the Warsaw Stock Exchange, including companies participating in the WIG20 and mWIG40 indices.

SDGs

The UN's sustainable development goals set for the period 2015-2030. They influence the activities and reporting of the results of individual countries, international and national initiatives and a wide variety of parties, including entrepreneurs and the business community.

Spread

Difference between FX sell and buy ratios.

TCFD

Task Force on Climate-related Financial Disclosures appointed by the G20 Financial Stability Board.

UN Global Compact

United Nations initiative for corporate social responsibility and sustainable development.

VR

Virtual Reality created using information technologies.

ZBP

Polish Bank Association.