

# ESG Report 2021



## Looking to the future

Responsible banking at the heart  
of a sustainable economy



# ESG Report 2021

## Table of contents

<b>About the Bank</b>	<b>3</b>	<b>Stakeholder Relations – Social</b>	<b>76</b>
Interview with Michał Gajewski, CEO of Santander Bank Polska	4	Management approach	77
Activity profile	7	<b>Relationship with employees</b>	<b>78</b>
Business model and value creation model	9	Introduction	78
Mission, vision, values	10	Employment structure	79
Financial performance and key performance indicators	11	Corporate culture	80
The bank's stakeholders and external relations	13	Diversity in the workplace	81
Partnerships	15	Remuneration and benefits	85
Awards and recognitions	16	Benefits	86
		Training and development	87
		Health and safety at work	88
<b>Governance</b>	<b>18</b>	<b>Customer relations</b>	<b>90</b>
Governance structure	19	Products and services	90
Corporate governance	22	Customer-centricity	91
Business strategy	24	Inclusive banking	96
Responsible banking – managing ESG issues	25	Transparency and dialogue with customers	99
Risk	28	New technologies and innovation	100
Ethics	30	Support to customers in distress	102
Human Rights policy	33	Support to customers during the COVID-19 pandemic	103
Anti-corruption	34	<b>Relations with society</b>	<b>104</b>
Sustainable supply chain	35	Introduction	104
Policies and key regulations concerning ESG areas	37	Education	104
		Promoting entrepreneurship	108
<b>Green Bank – Environmental</b>	<b>38</b>	Corporate volunteering	109
Approach to managing environmental impacts and climate protection	39	Santander Foundation	109
Regulations concerning the environmental and climate impact of business operations	41	Cultural sponsorship	111
Eco-friendly products and services	43	Actions taken in response to the consequences of the armed conflict in Ukraine	112
Green financing	44		
Environmental impact of operations	46	<b>Our results</b>	<b>116</b>
Promoting environmentally friendly attitudes	49	Results of the environmental area	117
Partnerships for climate	51	Results of the social area	120
<b>TCFD Report</b>	<b>52</b>	Results of the governance area	130
Introduction	52	<b>About the report</b>	<b>134</b>
Corporate governance	54	Description of the reporting process	135
Strategy	56	Tables of reporting indicators	138
Risk management	63	Audit assurance	149
Metrics and targets	67	Glossary	151
Methodology	70	Contact	153



# About the Bank



# Interview with Michał Gajewski, CEO of Santander Bank Polska

[GRI 2-22]



2021 was another year marked by the pandemic. What solutions were put in place, what were the priorities to ensure that the bank meets its business objectives and grows?

The past year was another challenging period, yet we ended it with solid financial performance. Once again, we proved that we are able to operate effectively in rapidly changing conditions and that we are a reliable, stable and responsible partner for our customers, stakeholders and the Polish economy.

Our priority remains to take action to minimise our environmental impact. In 2021, the Santander Group announced its Net Zero strategy, which aims to achieve climate neutrality by 2050. Despite many other ongoing challenges, delivering our banking strategy based on ESG indicators remains a key focus.

What measures has Santander Bank Polska taken to support customers and respond to their changing needs?

In retail banking, we focused on improving the customer experience and expanding, digitalising and simplifying our services. We have strived to increase the digital activity of our customers. At the end of last year, more than 3 million of them were managing their finances remotely. This makes banking even more accessible to all customer groups. In the spirit of care for the environment, we also launched a payment card made of biodegradable plastic. More than 40% of the cards issued by us last year were already made of it.

In the SME segment, we maintained our first position in terms of the value of working capital loans sold to one-person businesses throughout 2021 and access to financing is the key determinant of their growth prospects. To support our customers in difficult times, we offered the possibility of filing applications and settlements of financial assistance in our systems. More than 7,200 companies benefited from the PFR's Financial Shield 2.0 aid scheme.



On the other hand, in our cooperation with large companies and corporations, we focused last year on solutions that support the green transformation, and this was also possible thanks to new digital tools such as iBiznes24 e-banking or the GTS (One Trade Portal) platform.

### **What has been the bank's biggest HR management challenge in the past year?**

The source of Santander Bank Polska's human and intellectual capital is its employees. The bank provides them with opportunities to improve their competences and systematically motivates them to knowledge sharing and self-education. The bank's organisational culture has been built on values and ethical standards that build trust and lasting loyalty among employees. Of course, the pandemic period necessitated a complete change in the work model and the use of flexible methods of performing job duties. Another important aspect was to support employees in terms of psychological comfort and ensuring a work-life balance. 2021 was for us, as for many other companies, the time of implementing flexible and hybrid work models, adapted to the needs of both our employees and our customers. We want this new model to be comfortable for our employees and help them to develop and achieve fulfilment, while invariably ensuring that our clients receive the highest level of service.

### **Thinking back over the past year, what would you consider to be Santander Bank Polska's greatest achievement in terms of the organisation's contribution to sustainable development, and what do you think could have been done better? Where does the bank see itself failing in this regard?**

The key challenges within our Responsible Banking agenda, both in the past year and in the coming years, are those arising from the implementation of the European Green Deal. The European Commission's initiative to achieve climate neutrality in Europe by 2050 means that we have to develop new products, offer customer education, introduce changes in ESG risk management (including climate risk), but also withstand regulatory pressure. The coming decades will certainly see an increase in the importance of sustainable finance issues, which will be felt across the entire EU financial sector.

At Santander Bank Polska, we are prepared to actively support our customers in the changes that must take place over the next two decades. Particularly in Poland, where until

last year around 70% of energy came from coal. The process of transforming our energy industry will require a lot of effort on the part of companies, but also knowledge and agility on the part of financing institutions. Our experience in promoting and launching new products and our expertise in this area will be an important value in the future. Therefore, one of the most important challenges for Santander Bank Polska in the coming years will be the issue of the green agenda – particularly in terms of products and climate risk management. We feel that, despite the numerous initiatives and actions we have taken, the transformation process in Poland is not progressing as quickly as it should – so we hope that in the coming years we will be able to help accelerate the necessary changes. In our bank, we have made significant progress in the area of corporate banking, but we believe that we can do even more in the retail area by offering a wider range of ESG-related solutions. Both the pandemic and the war in Ukraine have made it more difficult for many of our customers to meet pro-environmental targets. However, in the long term, it is the speed and effectiveness of the changes aimed at combating climate change that will have the strongest impact on the future for all of us.

### **Why can Santander Bank Polska be considered a leader in the Polish market of financial institutions when it comes to sustainable finance?**

Our activities in this field are very broad. For many instruments and transactions we were pioneers in the Polish market. In 2021, supporting our clients in their green transformation, we completed transactions in the area of renewable energy worth PLN 503.7 million, green construction worth PLN 495 million, mobility projects worth PLN 360 million, and in the agro sector amounting to over PLN 350 million. We issued the first sustainable debt securities with a nominal value of PLN 750 million. The funds raised from the issue will be used to finance or refinance Eligible Green Assets or Eligible Social Assets.

We also participated in the issuance of green bonds for clients in the property development and engineering sectors. In cooperation with Banco Santander, we obtained for a client financing linked to the fulfilment of socio-environmental criteria.

We are also actively working with local authorities, offering new financing solutions for energy transition and zero-emission public transport. Together with Bank Gospodarstwa Krajowego, we financed the purchase of electric buses for Poznań, which enabled us to contribute

to improving air quality in the city. In the coming years, we will consistently implement the ESG strategy. We are aware that our commitment to green financing and transformation of the economy is both an economic necessity and an expression of responsibility for future generations.

### **What macroeconomic, social and political trends do you notice affecting Santander Bank Polska's strategy to contribute to sustainable development?**

In 2021, the economy rebounded dynamically thanks to the easing of pandemic restrictions, the progressive vaccination against COVID-19 and the global economic recovery. All major components of GDP – consumption, investment and foreign exchange – grew rapidly. Imports increased much faster than exports and the 2020 domestic foreign trade surplus turned into a deficit. At the same time, some sectors continued to face disruption in global supply chains. However, we entered 2022 with rising inflation and a cycle of interest rate hikes that could slow economic growth. The factor that has changed everything is the war in Ukraine and all its consequences, e.g. for the food market, energy resources or further disruption of production and supply of certain commodities. The COVID-19 pandemic has not slowed down the European Union's green agenda or our efforts in this area. It seems that the war in Ukraine, through the abandonment of Russian raw material supplies, will accelerate the green revolution – mainly in energy. This means that the entire financial sector needs to be even more supportive of domestic energy companies, but also of many industries that have hitherto been dependent on raw materials from the East.

### **What are Santander Bank Polska's main challenges and objectives related to sustainable development for the next year, and what are the bank's plans for the next 3-5 years?**

As of 2022, we are implementing the Group's Sustainable Finance Classification System (SFCS), which, based on the Taxonomy, defines the technical criteria that green project financing, both general – purpose and specific – must meet. In 2021, we also reported compliance with the European Taxonomy and assessed how much of our portfolio qualifies as contributing to climate change mitigation and adaptation. As a milestone, we announced our Net Zero strategy, which aims to achieve climate neutrality by 2050. In order to implement it, Santander Bank Polska will, from 2030, stop financing energy companies that generate more than 10% of their revenue from thermal coal production. By then, we will also completely reduce our historical exposure to thermal coal producers. In the following years, further decarbonisation targets will be set for the other sectors – oil and gas, transport and metals. Over the next five years, Santander Bank Polska also intends to revise its product strategy so that it can offer products that reduce or eliminate carbon emissions to customers in each business area. For the next few years, the Santander Group has set itself climate targets in which Group companies from all countries of the world are involved. Among these, there is a goal to raise and make available EUR 120 billion of green financing by 2025, by which time 100% of the energy used by us will come from renewable sources. The longer-term goal is the aforementioned carbon neutrality, and the active support of customers – not only with financing, but also with advice and expertise. Of all the challenges that lie ahead, those related to climate change will most strongly determine the success of future business projects, as well as the well-being of all of us.

# Activity profile

[GRI 2-1, 2-6]


Santander Bank Polska S.A., with its registered office in Warsaw, is a universal bank providing a full range of services to:

 individual customers	 small and medium-sized enterprises (SMEs)
 large enterprises	 corporations
 public sector institutions	

What makes our offer special

- We are constantly developing our proposal for **clarity and simplicity**.
- We are improving our service through **digitisation, self-service and the possibility to freely configure various parameters**.
- We provide **unique solutions in the domestic market** developed within the Santander Group based on its international experience, infrastructure and market potential.
- We provide customers with **comprehensive services in the branch network and in remote service channels**.

Our offer	
<b>Our financial services:</b>	<b>We provide customers with access to the products of our subsidiaries and associates:</b>
cash management	<b>Santander Towarzystwo Funduszy Inwestycyjnych S.A</b>
payment services	<b>Santander Leasing S.A.</b>
foreign trade services	<b>Santander Factoring Sp. z o.o.</b>
capital market, money market, foreign exchange and derivatives transactions	<b>Santander Aviva Towarzystwo Ubezpieczeń S.A.</b>
guarantees and brokerage activities	<b>Santander Aviva Towarzystwo Ubezpieczeń na Życie S.A.</b>

 The companies and their offerings are described in detail on our website in the *Investor Relations* tab, *About company* section ([www.santander.pl/en/investor-relations/about-company](http://www.santander.pl/en/investor-relations/about-company)).

We are the third largest commercial bank in Poland with total assets of over

**PLN 203 billion<sup>1</sup>**

<sup>1</sup> Based on asset value data for Q2 2021.

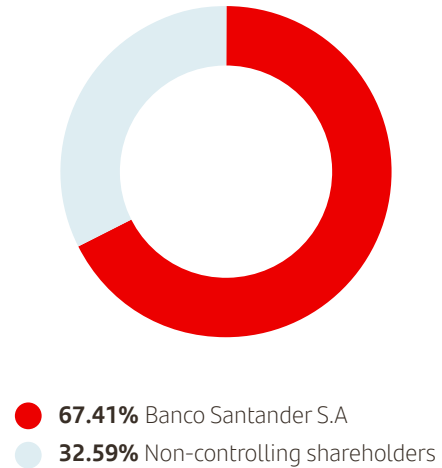
## Ownership structure and the Group

Our company is listed on the Warsaw Stock Exchange and its shares are included among others in the **WIG20** index, the **WIG-Banks** sector index and the **WIG-ESG** index of socially responsible listed companies.

Santander Bank Polska S.A. is a subsidiary of Banco Santander S.A., headquartered in Madrid.

**Santander Group** is a leading universal commercial bank headquartered in Spain, founded in 1857. It maintains a strong presence in 10 key markets in Europe and the Americas and is one of the largest banks in the world according to market capitalisation. Santander aims to be the best open financial services platform, providing services to individuals, small and medium-sized enterprises, corporations, financial institutions and governments. Its mission is to help people and businesses prosper in the spirit of our core values: Simple, Personal, Fair.

**Our shareholding structure as at 31 December 2021**



## As at the end of Q1 2022, Santander Group has:



155 m

clients (including 26 million loyal customers and 49 million digital customers),



9 900

branches



198 000

employees



1.2 tn EUR

is the value of funds deposited with the bank by customers



You can read about our history on the bank's website, in the *Investor Relations* tab, *About company* section ([www.santander.pl/en/investor-relations/about-company](http://www.santander.pl/en/investor-relations/about-company)).



# Business model and value creation model

[GRI: 3-3, Custom indicator (Number of customers using mobile and online banking), Custom indicator (Number of interactions in remote channels)]

[GRI: 3-3]

## Value creation process



[GRI: Custom indicator (Number of customers using mobile and online banking), Custom indicator (Number of interactions in remote channels)]

## Financial and non-financial measures of Santander Bank Polska Group Performance under strategy for 2021–2023 (as at 31 December 2021)

	2020	2021		2020	2021		2020	2021
Number of customers	7.1m	7.2m	NPS Mass*	TOP 4	TOP 3	C/I	51.9%	59.6%
Number of employees (FTEs)	12,616	11,323	Number of digital customers*	2,757k	2,998k	Dividend payout ratio*	0%	29.89%
Number of branches*	468	396	Number of internet and mobile banking transactions	323m	386m	TCR	20.42%	18.58%
						CoR	1.21%	0.76%

\* Pertains to Santander Bank Polska S.A. only (the number of branches include off-site locations and Santander Zones)

## Competitive advantages of our Bank and its Group

- We have stable sources of funding, a strong capital and liquidity base and a diversified portfolio of assets.
- Our activities are based on a clear, coherent and consistently implemented strategic vision focusing on customer centricity and efficiency in the broadest sense, systematically increased through process simplification, digitalisation and transformation of the Bank into an Agile organisation.
- We have an efficient and simple business model, an extensive and diversified scope of business activities and we are part of the Santander Group, which gives us an openness to emerging inorganic growth opportunities and experience in M&A transactions.
- Our business scale, the quality of offering, focus on operational excellence and strong orientation towards long-term, partner relations with clients allow our Group to compete effectively with the largest players on the Polish banking market.
- As a Group, we have significant potential for further market penetration due to our participation in the consolidation of the banking sector, a wide range of complementary services for retail customer segments, an extensive network of branches throughout Poland, state-of-the-art banking technologies, dynamically developed functionalities, integration of remote distribution channels and competent and flexible staff.

# Mission, vision, values

For years our values, mission and vision have remained unchanged:

### 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 employees, customers, shareholders and communities.

### Values

Simple | Personal | Fair



These values and ethical standards are the basis of our corporate culture which builds trust and lasting loyalty among employees, customers, shareholders and local communities. Our corporate culture is described in detail in the *Corporate culture* (page 80).

# Financial performance and key performance indicators

[GRI: 201-1]

[ESG: G – Governance]

In an economic environment recovering after 2020, our Group generated increases in key business volumes. This is primarily due to our flexible and transparent offering, its omnichannel availability and the multidimensional, consistent improvement in the quality of the customer experience.

In addition to the increase in the scale of our core business, we recorded higher customer interest in the Group's offerings in trade finance, foreign payments and investment solutions, among others. Customer transactionality and activity in remote channels also increased.

Customers	2021	2020	2019	2018	2017
Total number of bank customers (in thousands)	5,432	5,215	5,049.5	4,884	4,412
Santander Internet – registered customers (in thousands)	4,492	4,179	4,424	4,019	3,388
Santander Internet – active customers (in thousands)	2,998	2,756.5	2,510	2,345	2,056
Santander mobile – active mobile customers (in thousands)	2,194	1,865	1,577	1,338	1,094
iBiznes24 – registered companies (in thousands)	25	21	18	17	15

Outlets	2021	2020	2019	2018	2017
Branches*	396	468	515	612	576
Partner outlets	164	138	134	123	109

\*Total branches, off-site locations and Santander Zones.

Banking centres	2021	2020	2019	2018	2017
Business and Corporate Banking Centres	6	19	19	12	12



ATMs and CDMs	2021	2020	2019	2018	2017
ATMs	610	731	774	858	948
CDMs	0	0	3	4	13
Dual-function machines **, ***, ****	914	930	923	900	771

Employees	2021	2020	2019	2018	2017
Number of employees (as at 31 Dec, 2021)	9,584	10,671	10,867	12,641	11,489

Financial results	2021	2020	2019	2018	2017
Profit attributable to shareholders of the bank (in PLN million)	1,111.68	1,037.2	2,138.3	2,365	2,213.1
Profit for the period (in PLN million)	2,057.83	738.4	2,113.5	2,167	1,916.2
Total assets (in PLN million)	218,184.87	203,140.5	181,471.5	183,038.6	132,863.3
Total liabilities (in PLN million)	194,357.52	177,717.7	157,293.9	159,178.2	112,024.4
Total equity (in PLN million)	23,827.35	25,422.8	24,177.6	23,860.4	20,838.8
ROE [%]	4.1	3.3	10.1	11.4	11
Loans/Deposits [%]	71.5	73.9	81.8	84.2	88.6
Capital ratio [%]	20.99	23.9	19.58	14.04	18.95

\*Total branches, off-site locations and Santander Zones.

\*\*Including 426 recyclers.

\*\*\*Including 398 recyclers.

\*\*\*\*Including 440 recyclers.



Interim reports presenting the Bank's financial results can be found on our website under *Investor Relations*, in the *Financial Statements* section ([www.santander.pl/en/investor-relations/financial-statement](http://www.santander.pl/en/investor-relations/financial-statement)).

# The bank's stakeholders and external relations

[GRI: 2-29, 203-2, 2-6]  
 [ESG: G – Governance]  
 [PRB: 4 Stakeholders]

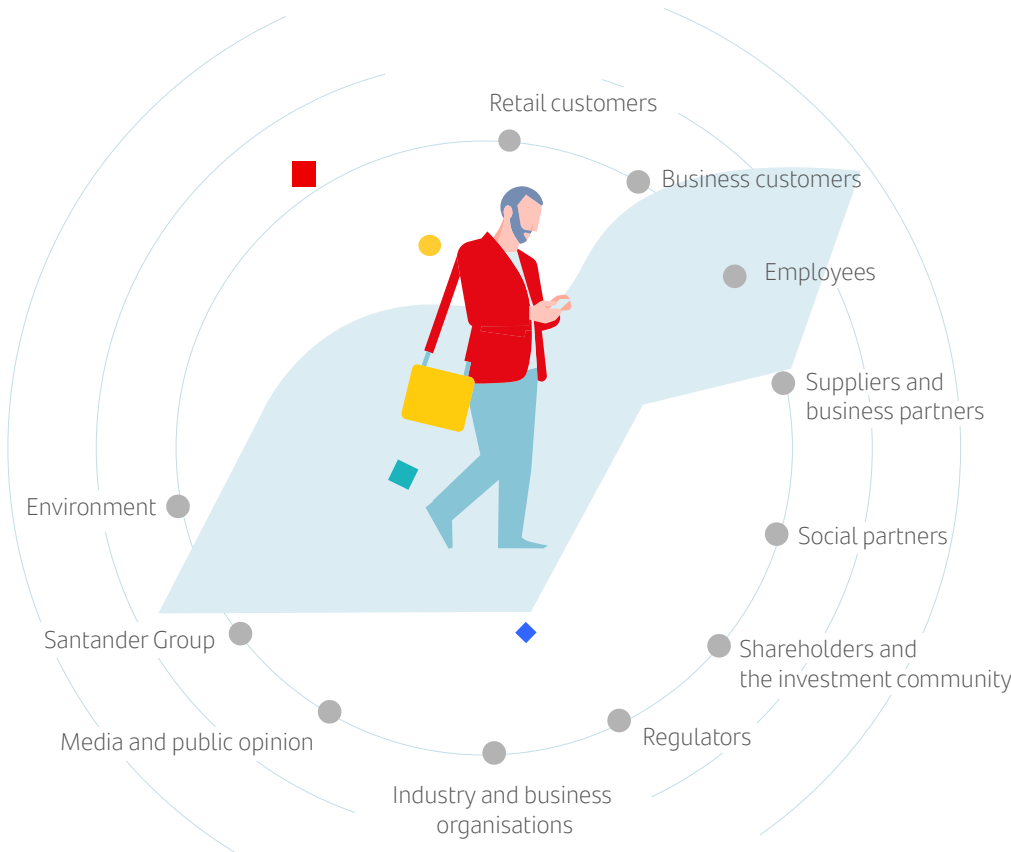
[GRI: 2-29, 203-2]  
 [ESG: G – Governance]  
 [PRB: 4 Stakeholders]

## Our approach to building stakeholder relations



In April 2021, we held a dialogue session with representatives of NGOs, experts and customers. The focus was on the role of our bank in the green transformation.

## Stakeholder map



### Retail customers

#### Communication channels

- bank branches
- website and other online channels (bank blog, Facebook, Twitter, LinkedIn, Bank of Opportunities)
- customer satisfaction surveys
- meetings, conferences and training courses
- online advisor
- video chat
- web form

## Business customers

### Communication channels

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

## Employees

### Communication channels

- employee opinion surveys
- intranet
- newsletters, bulletins, mailings
- meetings with top management
- integration meetings, workshops and trainings

## Suppliers and business partners

### Communication channels

- direct contact
- conferences and industry events

## Social partners

### Communication channels

- 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 the investment community

### Communication channels

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

## Regulators

### Communication channels

- reports
- formal correspondence
- day-to-day cooperation during supervisory inspections

## Industry and business organisations

### Communication channels

- face-to-face meetings and cooperation

## Media and public opinion

### Communication channels

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

## Santander Group

### Communication channels

- reports
- meetings and experience sharing

## Environment

### Communication channels

- CSR reports
- reports to institutions
- contacts and cooperation with environmental organisations

## Communication with the investment community

[GRI: 2-6]

We pursue an effective and transparent information policy towards shareholders, investors and analysts, using modern communication tools. The **Information Policy of Santander Bank Polska S.A.** prescribes active communication activities aligned with the stakeholders' profile in order to effectively meet their information needs.



We have published the policy on our website under the *Investor Relations* tab in the *Corporate Documents* section ([www.santander.pl/en/investor-relations/corporate-documents#dokument=4](http://www.santander.pl/en/investor-relations/corporate-documents#dokument=4)).



# Partnerships

[GRI: 2-28]

[ESG: E – Environment, S – Social, G – Governance]

[PRB: 4 Stakeholders]



## In 2021, we continued to support or participate in the following initiatives:

- Declaration of Responsible Selling
- Good Banking Practice, or the Code of Banking Ethics
- The Canon of Good Practices of the Financial Market
- Declaration of Polish Business for Sustainable Development within the project „Vision of Sustainable Development for Polish Business 2050“
- UNEP Finance Principles for Responsible Banking
- Equator Principles
- Polish Plastics Pact
- Green Ribbon #ForThePlanet campaign.

### In 2021, we also:

- joined the Banks' Declaration of the Plain Language Standard. Representatives of our bank participated in the working group that developed the provisions of the documents announced in June 2021.
- became a strategic partner of the UNEP/GRID-Warsaw "Re:Generation" programme, a response to the UN's declaration of 2021–2030 as the Decade on Ecosystem Restoration.



All the above initiatives are described in our 2020 ESG Report in the [Partnerships](#) section and more information about our climate initiatives we support can be found in the [Climate and Environment](#) section.

## Membership in Associations

- Polish Bank Association
- Association of Internet Industry Employers INTERACTIVE ADVERTISING BUREAU POLAND
- Polish Innovation Coalition Foundation
- Polish Association of Capital Investors
- Chamber of Brokerage Houses
- Union 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
- Trade Club Alliance (TCA)

# Awards and recognitions

## Diversity IN Check

### Diversity IN Check

We joined the Diversity IN Check – a list of the most inclusive and diversity-conscious companies.

Santander Bank Polska was among a dozen or so organisations recognised for creating a friendly and inclusive working environment, as well as internal programmes promoting diversity.

The award was granted to us based on the results of a survey conducted by the Responsible Business Forum.



### Top Employer

For another straight year we have been awarded the title of Top Employer Poland, as well as the title of Top Employer 2022 Europe. The certificate confirms our commitment to creating a better working environment and implementing high standards in human resources management.



### "Equal company"

We were awarded the 2021 Forbes Women's "Equal Company" Certificate for promoting the Code of Good Practice and supporting equality and diversity in business.



### Golden CSR Leaf of Polityka

It is awarded to companies for which the implementation of the guidelines set out in the ISO 26000 standard is a key element of strategic business activities and relations with stakeholders, including employees.



### Ranking of Responsible Companies

We came second in both the industry and general classification in the fourteenth edition of the Responsible Companies Ranking. Our bank was recognised as an institution that pursues sustainable development goals with great commitment and high quality.



### "Company-friendly bank"

We were ranked first in the Forbes' Company Friendly Bank monthly ranking.



### Newsweek's ranking

We came third in the Newsweek's Friendly Bank ranking – in the traditional banking category.



**Best service**

We were selected as a leader in the quality of customer service in branches in the 1st, 2nd and 3rd waves of the survey in the Institution of the Year 2022 project.

In the category "Best quality of service in remote channels" in the 3rd wave of the survey we were ranked 2nd and our email communication was particularly appreciated.

The Santander Bank Polska Foundation was also recognised in the survey for its social responsibility activities.



**A number of distinctions in the Golden Banker ranking**

We took second place in the categories: Best Multichannel Service Quality, Personal Account (our Account As I Want It was awarded) and Socially Sensitive Bank (for the We Will Double Your Impact campaign).

Our mobile app spot featuring Marcin Dorociński won first place in the Advertising Spot category.



**Best distributor**

We were named the best structured products distributor in Poland in a competition organised by structuredretailproducts.com.



**Best Private Banking**

In a competition organised by "Euromoney" Private Banking magazine we were recognised as the best bank in Poland.

Our asset management, technological investments and environmental and social undertakings were highly valued.



**Silver Clip for our campaign**

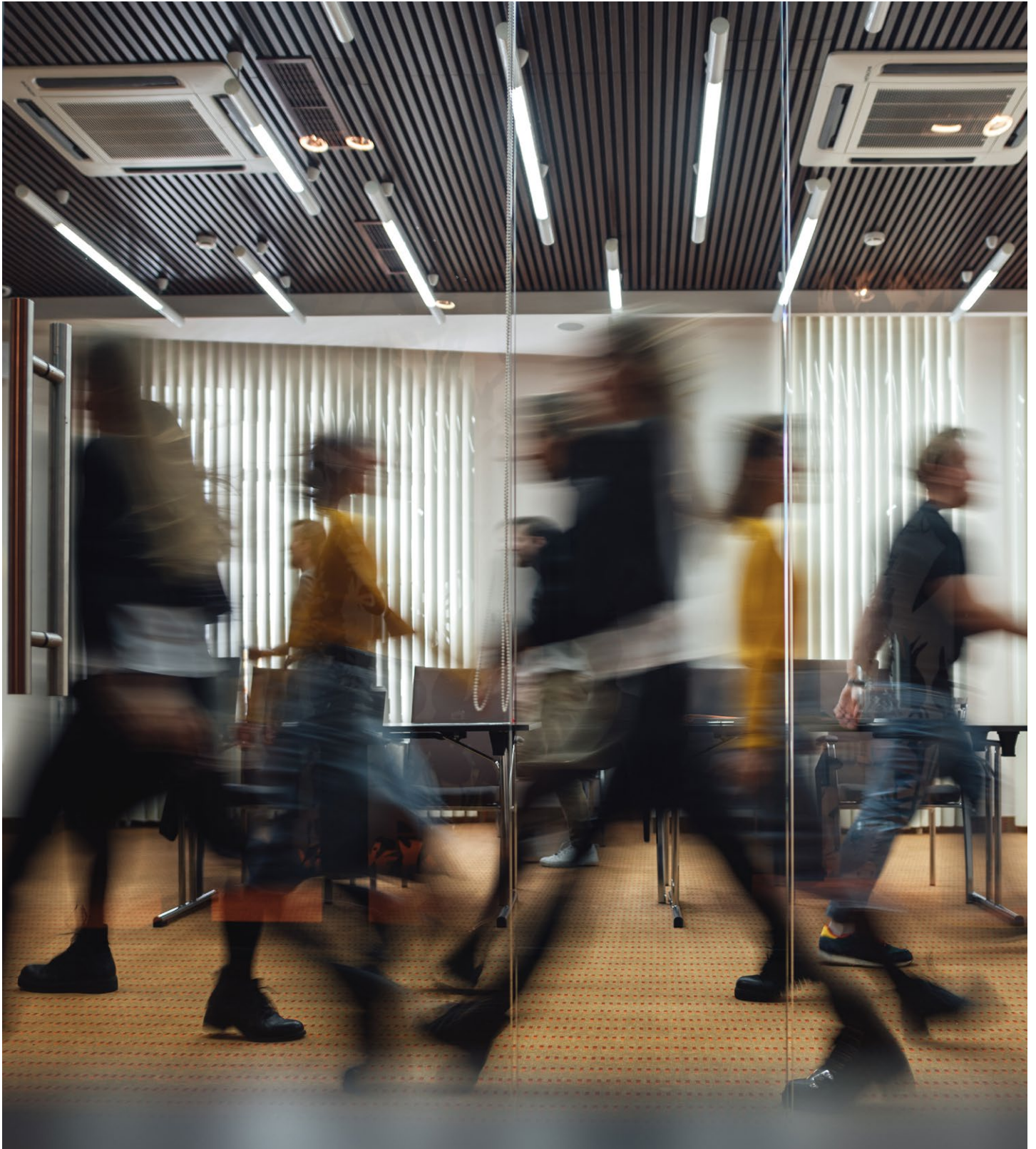
In a competition organised by the Association of Public Relations Firms, we received the Silver Clip award in the "Finance" category for the "Cyber-sense" campaign in social media.



We were awarded the title Ethical Company 2021 for our efforts to build and strengthen an organizational culture based on ethics and corporate social responsibility principles, distinguishing ourselves from other companies in Poland.



# Governance



# Governance structure

[GRI: 2-9, 2-10, 2-11, 2-12, 2-13, 2-10, 2-18, 2-13]

[GPW: S-P1, G-P1]

[GRI: 2-9, 2-10, 2-11, 2-12, 2-13]

[GPW: S-P1, G-P1]

## Our Management Board\*

\*Composition of the Management Board of Santander Bank Polska S.A. as at 31 December 2021.



**Michał Gajewski**  
President of the Management Board, CEO



**Andrzej Burliga**  
Vice-President of the Management Board, Risk Management Division



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



**Arkadiusz Przybył**  
Vice-President of the Management Board, Retail Banking Division



**Lech Gałkowski**  
Member of the Management Board, Business and Corporate Banking Division



**Patryk Nowakowski**  
Member of the Management Board, Digital Transformation Division



**Maciej Reluga**  
Member of the Management Board, Finance Management Division



**Carlos Polaino Izquierdo**  
Member of the Management Board, Financial Accounting and Control Division



**Dorota Strojowska**  
Member of the Management Board, Business Partnerships Division

## Appointment of the Management Board

[GRI: 2-10, 2-18]

The members of the bank's Management Board are appointed and dismissed in accordance with the provisions of the Commercial Companies Code and the Banking Law and the provisions of the bank's Statutes.

The appointment of two members of the Management Board, including the President, is subject to the approval of the Polish Financial Supervision Authority (KNF). Members of the Management Board may be dismissed by the Supervisory Board or the General Meeting of Shareholders at any time.

Our internal regulation specifying, among other things, the requirements for Members of the Management Board

is the **"Policy of Nominating and Assessing the Suitability of Members of the Management Board and Key Executives of Santander Bank Polska S.A."** According to it, when appointing members of the Management Board and the Supervisory Board, we take into account criteria that ensure the comprehensiveness and diversity of these bodies. All members of the Management Board are subject to an individual suitability assessment and the Management Board as a whole to a collective suitability assessment.



The requirements for Management Board Members, the appointment process and the duties of Management Board Members are described in detail in the *Management Report on the Activities of the Santander Bank Polska Group in 2021*<sup>2</sup> ([www.tiny.pl/wxvkt](http://www.tiny.pl/wxvkt)).

<sup>2</sup> Hereinafter referred to as the Management Board Report.

## Duties

### The Members of the Management Board manage the Company's affairs jointly, in particular:

- define the mission of the bank,
- set long-term action plans and strategic objectives,
- develop assumptions for business and financial plans,
- approve plans and monitor their implementation,
- keep the Supervisory Board regularly informed of the bank's situation, at times and in the scope agreed with that body,
- set up standing and ad hoc committees and designate persons responsible for steering the work of these committees.

## Committees

[GRI: 2-13]

The Committees are composed of Management Board Members and other appointed persons. Our standing committees include:

- Assets and Liabilities Committee (ALCO)
- Credit Policy Forum for Retail Portfolios
- Credit Policy Forum for SME Portfolios
- Credit Policy Forum for Business and Corporate Portfolios
- Provisions Committee
- Operational Risk Management Committee (ORMCO)
- Disclosure Committee
- Information Management Committee
- Risk Management Committee
- Model Risk Management Committee
- Savings and Investment Products Strategy Committee (Deposit Working Group)
- Marketing Forum
- Risk Management Forum
- Regulatory and Reputational Risk Committee
- Anti-Money Laundering and Counter-Terrorism
- Financing Committee
- Credit Committee
- Local Marketing and Monitoring Committee
- Public Policy Committee
- Restructuring Committee
- Responsible Banking and Corporate Culture Committee
- Capital Committee
- Suppliers Panel
- Capital Stress Test Forum
- Investment Advisory Committee
- Risk Control Committee
- Special Situations Management Committee
- Operations Committee of the Business Model Transformation Area
- General Compliance Committee



## Supervisory Board

The Supervisory Board of Santander Bank Polska S.A. exercises continuous supervision over the bank's activities and may appoint committees and designate persons responsible for managing their work.

The bank's Supervisory Board has the following committees:

- Audit and Compliance Committee,
- Risk Committee,
- Nominations Committee,
- Remuneration Committee.

## Composition of the Supervisory Board



**Antonio Escámez Torres**  
Chairman  
of the Supervisory  
Board



**José Luís de Mora**  
Deputy Chairman  
of the Supervisory  
Board



**Dominika Bettman**  
Member



**José García Cantera**  
Member



**Danuta Dąbrowska**  
Member



**Isabel Guerreiro**  
Member



**David Hexter**  
Member



**John Power**  
Member



**Jerzy Surma**  
Member



**Marynika  
Woroszyńska-Sapieha**  
Member

# Corporate governance

[GRI: 2-23, 2-19, 2-12, 2-18, 2-10]

Corporate governance defines the terms of reference for our bank's authorities and the functioning of its systems and processes. It structures exemplary relations with shareholders, customers and other stakeholders and enhances the effectiveness of internal audit, key internal systems and functions and statutory bodies.

## Corporate governance principles

[GRI: 2-23]

Our most important corporate governance policies and regulations are:

- „Model "Corporate Governance Model for the Group and its Subsidiaries",
- "Guidelines for Subsidiary Companies",
- "Detailed Principles of Corporate Governance",
- "General Code of Conduct",
- "Information Policy",
- "Conflict of Interest Policy",
- "Code of Conduct for Securities Markets",
- "Anti-Money Laundering Policy",
- "Anti-Corruption Programme",
- "Sustainable Development Policy".

### The adopted corporate governance principles emphasize:

- professional and ethical standards of the members of the management and supervisory bodies
- transparency and utmost diligence in all actions.

With this approach we build **market confidence in our bank's Group and we support the sustainability and credibility of the domestic capital market.**

We did not implement any new regulations in 2021, however, in line with the bank's annual regulation review process, we reviewed all compliance regulations.

The corporate governance applied at the bank stems from the provisions of law (in particular, the Commercial Companies Code, the Banking Law and the regulations applicable to capital market operations), as well as from the principles set out in the **"Best Practices of Companies Listed on the WSE"**, the **"Corporate Governance Principles for Supervised Institutions"** issued by the Financial Supervision Commission and the **"Code of Banking Ethics"**.



In 2021, we introduced in our bank Recommendation Z of the Polish Financial Supervision Authority (KNF) on internal governance principles in banks, which came into force on 1 January 2022. In order to fully implement its provisions, we reviewed and completed governance processes and principles, both at the Bank and Group level. Recommendation Z is available on the KNF's website ([www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja\\_Z\\_70998.pdf](http://www.knf.gov.pl/knf/pl/komponenty/img/Rekomendacja_Z_70998.pdf))



In 2021, Santander Bank Polska S.A. complied with all the principles prescribed in the "Best Practices for WSE Listed Companies 2016" until June 2021.



We also applied all the currently applicable principles contained in the revised set of "Best Practices for WSE Listed Companies 2021", which came into force on 1 July 2021.



We complied with all the principles contained in the "Corporate Governance Principles for Supervised Institutions" issued by the Financial Supervision Commission.

During the period covered by this report, there were no cases of the bank's non-compliance with the principles arising from the aforementioned documents.



## Remuneration policy

[GRI: 2-19]

The remuneration policy implemented in our bank **meets all the requirements of the applicable laws and promotes the development and security of the bank**. It is in line with the principles of sound and effective risk management, prudent capital management and the bank's business strategy, objectives, values and long-term interests.

The bank's remuneration practices embrace diversity, enabling it to attract and retain the best-qualified employees through a competitive benefits package that includes the base salary, bonus schemes and attractive fringe benefits.

### Our remuneration rules are documented in:

- "Remuneration Policy of the Santander Bank Polska Group",
- "Remuneration Policy for the Members of the Management Board of Santander Bank Polska S.A.",
- "Remuneration Policy for Supervisory Board Members of Santander Bank Polska S.A"

### Key assumptions of the policies:

- The objective of our remuneration policy is to ensure the long-term sustainability of the Group by adequately rewarding employees for their work, motivating them to achieve the best performance and strategic objectives, as well as to retain them in the bank for a longer time and promote behaviour that excludes excessive risk-taking.
- The remuneration of the Members of the Management Board consists of a fixed part and a variable part, awarded on the basis of assessment of their performance.
- The remuneration of the Members of the Supervisory Board is not dependent on options, other derivative instruments or any other variable components or performance of the bank.
- The level of remuneration of the Members of the Management Board and Supervisory Board and key executives is sufficient to attract, retain and motivate persons with competences necessary for the proper management and supervision of the bank. The structure of the total remuneration is aligned with the market practices, while the remuneration levels correspond to those offered in the banking sector, taking into account the scale of operations.
- The Supervisory Board has set up a **Remuneration Committee**, with the majority of members being independent.

## Process for determining remuneration of senior managers

[GRI: 2-12, 2-18, 2-20]

Remuneration for the President and Members of the Management Board is determined by the Supervisory Board, taking into account the recommendations of the **Remuneration Committee**. The Committee defines the remuneration policy for the Members of the Management Board of Santander Bank Polska S.A. and the individual terms of the remuneration packages for each Member of the Management Board.

When determining the basic remuneration of a Member of the Management Board we take into account in particular: the role performed, the scope of organisational responsibility in the bank, qualifications and professional experience and the market competitiveness of the remuneration offered.

The variable remuneration is awarded to the Members of the Management Board on the basis of the results of the assessment of their performance. The selection of indicators (as well as their granularity) for individual Board Members is based on the scope of their individual duties and responsibilities in the bank's overall management process.

From 2021 onwards, one of the criteria for determining the amount of the bonus awarded to the Members of the Management Board and the Chairperson of the Supervisory Board is the **assessment of the achievement of the objectives of the Responsible Banking strategy, including tasks which help to protect the environment and combat climate change**. The progress made in a respective years in the areas is taken into account:

- promotion of diversity,
- facilitating access to financial services and financial education,
- development of the green product offer.

In addition, the Management Board Members, key executives and all employees have the implementation of the Responsible Banking agenda in their personal objectives.

From 2021 onwards, the implementation of the priorities in the area of Responsible Banking as one of the objectives of the bank's operational strategy constitutes, among other things, 10% of the assessment in the "Operational Objectives" section.

# Business strategy

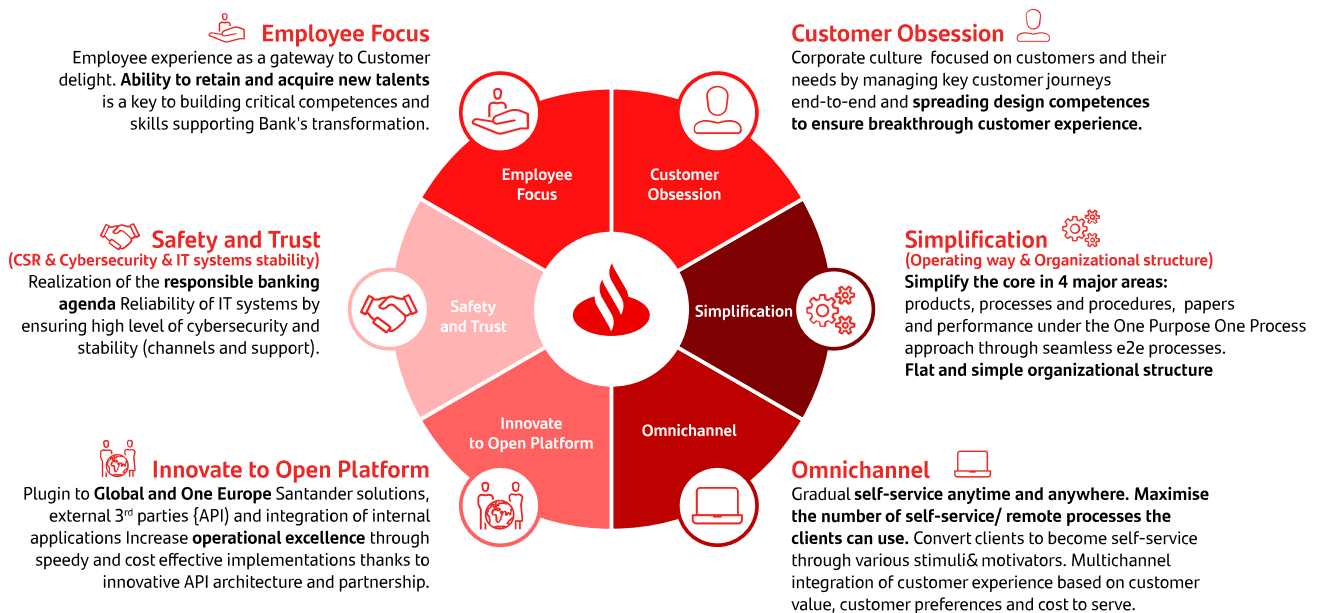
[GRI: 2-23, 2-24]

The strategy of the Santander Bank Polska Group reflects a customer-centric approach to business management through continuous **improvement of the quality of service and product offering**.

In our strategy, we place particular emphasis on **digitising and simplifying processes for customers**, thereby improving their experience, increasing operational efficiency, simplicity of solutions and transparency.

The implementation of the Group's strategy is supported by **innovative solutions, a corporate culture** that strengthens employee involvement and motivation, and the **organisation's social responsibility**.

## Six strategic directions for 2021-2023 "Focus on accelerating change"

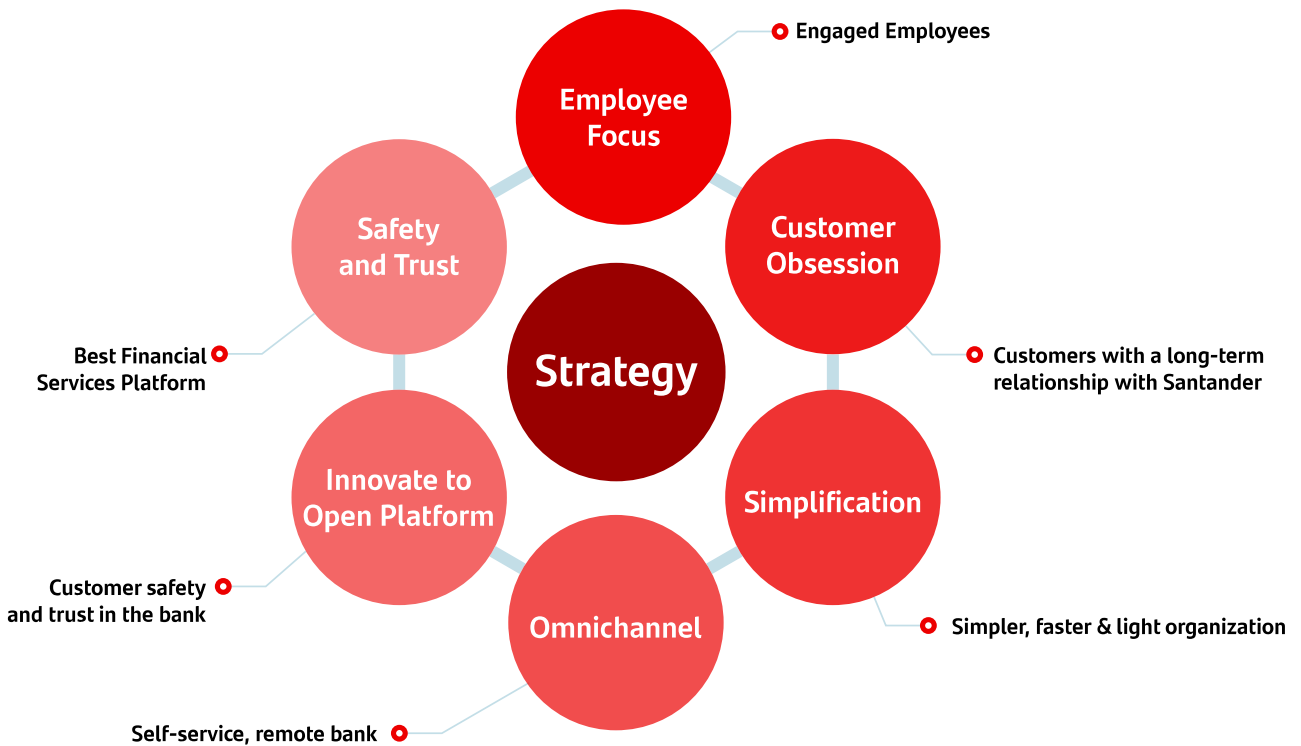


As part of the 2021-2023 strategy, we have defined six strategic directions: **"Customer obsession", "Employee Focus", "Simplification", "Omnichannel", "Innovate to Open Platform", "Safety and Trust"**. They indicate the key areas on which the transformation of our Group is focused. The strategic directions set by the Group are as follows:

- consolidate specific objectives focused on winning the loyalty of different stakeholder groups: employees (**Employee Focus**), customers (**Customer Obsession**), communities and shareholders (**Safety and Trust**);
- attribute the greatest transformational value to the objectives related to the development of the Group's operational model: **Simplification** and **Omnichannel**;
- take into account the vision of the Santander Group's regional strategic plan **"One Europe"**, emphasising the importance of the foundations on which the development of our organisation is based (**Safety and Trust**), with particular reference to the Responsible Banking agenda (**Corporate Social Responsibility**);
- indicate a desire to build competitive advantages by innovating to an **Open Platform**.

Due to the dynamics and complexity of changes occurring in the macroeconomic environment, our strategy is subject to systematic review, which ensures a rapid response to market trends and other changes in the environment.

## Strategic objectives for 2021-2023



# Responsible banking – managing ESG issues

[GRI: 2-12, 2-23, 2-24, 2-23, 2-24, 2-17]

[ESG: E – Environment, S – Social, G – Governance]

[PRB: 1 Alignment, 3 Clients and Customers]

[GRI: 2-12, 2-23, 2-24;]

[ESG: E – Environment, S – Social, G – Governance]

[PRB: 1 Alignment, 3 Clients and Customers]

Santander Bank Polska S.A. builds long-term value for all stakeholders in a sustainable manner. An integral and inseparable part of the bank's overall business strategy is the **Responsible Banking Strategy**. It defines the bank's approach to ESG issues and sets directions for sustainable development.

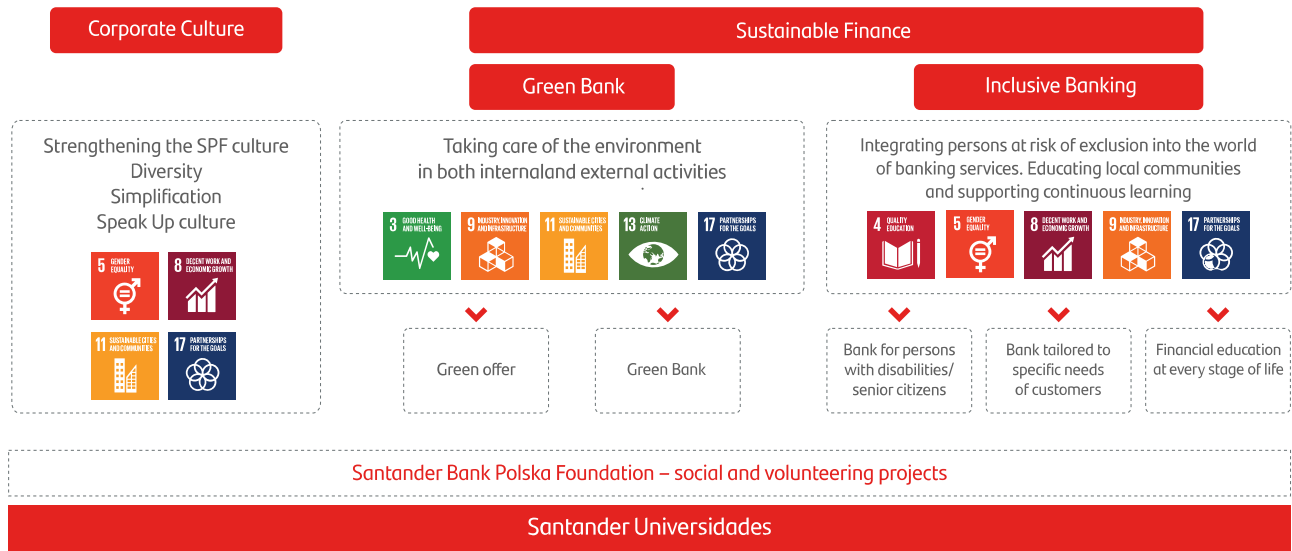
The pillars on which we build our responsible banking are:



corporate culture



sustainable finance



We adapt the Responsible Banking Agenda to the challenges and needs of society in order to help and meet needs in line with the best international standards, in particular including:

- Sustainable Development Goals (SDGs),

- Paris Climate Agreement,
- UNEP FI Principles for Responsible Banking (PRB),
- Net Zero Banking Alliance.

Through its ESG strategy, the bank can contribute to the achievement of the global goals of the UN Agenda 2030. The bank focuses its business activities on those areas where it has a real impact as a financial institution, such as:

## Policies and documents that define our approach to sustainable development

[GRI: 2-23, 2-24]

"The Sustainability Policy" sets out the Group's voluntary, general ethical, social and environmental commitments and principles, which go beyond the requirements of the legal framework. It is supplemented by the following additional documents:



"Social, Environmental and Climate Change Risk Management Policy",



"Human Rights Policy",



"Corporate Volunteering Policy",



"Defence Sector Policy",



"Policy of financing sensitive sectors".

## Responsible Banking Performance

Objective	2021	2020
Top 10 employers (place in ranking)	Top Employer Certificate	Top Employer Certificate
Women in managerial positions (%)	34.7%	35%
Equal Pay Gap (%)	2.4%	2.4%
Number of financially empowered people since 1 January, 2019 (thousands)	130,992	70,767
Green finance provided (EUR m)*	214	144
Electricity from renewable sources (%) **	82%	85%
Reduction of single-use plastics (%)	100%	100%
Scholarships, internships and entrepreneurship programmes (number)	6,422	3,283
Number of people helped (in thousands)	305,652	363,464

\*Excluding the Corporate and Investment Banking Division.

\*\*Change in the indicator presentation vs. previous ESG Reports. We have now also included energy that the bank does not buy directly from suppliers (e.g. branches).



Our Climate Strategy and Green Finance are described in Chapter *Green Bank – Environmental* (page 38).

Key information related to our climate impact as reported by the TCFD is provided in the section *TCFD report* (page 52).

## Management commitment

[GRI: 2-17]

In addition to their duty to manage the organisation in a responsible manner taking into account best practices in ESG areas, the Management Board of our bank also aims to continuously raise awareness in this area and to promote the principles of sustainable development outside the organisation.

In 2021, the CEO of our bank participated in a number of events with a broad focus on sustainability and ESG issues, including:

EKF's Quarter of an Hour "Reconstruction and Transformation of the Polish Economy".

Puls Biznesu debate on "Climate Neutrality – Getting There Faster".

CEO Debate organised by *Dziennik Gazeta Prawna*.

Moreover, members of the Management Board have been speaking in trade media on the most relevant topics related to sustainability. The President of the Management Board provided a commentary for Puls Biznesu as part of a series of articles entitled "Green Economy 2021", while the Member of the Management Board responsible for the Business and Corporate Banking Division commented for the same medium on the article "The Banking Sector Awaits Eco-regulation".

The active participation of the bank's management in events dedicated to sustainability topics and the presentation of our bank's approach to a wide audience foster the exchange of experiences with ESG leaders and experts, thus expanding the knowledge and awareness of managers and the organisation as a whole.



# Risk

[GRI: 2-12, 2-25, 3-3, 2-12, 2-13]

[GRI: 2-12]

We modify and develop our risk management methods on an ongoing basis, taking into account changes in the Group's risk profile and the economic environment, as well as regulatory requirements and market best practices.

## Risk management system

Risk management system		
Objectives	Responsibility for implementation	Material risks identified
<ul style="list-style-type: none"> <li>• identification and measurement of risks taken</li> <li>• determination of the most favourable return for the acceptable risk level</li> <li>• regular setting and review of appropriate limits to reduce the exposure to risks</li> </ul>	<p><b>Management Board and Supervisory Board:</b></p> <ul style="list-style-type: none"> <li>• approval of risk management policies</li> <li>• participation in risk management committees</li> <li>• participation in risk reviews</li> <li>• approval of risks and risk level reports. The Management Board adopts and the Supervisory Board approves the "Risk Appetite Statement", which defines the level of acceptable risk in the bank and applicable risk limits</li> </ul> <p><b>Separate dedicated units within the Bank's structures:</b></p> <ul style="list-style-type: none"> <li>• identification</li> <li>• measurement</li> <li>• monitoring</li> <li>• risk mitigation</li> </ul>	<ul style="list-style-type: none"> <li>• credit risk (including concentration risk)</li> <li>• operational risk</li> <li>• market risk (banking and trading book)</li> <li>• liquidity risk</li> <li>• model risks</li> <li>• reputational risk</li> <li>• compliance risk</li> <li>• business risk</li> <li>• capital risk</li> <li>• excessive leverage risk</li> </ul>

## ESG risk management within the risk management framework

[GRI: 2-25, 3-3]

### Approach

We have identified **social and environmental risks, including climate risks**, associated with the financing of customer projects in sensitive sectors. From the point of view of the negative impact of individual risks on social, environmental, labour, human rights and anti-corruption issues, **operational risk, compliance risk and reputational risk** are of particular importance. The management of socio-environmental risks in our bank has been governed by relevant policies since 2015.

In 2021, we implemented the "Social, Environmental and Climate Change Risk Management Policy".

We persistently implement ESG risk procedures across all business lines and we have identified social and environmental risks, including climate risks and risks associated with financing customer ventures in sensitive sectors.

### Risk Committee

The tasks of the **Risk Committee** include in particular:

- giving an opinion on the bank's overall current and future risk appetite;
- giving an opinion on the risk management strategy developed by the bank's Management Board and supervising its implementation;
- supporting the Management Board in overseeing the implementation of the risk management strategy by senior management;
- verifying whether the prices of liabilities and assets offered to customers fully reflect the bank's business model and its risk strategy and, in the event of a negative verification, making proposals to the bank's Management Board ensuring the adequacy of prices of liabilities and assets in relation to risks;
- giving an opinion in the process of appointing and removing the Member of the Management Board in charge of risk management, as well as giving its opinion on the annual objectives and their implementation.

At the bank, we analyse the impact of climate-related opportunities and risks on business operations, strategy and financial plans over the short, medium and long term. In making lending decisions, the bank is aware that relying solely on historical financial data can lead to wrong conclusions, while simultaneous analysis of non-financial data can shed new light on risk perception and capital allocation.

In our view, environmental risk analysis enhances the classic credit risk analysis and non-financial data provides a better understanding of the borrower's exposure to environmental and climate change risks.

### Plans

From 2022 onwards, selected customer segments (largest customers, mortgage and leasing customers), will be covered by the Sustainable Finance Classification System (SFCS), which defines the technical criteria that dedicated green finance and general purpose finance must meet to be called green or socially sustainable.

### Sectoral policies

When considering applications for financial products or services from entities representing sensitive business sectors, the bank applies relevant policies together with a socio-environmental risk analysis. First, the bank's business units assess the environmental impact of the specific transaction/activity of the customer and compliance with the requirements described in the policies. On this basis, a recommendation is prepared to the relevant risk units of the bank (in accordance with internal regulations).

In 2021, we implemented the Social, Environmental and Climate Change Risk Management Policy. The previous three sector policies on soft commodities, the energy sector and mining and metals ceased to apply on the date of entry into force of the new document.

## Responsibility for ESG risk management

[GRI: 2-12, 2-13]

The **ESG Forum** has been responsible for planning our activities under the Responsible Banking Strategy since 2021. The Forum consists of 11 members representing all banking divisions and is chaired by the bank's CEO.

### The tasks of the Forum include:



analysing the challenges, opportunities and risks of the EU Sustainable Finance agenda, including ESG risks;



planning activities;



coordinating the implementation of the activities in the bank.

The results of the ESG Forum's work are reported regularly to the bank's Management Board and twice a year to the **Responsible Banking and Corporate Culture Committee**.

The bank's **Management Board** is responsible for overseeing and approving the Responsible Banking Strategy and the integration of ESG criteria into the overall business strategy (in the short, medium and/or long term) and into risk management.

At Santander Bank Polska S.A., all Management Board Members are responsible for ESG risk issues. The Risk Division acts as the second line of defence in the management of ESG risks.

# Ethics

[GRI: 3-3, 2-15, 2-26, 2-16, 2-26, Custom indicator (Number of irregularities and/or issues to be clarified reported to the “Ethics Box” and the Helpline), Custom indicator (List of key activities and initiatives implemented in the bank during the year to enhance employees’ knowledge of the bank’s ethics and corporate culture), 205-2]

[ESG: G – Governance]

[PRB: 5 Governance & Target Setting, 5 Governance & Target Setting]

[GPW: G-P2, GP-4]



[GRI: 3-3, 2-25, 2-26]

[ESG: G – Governance]

[GPW: G-P2]

All employees of our bank, regardless of their functions, are required to apply the ethical principles and rules of conduct set out in the General Code of Conduct. It represents a set of key principles and values reflecting the Santander Group's corporate culture which aim to build trust and lasting loyalty among employees, customers, shareholders and local communities. The Code is reviewed annually. No changes were made to the CoC provisions following their review in 2021.

Other regulations on ethical issues applicable to our bank include:



“Code of Conduct for Securities Markets”,



“Anti-Money Laundering Policy”,



“Anti-Corruption Programme”,



“Conflict of Interest Policy”,



“Respect and Dignity” (Whistleblowing) policy”.

At Santander Bank Polska S.A. we also apply good industry practices collected in the **Code of Banking Ethics**, developed by the Polish Bank Association.

The ethical standards applicable to all employees of Santander Bank Polska S.A. are laid down in the General Code of Conduct. The Code sets directions for ethical business conduct and provides an ethical guideline for conduct in specific situations. It defines detailed ethical principles applicable to all employees, includes provisions concerning behaviour in specific situations and advises about the consequences of breaching its provisions.

## These principles concern, among other things:

- non-competition,
- conflicts of interest,
- relations with suppliers,
- relations with customers,
- receiving benefits,
- anti-corruption,
- confidentiality of information,
- protection of personal data,
- marketing and sale of financial services,
- counteracting money laundering and terrorist financing,
- conduct on securities markets,
- responsibilities regarding accounting and financial information,
- relations with public officials,
- intellectual property rights.

The Code also sets out the responsibilities of the various units for implementing ethical principles, including those of the Compliance unit management, the Santander Group Regulatory Compliance Committee, Internal Audit, the Audit and Compliance Committee, the Supervisory Board, the Human Resources Management unit and the Business Ethics Board.

In 2021, we worked to update the “Respect and Dignity” (Whistleblowing) policy and align it with the provisions of the EU Whistleblower Protection Directive and the proposed Whistleblower Protection Act. We also drafted new regulations based on the proposed laws.



The full text of the Code is publicly available and can be found on our website under the *Investor Relations* tab in the *Corporate Documents* section ([www.santander.pl/en/investor-relations/corporate-documents#dokument=2](http://www.santander.pl/en/investor-relations/corporate-documents#dokument=2)).

## Reporting of irregularities

[GRI: 2-16, 2-26, Custom indicator (Number of irregularities and/or issues to be clarified reported to the “Ethics Box” and the Helpline)]

[ESG: G – Governance]

[PRB: 5 Governance & Target Setting]

[GPW: GP-4]

Any employee of the Santander Group who becomes aware of a violation of the Code of Conduct, other codes, policies, procedures and other internal business regulations, or suspects that an offence, corruption or money laundering has been committed or that other laws, including the Group's Human Rights Policy have been violated, **is obliged to report it immediately.**

The **“Respect and Dignity” (Whistleblowing)** policy details the procedure and ways of reporting ethical breaches and other irregularities by employees through dedicated channels and sets out the procedure for handling such reports.

The policy governs the protection of whistleblowers against punitive action, discrimination or other unfair treatment.

Employees who report violations of the law are guaranteed through investigation of the reported matter and full confidentiality. Whistleblowers will not be subject to reprisals of any kind or face any consequences for reporting violations.

Employees can use a variety of reporting channels, including:



**ethical helpline** for reporting violations of legal regulations, ethical rules, corruption, fraud, money laundering, failure to follow internal procedures, unauthorised disclosure of confidential information or excessive risk taking;



**relational helpline** to report instances of, inter alia, discrimination, bullying, harassment and other violations of labour relations, corporate values and behaviours;



**dedicated mailbox;**



**KLAKSON** intranet application.

Each of these channels offers a possibility to report matters of concern anonymously.

In 2021, our whistleblowing channels received a total of 205 reports from employees. Each of the reported cases was analysed and clarified. The allegations contained in the reports were confirmed in 34 cases and disciplinary sanctions were applied in 23 cases.

## Employee education on ethical issues

[GRI: Custom indicator (List of key activities and initiatives implemented in the bank during the year to enhance employees' knowledge of the bank's ethics and corporate culture)]

[PRB: 5 Governance & Target Setting]

We make sure that our employees have the opportunity to deepen their knowledge of ethics, anti-corruption and the Corporate Defence Policy through regularly revised and publicly available e-learning training on these topics. The dedicated training courses refresh such topics as:

- applicable ethical standards,
- avoiding situations giving rise to conflicts of interest;
- whistleblowing channels available in the bank;
- rules of conduct in specific situations, such as when dealing with government officials, agents or intermediaries;
- actions and situations that employees should avoid as potentially corruptive – not only related to offering money, but also to giving, offering or accepting of any type of benefit, such as goods and services made available below market price, gifts, sponsored trips, hotel stays, meals and tickets or offering employment to acquainted persons.



The training includes practical exercises and ends with a test. Every employee of the Santander Bank Polska Group is obliged to take part in the training every two years. In order to pass the training, employees must prove that they have familiarised themselves with the General Code of Conduct, the "Anti-Corruption Programme" and the "Corporate Defence Policy" and successfully complete the test at a minimum level of 80%.

In 2021, we implemented a number of initiatives to increase ethical awareness and employee knowledge of our organisation's corporate culture. These included:

- continuation of the communication campaign promoting ethical attitudes and presenting ways to report violations and irregularities, as part of which we prepared educational videos, articles, webinars, surveys and animations promoting whistleblowing channels;
- developing educational materials for managers based on conclusions from reported cases;
- continuation of regular 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 cases reported by employees.

## Results of ethical policies implementation

[GRI: 205-2]

<b>Percentage of employees who attended e-learning courses on ethics and compliance</b>	<b>97.43%</b>
<b>Percentage of employees who have familiarised themselves with anti-corruption policies and procedures:</b>	
Group	100%
Bank	100%
Members of the bank's Management Board	100%
Representatives of the bank's senior management	100%
Representatives of the bank's middle management	100%
Other employees of the bank	100%
<b>Percentage of employees who have received anti-corruption training in 2021:</b>	
Group	97.21%
Bank	97.40%
Members of the bank's Management Board	100%
Representatives of the bank's senior management	91.30%
Representatives of the bank's middle management	96.76%
Other employees of the bank	97.49%



# Human Rights policy

[GPW: S-P5, S-P6]

"Human Rights Policy" sets out our key objectives for respecting and promoting human rights in business activities, preventing and minimizing violations arising from our operations.

"The Human Rights Policy" is also the bank's commitment to analyse and assess the human rights policies and practices of its counterparties as part of the pre-contractual processes for loans or other types of agreements. We will respond to human rights violations in the workplace and apply sanctions where warranted.

We have also included human rights protection provisions in our "Sustainable Development Policy". This document underlines the bank's commitment to respecting and promoting respect for human rights for all of its stakeholders.

The "Defence Sector Policy" introduces exclusions and restrictions on cooperation with customers engaged in activities related to weapons and dual use technologies. In the document we also draw attention to the risks associated with projects located in countries that have not ratified the basic UN legal acts on human rights or are subject to UN/EU sanctions for failure to respect human rights or applying internal repression as defined in the Universal Declaration of Human Rights, the International Covenant on Civil and Political Rights and the Additional Protocol to the Convention on the Rights of the Child dedicated to involvement of children in armed conflicts.



Issues related to the implementation of our policy to promote and respect human rights are described in the *Diversity in the Workplace* section (page 81).

## Pursuant to the "Human Rights Policy", the bank undertakes to:

<b>With respect to employees</b>	<ul style="list-style-type: none"> <li>• prevent discrimination and practices that violate human dignity,</li> <li>• prevent forced labour and child labour,</li> <li>• respect the freedom of association and collective bargaining,</li> <li>• protect employees' health,</li> <li>• offer stable working conditions.</li> </ul>
<b>With respect to customers</b>	<ul style="list-style-type: none"> <li>• offer only products and/or services that match customers' situation and needs, making it easy for them to understand the terms and conditions, benefits, risks and costs,</li> <li>• avoid any unjustified discrimination when offering products in accordance with the provisions of the "General Code of Conduct" of Santander Bank Polska S.A promote respect for human rights throughout the supply chain,</li> </ul>
<b>With respect to suppliers</b>	<ul style="list-style-type: none"> <li>• apply the "Supplier Selection Policy", including environmental, social and ethical criteria that suppliers are expected to meet,</li> <li>• promote relationships with suppliers that are committed to respecting human rights and have their own policies in this respect.</li> </ul>
<b>With respect to other business partners</b>	<ul style="list-style-type: none"> <li>• promote adherence to the "Human Rights Policy", where this is required due to their origin, type of activity or importance to the bank.</li> </ul>
<b>With respect to communities in which the bank operates</b>	<ul style="list-style-type: none"> <li>• promote respect for human rights, especially in those places where legal and institutional systems are less developed,</li> <li>• respect, support and promote human rights in the communities the bank serves,</li> <li>• supervise and control the impact of operational activities on communities,</li> <li>• guarantee security to protect human rights,</li> <li>• help combat corruption.</li> </ul>

# Anti-corruption

[GRI: 3-3, 205-3, 2-15]

[GPW: GP-3]

[GRI: 3-3, 205-3]

[GPW GP-3]

The Santander Bank Polska Group has a **"Zero tolerance for corruption"** approach. Anti-corruption is one of the elements of the **General Code of Conduct**.

**Our anti-corruption policy is set out in the "Anti-Corruption Programme"**, the application of which is consistent with the Santander Group's Corporate Governance and Compliance Principles, the General Code of Conduct and the applicable regulations and local laws.

The programme includes provisions on anti-corruption and guidelines on:

- presentation of gifts and invitations to public officials,
- acceptance of gifts and invitations by employees,

- relations with third parties,
- application of additional control mechanisms,
- channels for reporting infringements.

In 2021, we updated our Anti-Corruption Programme, adding detailed information on the whistleblowing channels available in Santander Bank Polska S.A.

One case of suspected corruption was reported in 2021. An employee accepted a discount card from a customer for purchases with a revolving limit. The card was returned to the customer along with a letter in which the bank expressed its disapproval for putting the employee in an awkward situation. The customer apologised for its behaviour.

## Conflict of interest

[GRI: 2-15]

We conduct our business taking into account the interests of all stakeholders, as long as these interests are not in conflict with those of the bank. We set out clear procedures for managing conflicts of interest in the **"General Code of Conduct"** and the **"Conflict of Interest Policy"** updated in 2021.

We comply with all the requirements of the updated good practices on the management of conflicts of interest and related party transactions.

- The bank applies the principle of equal treatment of the bank's customers and suppliers. No shareholder receives preferential treatment in transactions with related parties.
- The Supervisory Board has the option to consult an external entity when valuing and analysing the economic effects of related party transactions. If the conclusion of such a transaction requires the approval

of the General Meeting of Shareholders, the Supervisory Board shall each time assess the need for such an opinion.

- Members of the Management Board and Supervisory Board shall avoid professional activities that may lead to conflicts of interest. They may not take part in the resolution of matters where a conflict of interest has arisen or may arise and are obliged to inform the bank of any such situations.

The issues of possible conflicts of interest of members of the Management Board and Supervisory Board are also examined as part of the suitability assessment prior to their appointment to serve on these bodies and as part of the regular suitability assessments.

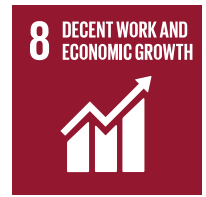
In 2021, no situations of this kind were identified in relation to Members of the Management Board and Supervisory Board.

# Sustainable supply chain

[GRI: 2-6, 308-1, 414-1, 308-1, 414-1]

[KE/TCFD]

[ESG: E – Environment, S – Social]



[GRI: 2-6, 308-1, 414-1]

[KE/TCFD]

[ESG: E – Environment, S – Social]

The following policies and procedures govern supply chain management:



"Purchasing Policy of Santander Bank Polska S.A.",



"Supplier Selection Procedure of Santander Bank Polska S.A.",



"Policy of Cooperation with Suppliers and Outsourcing at Santander Bank Polska S.A.",



"Procedure for Supplier Management and Outsourcing at Santander Bank Polska S.A.".

We updated the last two regulations in 2021, aligning them with the guidelines of Recommendation Z on internal governance principles in banks issued by the Polish Financial Supervision Authority (KNF).

The principles of cooperation with suppliers are also included in the "Sustainable Development Policy" and the "Human Rights Policy".

## Supplier selection process

We are continually developing our supplier selection and management process and adapting it to changing business and social realities.

All our suppliers are subject to uniform selection rules. When qualifying suppliers for cooperation:

- we check that they diversify their income and do not become dependent on the bank;
- we verify the presented certificates e.g. environmental, labour relations;
- we confirm their compliance with CSR principles, our ethical codes, anti-corruption policies and programmes and the reports we publish;
- we examine ethical approach to finance by controlling payment of contributions for employees, taxes and possible outstanding debt to contractors.

The information obtained as a result of these processes has a direct impact on the decision to enter into cooperation with a supplier.

## CSR survey for suppliers

Each supplier of products or services that participates in our purchasing process completes a CSR survey in which they are required to provide information on:

- social responsibility activities,
- compliance with the criteria concerning employment practices and respect for human rights,
- compliance with environmental criteria (the environmental impact of goods and services).

When evaluating offers, we take into account the level of social responsibility activity assessed on the basis of a questionnaire. It can be decisive when selecting a new supplier.

By requiring all suppliers invited to participate in the bank's procurement processes to complete a CSR survey, we make some companies aware of the topic of social responsibility for the first time. The educational impact of our survey is tangible.

Newly signed agreements with our suppliers include mandatory CSR clauses which oblige suppliers to comply with the 10 principles of the Global Compact.

[GRI: 308-1, 414-1]

## Key indicators reflecting the performance of purchasing policies:



1,178

Number of suppliers with an annual turnover exceeding PLN 50,000



991

Number of suppliers subject to qualification



144

Number of completed purchasing processes



92%

Percentage of suppliers – Polish or foreign – with registered office or branch in Poland



749

Number of suppliers that were reviewed for CSR aspects



749

Number of suppliers reviewed for environmental matters/ requirements

In 2021, Santander Group conducted a global supplier survey in which our stakeholders, Santander Bank Polska's suppliers, also took part. We examined the principles that guide our suppliers in terms of environmental care and social

and managerial responsibility. The results of the 2021 and 2020 survey will allow us to set more precise objectives and plan our actions towards suppliers for the coming years, especially for educational initiatives on ESG areas.

### Plans for 2022

- We will continue the work commenced in early 2022 to change the CSR survey to a new ESG survey which is intended to reflect the bank's current approach to ESG. We are working with a group of external experts as part of the planned changes.
- We intend to develop educational materials on ESG for suppliers who want to learn more and start to actively pursue and enhance their knowledge of sustainability goals.

# Policies and key regulations concerning ESG areas

Our policies and key regulations concerning ESG areas		
Environment	Social	Governance
<a href="#">"Sustainable Development Policy"</a>		
<a href="#">"Social, Environmental and Climate Change Risk Management Policy"</a>		
<a href="#">"General Code of Conduct"</a>		
Responsible Banking strategy		
<ul style="list-style-type: none"> <li>• Net Zero strategy</li> </ul>	<ul style="list-style-type: none"> <li>• "Human Rights Policy"</li> <li>• "Respect and Dignity" (Whistleblowing) policy</li> <li>• "Santander Bank Polska Group Corporate Culture Policy"</li> <li>• "Policy on Diversity in the Composition of the Management Board of Santander Bank Polska S.A."</li> <li>• <a href="#">"Remuneration Policy for the Members of the Management Board of Santander Bank Polska S.A."</a></li> <li>• "Remuneration Policy for Supervisory Board Members of Santander Bank Polska S.A."</li> <li>• "Policy of Nominating and Assessing the Suitability of Members of the Management Board and Key Executives of Santander Bank Polska S.A."</li> <li>• "Conflict of Interest Policy"</li> <li>• "Anti-Corruption Programme"</li> <li>• "Corporate Volunteering Policy"</li> <li>• "Purchasing Policy of Santander Bank Polska S.A."</li> <li>• "Supplier Selection Procedure of Santander Bank Polska S.A."</li> <li>• "Policy of Cooperation with Suppliers and Outsourcing at Santander Bank Polska S.A."</li> <li>• "Procedure for Supplier Management and Outsourcing at Santander Bank Polska S.A. Defence Sector Policy"</li> <li>• <a href="#">"Information Policy of Santander Bank Polska S.A"</a></li> <li>• "Code of Conduct for Securities Markets"</li> </ul>	<ul style="list-style-type: none"> <li>• "Corporate Governance Model for the Group and its Subsidiaries"</li> <li>• "Detailed Principles of Corporate Governance"</li> <li>• "Respect and Dignity" (Whistleblowing) policy</li> <li>• "Human Rights Policy"</li> <li>• <a href="#">"Conflict of Interest Policy"</a></li> <li>• "Anti-Corruption Programme"</li> <li>• "Anti-Money Laundering Policy"</li> <li>• "Policy of Nominating and Assessing the Suitability of Members of the Management Board and Key Executives of Santander Bank Polska S.A."</li> <li>• <a href="#">"Information Policy of Santander Bank Polska S.A."</a></li> <li>• "Code of Conduct for Securities Markets"</li> <li>• "Guidelines for Subsidiary Companies"</li> </ul>



# Green Bank – Environmental



# Approach to managing environmental impacts and climate protection

[GRI: 3-3, 3-3]

[TCFD: KE/TCFD, KE/TCFD, KE/TCFD]

[ESG: E – Environment, G – Governance, E – Environment]

[PRB: 1 Alignment, 2 Impact, 1 Alignment, 2 Impact]

[GPW: E-P3]



[GRI: 3-3]

[ESG: E – Environment, G – Governance]

[TCFD: KE/TCFD, KE/TCFD]

[PRB: 1 Alignment, 2 Impact]

[GPW: E-P3]

Sustainability, caring for the environment and tackling the effects of climate change are the key elements of 'Security and Trust' – one of the six strategic directions of the bank's overall business strategy for 2021-2023. Our approach to ESG and sustainability is also defined in the Responsible Banking Strategy which is an integral part of the business strategy.



More information about the Responsible Banking Strategy can be found in *Responsible Banking – Managing ESG issues* (page 25).

In practice, this means developing environmentally friendly, "green" products and solutions, supporting the transition to a low- and zero-carbon economy, conducting educational activities aimed at customers, employees and local communities and aligning our operations with the requirements of international environmental and climate change regulations. As part of our environmental responsibility, we also carry out initiatives to reduce the bank's environmental footprint.

In managing our environmental impact, we apply the prudence principle and the overarching document describing our approach to environmental issues is the "**Sustainability Policy**", in which we declare, among other things, that we aim to:

- minimise the environmental impact of our premises (by taking into account our internal environmental footprint, e.g. energy consumption, maintenance of buildings),
- address the environmental impact of our banking activities,
- promote products and services that respect the environment,
- analyse and assess the impact of financed projects on climate change.

Actions in the area of climate risk management and taking appropriate steps to exploit opportunities are the responsibility of the Management Board as well as the Supervisory Board.



Our governance model and distribution of responsibilities with regard to climate strategy are presented in our *TCFD Report* (page 52).

## Global Net Zero Strategy

[GRI: 3-3]

Our Net Zero strategy envisages that the entire Santander Group will be zero-carbon by 2050. The reduction includes both internal emissions, caused by electricity consumption or business travel, but also emissions that result from our financing – lending, advisory or investment services provided to clients from all segments.

We have already achieved internal carbon neutrality in 2020. This was made possible by the transition to green energy (100% of the energy purchased directly by the bank comes from RES) and the purchase of carbon credits, i.e. green certified assets that offset emissions.

As part of our pursuit of carbon neutrality, we have committed that from 2030 we will stop financing energy companies whose revenue from coal-fired generation exceeds 10%. In addition, we plan to completely reduce our exposure to thermal coal producers by 2030. One of our priorities is to support customers in the green transition through extensive financing of renewable energy sources and active promotion of green financial products.



Read more about the bank's efforts towards climate neutrality in the *TCFD Report*, the *Strategy* chapter (page 56).

### The Climate Strategy of Santander Group is based on 4 pillars

The Group-wide ambition is to achieve net-zero emissions by 2050



#### Aligning our portfolio to meet the Paris agreement goals

Aligning the portfolio to ensure the projected carbon emissions are in line with the target of **limiting temperature increase to 1.5°C** in accordance with the NZBA and the NZAMI.



#### Supporting our customers in the green transition

Helping customers in their **transition to low carbon economy** by offering guidance, advice and investment and business solutions.



#### Reducing our environmental footprint

Becoming **carbon neutral and using electricity from renewable sources by 2025** to reduce our impact on the environment.



#### Embedding climate in risk management

Complying with **regulatory/supervisory expectations** and embedding climate in **risk management**.

### Environmental activities undertaken in 2021:

- We developed and strengthened our responsible banking agenda based on ESG indicators.
- We aligned our activities with the Group's Net Zero strategy.
- We implemented a new "Environmental, Social and Climate Change Risk Management" policy.
- We implemented a new governance model for the responsible banking agenda.
- We established an ESG Forum and appointed 11 ESG Leads representing each division of the bank.
- We are implementing the Sustainable Finance Classification System.
- We developed the bank's Green Offer and supported customers in their green transformation and transition to a low- and zero-carbon operating model.
- We carried out the second largest green bond issue for a non-financial company with a total value of EUR 311 million.
- We committed EUR 109 million to support the development of renewable energy sources (RES).
- We allocated EUR 372 million for green financing in 2021.
- We issued, for the first time, Santander Bank Polska S.A. sustainable bonds with a total value of PLN 750 million.

## Environmental and climate risk in Santander Bank Polska

[TCFD: KE/TCFD]

[ESG: E -Environment]

[PRB: 1 Alignment, 2 Impact]

We manage environmental risks arising from our own activities and those of the bank's customers.

In 2021, we introduced the "Environmental, Social and Climate Change Risk Management Policy", which identifies the risks for each customer segment.

For the purpose of the TCFD report, which is an integral part of this ESG report, and to enhance Santander Bank Polska S.A.'s



We have described our approach to managing ESG risks as part of our risk management framework in section *Risks* (page 28).

climate resilience, we conducted an analysis that allowed us to identify climate risks and opportunities in detail based on two climate scenarios, covering three timeframes: short-term (2025), medium-term (2030) and long-term (2050).

The analysis covered the entire value chain and all the markets in which Santander Bank Polska S.A. operates.



A detailed description of our climate risk management system is presented in the *TCFD Report* under *Risk Management* (page 63).

# Regulations concerning the environmental and climate impact of business operations

## 2030 Agenda

A resolution adopted in September 2015 by all UN member states. The document defines 17 Sustainable Development Goals (SDGs), the implementation of which will lead us to a sustainable world. The Goals defined in the Agenda can be assigned to 5 areas: People, Planet, Prosperity, Peace and Partnership. For each Goal, specific tasks to be achieved by 2030 are listed – a total of 169 tasks. These include eradicating poverty and hunger, protecting the planet and ecosystems from degradation, safeguarding democracy and global peace, and fostering partnerships to achieve the Goals.

## The Paris Agreement

United Nations Framework Convention on Climate Change – the first universal and legally binding global agreement on climate issues, signed in 2015 by nearly 190 countries, including the EU and its Member States. It sets out a global action plan to protect the planet from the threat of far-reaching climate change by limiting global warming to below 2°C and aiming to keep it at 1.5°C. Important for the banking sector is the fact that the Paris Agreement commits parties to ensure that financial flows are consistent with the climate goals of the agreement, i.e. to eliminate investments in climate-damaging projects.

## European Green Deal

International action to combat climate change is being led by the European Union, which in December 2019 launched the European Green Deal – a roadmap to take the EU economy to net zero greenhouse gas emissions by 2050, and in which economic growth will be decoupled from resource consumption and societies and regions will be brought into alignment.

## European Commission Guidelines on reporting climate-related information (TCFD)

A document issued by the European Commission which provides practical recommendations for companies on how to properly report the climate impact of their operations and the impact of climate change on their business. The European Commission Guidelines incorporate the international recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The aim of the document is to provide uniform, useful and forward-looking information on the material financial impacts of climate-related risks and opportunities, including those related to the global transition to a low-carbon economy.

## EU Taxonomy Regulation

Regulation (EU) 2020/852 of the European Parliament and of the Council on the establishment of a framework to facilitate sustainable investment, and amending Regulation (EU) 2019/2088, known as the EU Taxonomy, is a system of uniform classification of sustainability measures to support investors in their investment decisions. The EU Taxonomy imposes a number of reporting obligations on companies subject to the obligation to publish non-financial information, which will come into full effect for credit institutions in 2024. A key performance indicator for credit institutions will be the Green Asset Ratio, which measures the percentage of exposures related to Taxonomy-aligned activities compared to the total assets covered of those credit institutions (adjusted assets).

## Sustainable Finance Disclosure Regulation (SFDR)

The SFDR Regulation imposes new obligations on financial market participants and financial advisers, including banks, to be transparent and disclose their approach to managing risks to sustainability in their investment activities and investment decisions.

## European Banking Authority (EBA)

Established in 2011, the European Union authority tasked with implementing a common, standard set of rules for the regulation and supervision of the banking sector in all EU member states. The Authority aims to protect the public interest by creating an efficient, transparent and stable single market for banking products in the EU.

## Corporate Sustainability Reporting Directive (CSRD)

The EU directive is intended to replace the current NFRD (Non-Financial Reporting Directive) and will apply to a wider range of companies across the EU. Among other things, the document envisages a standardised approach to reporting on sustainability issues within the management report, through the creation of a single reporting standard. At the time of writing, a draft of this standard is under consultation. In addition, the CSRD introduces an obligation for the information and data contained in the report to be audited by an independent external body.

# Eco-friendly products and services



[GRI: 3-3, Custom indicator (Main eco-friendly products and services offered to customers, including the offer that influences climate change solutions)]

[TCFD: KE/TCFD];

[ESG: E – Environment];

[PRB: 2 Impact, 3 Clients and Customers]

There is a growing awareness among customers of environmental problems and the climate crisis. They are increasingly willing to invest in backyard renewable energy installations and other environmentally friendly products. Our task is to adapt our offer to their needs and to encourage the public to make environmentally sound choices.

## ECO cash loan

We have launched the ECO cash loan for consumer purposes which supports individual customers in the purchase of ECO products and solutions. By reimbursing the fee for the purchase of “green products”, we encourage, among other things, the upgrading of domestic RES installations, the replacement of lighting with energy-efficient light solutions, the construction of domestic water treatment and recovery plants, the installation of biomass equipment, the replacement of external joinery, etc. Customers can also use the loan funds to purchase energy-efficient household appliances, bicycles and even electric or hybrid cars.



You can read more about the ECO cash loan on the bank's website at Retail Customers in the Offer – Loans section ([www.santander.pl/klient-indywidualny/kredyty/eko-kredyt-gotowkowy](http://www.santander.pl/klient-indywidualny/kredyty/eko-kredyt-gotowkowy)).

## Eco-friendly payment cards

As of 1 July 2021, we have introduced Visa eco cards, which consist of 85% recycled plastic. By using recycled material to produce the cards, the related carbon footprint has been reduced by up to 75%. The new cards have a novel vertical design, consistent across the Santander Group in Europe.



**860.7k** eco-friendly cards issued in 2021, accounting for 42.4% of all cards issued.

The Santander Group plans that by 2025, all debit, credit and pre-paid cards in Poland, Portugal, Spain and the UK, will be produced from sustainable materials, such as recycled PVC or corn-based plastic. The Santander Group will also reduce the number of cards on offer by more than 30%.

## Green offer from Santander Leasing

Santander Leasing, which operates under the standards of the Santander Bank Polska Group, in 2021 introduced simplified application rules for photovoltaic financing with a term of up to 10 years when securing the transaction with a BGK guarantee, and began work on launching products with funding from the government's ‘My Electric Car’ programme.

In addition, Santander Leasing's green offer includes:

lease/loan for the purchase of emission-free/hybrid vehicles for business,

loan for the purchase of emission-free/hybrid vehicles for consumers,

lease/loan for the purchase of photovoltaic installations for business,

loan for the purchase of photovoltaic installations for consumers,

lease/loan for the purchase of energy-efficient machinery (including agro-machinery) for business.



# Green financing

[GRI: 3-3, Custom indicator (Main eco-friendly products and services offered to customers, including offerings that influence climate change solutions)]

[TCFD: KE/TCFD]

[ESG: E- Environment]

[PRB: 1 Alignment, 2 Impact]



We support our clients in the transition to a low-carbon economy and in the development of their sustainable and green investments. We consistently participate in the country's energy transition.

We were the first financial institution in Poland to offer financial solutions in which the margin is based on the customer's fulfilment of social and environmental criteria (ESG-linked loans). We have both local and global experts in ESG, which makes us stand out in the Polish banking market.

We offer sustainable financing to various customer groups, including customers from industries with the greatest impact on climate issues, i.e. the energy, fuel and industrial sectors. Therefore, sustainable financing to date has focused on customers in these areas. From 2021 onwards, we are seeing increasing interest in this type of financing in other sectors as well, largely due to greater customer awareness and the public announcement of sustainability strategies.

## Santander Bank Polska S.A.'s green finance products:

- loans dedicated to sustainable investments, including RES investments,
- loans linked to the Sustainable Development Goals,
- green bonds or sustainability bonds,
- sustainability-linked bonds,
- advice on raising sustainable finance,
- financial advice in the ESG area.

## Green finance in 2021

Area	EUR m	PLN m
Green buildings	107.8	495.7
Renewables	109.5	503.7
Clean mobility	79.1	363.6
Agro	76.2	350.5
Circular economy	0.2	0.9
<b>Total</b>	<b>372.8</b>	<b>1,714.4</b>

### Supporting the green transition in 2021

- The leasing company offers eight products in the following categories: Renewables, Clean Mobility, Agro and Circular Economy.
- Lease or loan for the purchase of emission-free or hybrid vehicles for business. For this product, two promotional leases have been made available from the beginning of 2021 until 18 November 2021: 100% for the purchase of an electric vehicle and 102% for the purchase of hybrid vehicles.
- A loan was made available to customers for the purchase of emission-free or hybrid vehicles for consumers.
- Lease or loan for the purchase of photovoltaic installations for business.
- Loan for the purchase of photovoltaic installations for consumers (new).
- Lease or loan for the purchase of energy-efficient machinery (including agro machinery) for business.
- The Corporate and Investment Banking Division carried out the second largest sustainable bond issue for a non-financial company with a total value of PLN 400 million.
- In 2021, we issued 860,700 green cards, accounting for 42.4% of all cards issued.
- We provided customers with the first Eco Loan, where we reimburse customers for eco purchases.

We have a Global Framework on Sustainable Bonds and a Framework on Green Bonds, which define our commitments to allocate green bond funds to renewable energy projects (solar and wind). At the same time, new global framework policies are being developed within the Santander Group, aligned in all aspects with the Group Sustainable Finance Classification System (SFCS), which we will implement from 2022.

In 2021, we developed a Sustainable Issuance Framework, verified by an independent rating agency (SPO: Second Party Opinion), and conducted an issue of the first sustainable debt securities in Poland with a nominal value of PLN 750 million. The funds raised from the issue will be used to finance or refinance green assets (Eligible Green Assets) or social assets (Eligible Social Assets).

### Examples of green financing contracts concluded in 2021

- Santander Bank Polska S.A., together with Bank Gospodarstwa Krajowego, financed the purchase of 37 electric buses for the City of Poznań (transaction value: PLN 111 million). The replacement of the vehicles helped to reduce the negative impact of urban transport on the environment and contribute to improving air quality.
- Santander Group and Energix Renewable Energies signed a loan agreement worth PLN 550 million to finance a portfolio of two onshore wind farms with a total capacity of 125 MW. Santander Bank Polska acts as Agent, Security Agent and Account Bank in this transaction.
- Santander Bank Polska S.A., in cooperation with other banks, has signed agreements worth PLN 479 million to finance a portfolio of RES owned by an independent renewable energy producer. The financing will be used to build a portfolio of four wind projects and 29 photovoltaic projects with a total capacity of 106 MW, which won the RES auctions.



We have provided additional information on the emissions generated by the portfolio in the *TCFD Report*, which is an integral part of this report (page 67).

# Environmental impact of operations

[GRI: 301-1, 302-1, 303-1, 305-1, 305-2,305-3]

[TCFD: KE/TCFD, KE/TCFD]

[ESG: E - Environment]

[PRB: 2 Impact]

[GPW: E-P1, E-P2, E-S2, E-S3- E-S6]

The emission levels associated with our operations in 2021, together with the methodology adopted to calculate them, are presented in the *Environmental Performance* (page 117) subsection and more detailed information can be found in the *TCFD Report* under *Metrics and Targets* (page 67).

## Electricity consumption in 2020 and 2021

Electricity consumption [MWh]	2020	2021
Total electricity consumption	29,917.00	26,449.30
of which: total energy consumption from non-renewable resources	11,078.86	14,174.30
of which from:		
natural gas	9,408.64	12,399.38
fuel oil	1,351.41	1,549.37
Diesel oil	318.81	225.55

- In 2021, 81% of the electricity purchased by the bank for its buildings was from a contract providing energy exclusively from RES.
- We also received an accession [certificate for the Tauron Group's ECO Premium product](#). The document confirms that the electricity sold to us is entirely covered by the Green Energy Sales Guarantee scheme and comes from green energy sources – mainly hydroelectric power plants.
- In 2021, the bank's electricity consumption decreased by 8.8% compared to the level in 2020.
- In 2021, we continued to upgrade the lighting in the bank's branches – 60% of branches use energy-efficient LED lighting, of which 42 were upgraded in 2021. We upgraded air conditioning and ventilation systems in some branches, and central heating systems were upgraded in 4 of our own properties.
- We have reduced diesel consumption by almost four times compared to 2020.

## The bank's car fleet

	2020	2021
Number of petrol cars	85	13
Number of diesel cars	7	2
Number of hybrid/electric cars	1,303	1,308



In 2021, we reduced the number of petrol and diesel cars by as much as 85%.

## Business travel

Indicator	2019	2020	2021
Number of business trips per employee	3.17	1.55	0.60

We are effectively reducing business travel to the necessary minimum. The large decrease in 2021 was influenced by our policy and the ongoing pandemic.

## Reductions in diesel and petrol consumption associated with business travel using the bank's car fleet in 2021

<b>Diesel consumption (in l)</b>	<b>8 563.52</b>
<b>Reduction</b> in diesel consumption versus 2020	-23,317.93
Petrol consumption (l)	1,446,502
<b>Reduction</b> in petrol consumption versus 2020	-53,431.48
Average fuel consumption per employee	127.94

- In 2021, we significantly reduced our diesel and petrol consumption, which contributed to a reduction in our direct emissions (Scope 1).
- Average fuel consumption per employee fell by 4%.

## Paper consumption

Paper consumption	2020	2021
Branch banking [tonnes]	186	177
Head Office buildings [tonnes]	34	19

- As part of #ecoSantander, we are consistently reducing paper consumption.
- We are promoting e-signing of agreements among customers. In 2021, 92% of customers opted for e-statements, and more than half of transactions in branches were carried out without using paper.
- We have implemented internal procedures to send documents to customers electronically. We are also eliminating paper archiving in favour of electronic archiving.

## Paper waste and other waste, including electronic data carriers (disposal)

Type of waste	Head Office	Branches	Total
Paper [kg]	684,121	532,439	1,216,560
Magnetic data carriers [kg]	12,120	1,650	13,770

- We send 100% of the abovementioned materials for safe destruction and then for recycling.
- We have already phased out the purchase of water in single-use plastic bottles and spring water dispensers in 2020. We have installed tap water filtration facilities at all locations. Kitchens and staff areas are equipped with water serving sets (carafes and glasses).
- In 2021, we started issuing eco-friendly cards, which are made from 85% recycled plastic. In this way, our carbon footprint is reduced by up to 75%.

## Water consumption

Total volume of water abstracted by source (in m <sup>3</sup> )	Head Office	Branches
Water supplied from the municipal network	23,540.00	50,038.00
Other sources	–	–
Total	23,540.00	50,038.00

We reduce water consumption – we implement and use solutions that promote lower water consumption and rational water use (dishwashers, modern sanitary fittings, grey water system, rainwater harvesting system).

# Promoting environmentally friendly attitudes

[ESG: E - Environment]

As one of the largest banks in Poland, we feel responsible for promoting environmental and climate change awareness in society. We engage in cross-sectoral partnerships, support pro-environmental initiatives and campaigns, and educate our employees and customers. All this is done to promote informed consumer choices, which in effect contribute to minimising negative environmental impact and combating climate change.



## "Here I Live, Here I Make Eco Changes" Programme

For more information on the Programme, see the Communities chapter *Santander Foundation* (page 109).

### We educate customers on resource conservation

On the bank's website addressed to retail customers, we encourage everyone to change their habits and take action to reduce water, electricity or fuel consumption. Our tips help to reduce expenses while contributing to decreasing our environmental footprint.

### Green Ribbon #ForThePlanet campaign and Re:Generation Programme

Every year, on 5 June to mark World Environment Day, the Green Ribbon #ForThePlanet campaign is launched by the UNEP/GRID-Warsaw Centre. In 2021, we became a strategic partner of this campaign for the third time. The campaign kicked off the Decade on Ecosystem Restoration.

In 2021, we also joined the Re:Generation programme, initiated by the same organisation, as a response to the Decade on Ecosystem Restoration announced by the United Nations for 2021-2030. During the campaign, together with its originators, we encouraged people to join the #ReGeneration (#GENERATIONRESTORATION) community, a group of people who want to take the fate of

the planet into their own hands and contribute to ecosystem restoration. Among other things, those interested could report to the project database an ecosystem from their own neighbourhood which requires intervention. We, as part of the campaign, supported the restoration of ecosystems in the mountain pasture complex in the Czantoria Mountain Range.



You can read more about the programme on the website at [re.generation.org](http://re.generation.org).

### Santander X Environmental Challenge

This is a global competition by the Santander Group and the Oxentia Foundation conducted for entrepreneurs working to develop a low-carbon economy. The competition was open to entrepreneurs from 11 countries and was divided into two goals: "Be Green" – through green financing and green investments, and "Be Aware" – through products and services that raise awareness of our environmental impact.



You can read more about the competition on the bank's global website at [santander.com](http://santander.com).

### Earth Day with Santander Bank Polska

Be as green as your bank – that was our message of encouragement on the occasion of World Earth Day. Every year, we actively engage in international Earth Day celebrations. On this day in 2021, we took stock of our contribution to the green transformation of the economy and announced the implementation of the group's Net Zero strategy.



You can read more about Earth Day on the bank's website, *Press Releases* ([www.media.santander.pl](http://www.media.santander.pl))



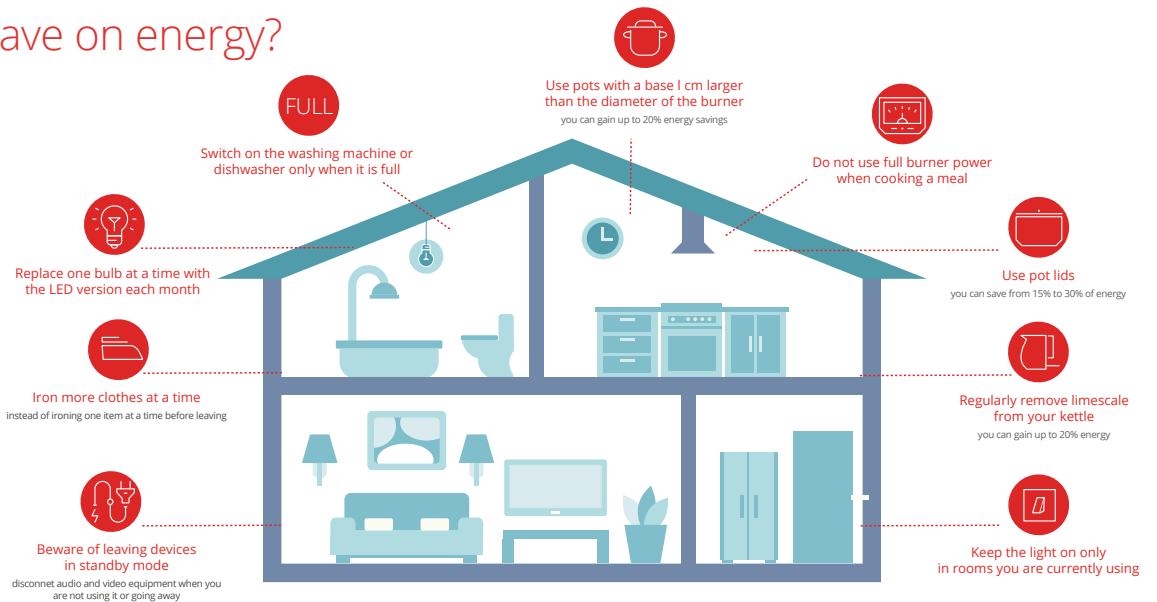
## How to save on water?



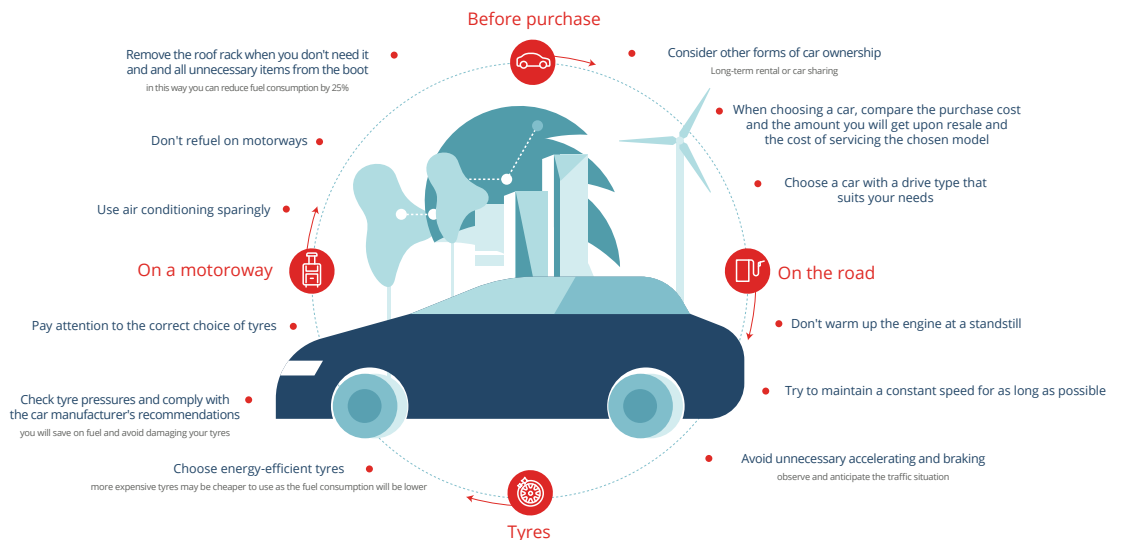
Daily consumption*		Savings per year	
Bathing in the tub 100 litres		Shower 7 minutes 50 litres	
Hand washing of dishes 60 litres		Dishwasher 10 litres	
Brushing teeth under running water 21 litres		Brushing teeth with a cup 0.5 litre	
Warm shower 10 minutes 56 litres of cold water 25 litres of hot water		Cool shower 4 minutes 7 litres of cold water 7 litres of hot water	
Watering the garden 1000 litres		Rainwater or a well 0 litres	
		<b>18,250 litres annually</b> <b>PLN 329</b>	
		<b>9,125 litres annually</b> <b>PLN 179</b>	
		<b>1,095 litres annually</b> <b>PLN 20</b>	
		<b>24,445 litres annually</b> <b>PLN 531</b>	
		<b>120,000 litres annually</b> <b>PLN 1,200</b>	

\*Cost based on Santander employees' household consumption. It was assumed that we wash and launder every 2 days, bathe once a day, brush our teeth 2 times a day and water a garden of 10 acres for 4 months. The simulation assumes that 1m<sup>3</sup> of water costs PLN 10 and the cost of heating water is PLN 16.

## How to save on energy?



## How to save on fuel and car?



# Partnerships for climate

[GRI: 2-28]

[ESG: E - Environment]

We are involved in environmental projects and support sectoral, multi-sectoral and international initiatives concerning the protection of the environment and its resources.



## Green Transformation Council of the Lewiatan Confederation

We are a member of the Green Transformation Council of the Lewiatan Confederation. The purpose of the Council's work is to provide opinions and consultations on regulations and strategies that are part of the European Green Deal, including the preparation of substantive expert opinions, positions, strategies, feedback on regulations, as well as active cooperation with public administration on the final shape of proposed solutions.

For more information about the initiative go to the [website of the Lewiatan Confederation](#).



## Polish Plastics Pact

As the only representative of the financial sector in Poland, we are a signatory of the Polish Plastics Pact, which joined the Ellen MacArthur Foundation's global Plastics Pact Network. The aim of the Pact is to move towards a circular economy. The initiative was created under the umbrella of the 17 Goals Campaign. It sets out six strategic goals that companies operating in Poland and influencing the plastic packaging market will strive to achieve by the end of 2025. By becoming a member of the Pact, we want to support our customers in transforming their businesses.

You can read more about the initiative on the [website of the Polish Plastics Pact](#).



## UNEP/GRID-Warsaw Centre

As part of the **Together for the Environment** partnership, the UNEP/GRID Warsaw Centre organisation provides expert support for the bank's environmental activities. Through cross-sectoral cooperation we implement the environmental Sustainable Development Goals and actively support the **Green Ribbon #ForThePlanet** campaign and the **Re:Generation** programme.



## 5 Fractions Coalition

We are a member of the 5 Fractions Coalition, a cross-sectoral initiative of companies and institutions that was established to create innovative solutions to support the segregation, recovery and recycling of waste, especially packaging waste.

You can read more about the initiative on the [website of the 5 Fractions Coalition](#).



## Partnerships for the Implementation of the Sustainable Development Goals (SDGs) in Poland

We are part of the Partnership for the Implementation of Sustainable Development Goals (SDGs) in Poland, an agreement between the Ministry of Development, Labour and Technology and representatives of business entities. It serves to create synergy of actions undertaken in Poland in the scope of implementing the recommendations of Agenda 2030 and achieving the Sustainable Development Goals embedded therein.

# TCFD Report

## Introduction

### Climate change

Climate change has consequences for the planet and the environment, as well as for the economy and the financial system. In response to these risks and to take the necessary steps to mitigate them, the world's governments have decided to make a concerted effort to limit the progressive rise in temperatures and to mitigate the effects of climate change. As a consequence of these efforts, expectations have risen for the private sector committed to the climate transition through tightening regulation.

In December 2015, 197 countries signed the Paris Agreement, an international agreement that aims to limit the increase in global average temperature to well below 2°C relative to pre-industrial levels and aims to maintain an increase of only 1.5°C. The structure of the Paris Agreement consists of legally binding targets for limiting the increase in the Earth's average temperature, as well as the obligations of the parties to the agreement, of which the contributions of individual countries are the most important. Underpinning the broad climate action is the assumption that halting the rise in global temperatures will require significant reductions in greenhouse gas (GHG) emissions on a global scale. While the responsibility for achieving the agreement's goals rests with national governments and drives changes in the area of development policies (e.g. the European Green Deal package), the Paris Agreement has also become a driver for private sector business initiatives.

These initiatives are particularly important in light of the conclusions of the Sixth Assessment Report of the IPCC – the Intergovernmental Panel on Climate Change. The IPCC leaves no doubt that climate change is likely to affect the stability of the entire economy. The effects of global temperature increases are already more severe and more widespread than expected. Moreover, some further effects of climate change are inevitable in the short term – emission trends and greenhouse gases present in the atmosphere will mean that we will feel some of the effects of climate change by 2040, even in the event of sudden decarbonisation. For this reason, adaptation will play an extremely important role, but this will not solve all challenges in climate-sensitive countries and ecosystems. Efforts to reduce emissions now are therefore crucial.

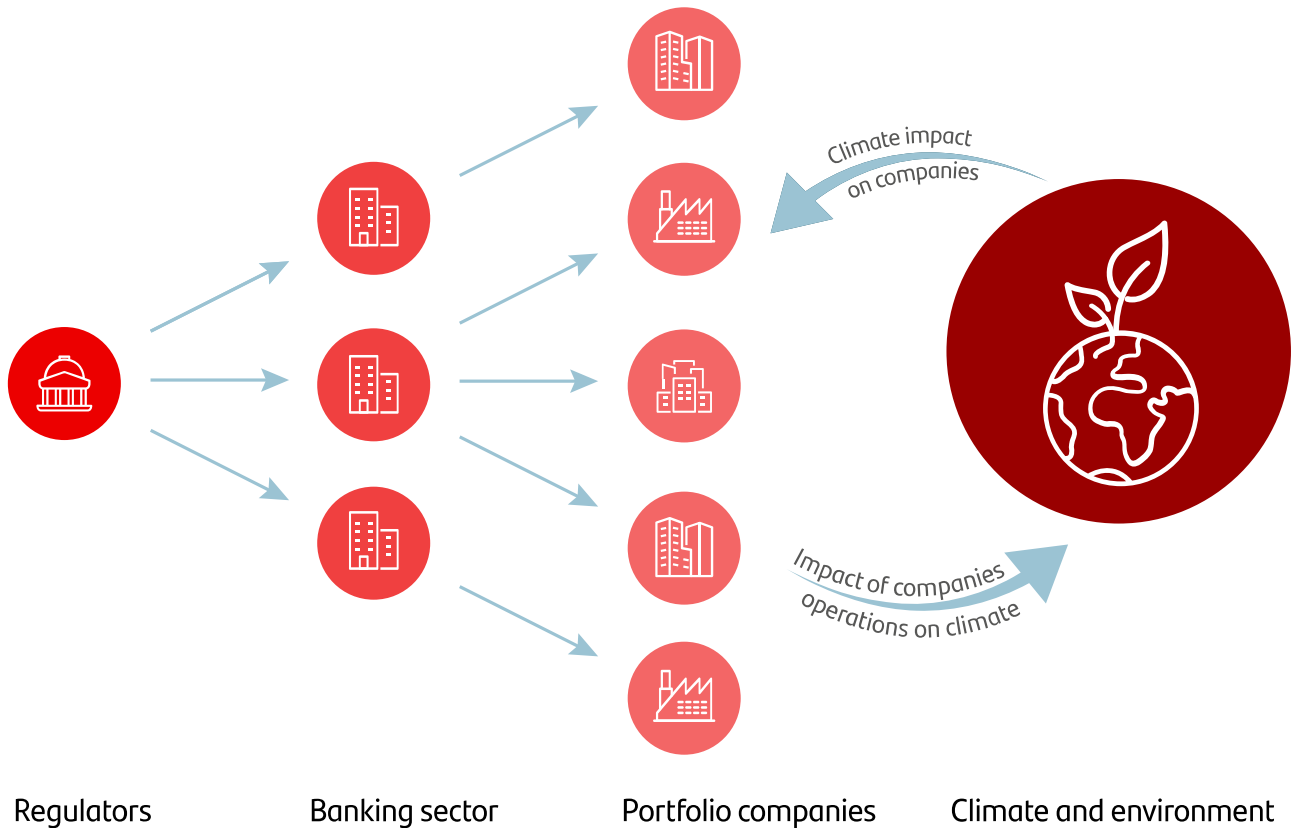
Both the IPCC and the signatories to the Paris Agreement recognise the importance of the measures indicated in terms of economic and financial sector stability. The potential economic losses as a result of rising global temperatures as well as the intensification of severe weather events (e.g. more frequent storms or droughts) must be taken into account. According to the IPCC, droughts, extreme heat and floods threaten water and food security, as well as the livelihoods of millions of people. The materialisation of such risks can furthermore cause volatility in natural resource and property markets and lead to the insolvency of some borrowers. Increasingly ambitious climate policies, regulations, financial market sentiment and social responsibility expectations towards businesses are not negligible and result in a decrease in the profitability of certain investments and an increase in the cost of carbon-intensive activities. In order to maintain financial stability during the transition to a low-carbon economy, it will be crucial in the coming years for climate risks to be properly managed not only by high-carbon companies, but also by financial institutions.

### Banks and the climate

Until recently, the main burden of climate action has been placed on, among others, the enterprises that contribute most to the economy's CO<sub>2</sub> emissions. Now, there is increasing pressure from the European Commission, whose ambition is to encourage, through regulatory and non-regulatory measures, the linking of funds for new investments to climate indicators in the concept of so-called Sustainable Finance.

In this context, financial institutions have a uniquely important role to play in the transition to a low-carbon economy because of their systemic importance for the economy as a whole. Indeed, banks contribute to greenhouse gas emissions through their own operations (e.g. energy consumption in buildings) and through the investments and loans they finance.

Although the direct impact of financial institutions' actions in the area of climate change mitigation and adaptation is small, they can have an indirect impact through large capital commitments in sectors particularly exposed to physical and transformational risks.



Banks therefore have the tools at their disposal to both support the transition towards a low-carbon economy and contribute to the European Commission's declared objectives. They can do this by progressively reducing the environmental impact of their funding, including by steadily raising awareness among their customers and the general public of the importance of climate change and its impact on the economy, and gradually reducing their carbon-based portfolios. At the same time, banks can drive decarbonisation investments, particularly in hard-to-decarbonise sectors, supporting their transition to a low-carbon economy.

It is particularly important to integrate existing risk assessment policies and procedures with the climate area in investment and loan financing decisions and to link the bank's strategy to ESG (Environmental, Social, Governance) elements.

This report presents the approach to the area of climate issue management at Santander Bank Polska S.A.. It is made up of four main chapters, presenting the bank's corporate structures and reporting issues, the main assumptions of the strategy and actions in the area of mitigation as well as adaptation to climate change, the management processes together with the results of the climate risks and opportunities analysis carried out this year and information on our carbon footprint. This report is an important step both in terms of its integration with the Santander Group's global strategy and activities, as well as the ongoing transparency regarding our activities in Poland. The report has been prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

# Corporate governance

[GRI: 3-3]

[TCFD: KE/TCFD]

Activities in the area of climate risk management and making appropriate steps to take advantage of opportunities are the responsibility of the Management Board as well as the Supervisory Board. These bodies support the risk management strategies by accepting key policies, participating in supporting committees, reviewing and accepting risks and reports.

The **Management Board** is responsible for setting our mission and long-term action plans, including the climate strategy and its main objectives. In making its decisions, the Management Board takes into account the assessments, information and analyses of the unit responsible for risk management, on the basis of which it adopts the "Risk Appetite Statement". The level of acceptable risk ("risk appetite") is then approved by the Supervisory Board. Based on the defined limits, observation<sup>1</sup> limits are set and risk management policies are constructed. In addition, the member of the Management Board responsible for risk management provides the Supervisory Board with relevant risk information in order to create a complete risk profile of the bank and to make appropriate decisions in this respect.

**The Supervisory Board's** remit is, among other things, to review the bank's overall management strategy and risk management strategy, also with a view to the long-term interests of the bank. In making its decisions, the Management Board also takes into account the assessments, information and analyses of the unit responsible for risk management.

In addition, the bank has a **Responsible Banking and Organisational Culture Committee**, which supports the bank's Management Board in fulfilling its supervisory responsibilities with regard to the responsible business strategy and sustainable development at the company and Santander Bank Polska Group levels. The CEO is also the Committee Chairman and his responsibilities include defining the strategy and annual objectives in the field of responsible banking and corporate culture and ensuring the implementation of the provisions of Santander Bank Polska S.A.'s socio-environmental policies. This Committee is

supported by the ESG Forum, which is tasked with planning ESG activities, coordinating their implementation in the bank, and reporting periodically to the Responsible Banking and Corporate Culture Committee and the bank's Management Board. Members of the ESG Forum include senior managers representing all divisions.

One of the bank's most important units in the area of climate risk management is the **Risk Committee**, which is involved in the process of identifying climate risks and opportunities. The process was also carried out for the purpose of this report.

In the Risk Management Division, the function of Environmental & Social Risk Manager (ESRM) was established two years ago. The manager is responsible for carrying out individual risk assessments, in particular for entities operating in sectors such as oil and gas, power generation and transmission, mining and metals, soft commodities, and making ESRM recommendations (positive, conditionally positive or negative) for clients or transactions in the Corporate and Investment Banking (SCIB) segment. Credit partners are required to verify that the socio-environmental risk analysis has been carried out and that the obligatory ESRM recommendation has been included in the credit application.

In addition, an Environmental and Social Risk Analysis procedure was implemented in June 2021 for customers in the Business and Corporate Banking (BCB) segment. As part of this process, an automated algorithm has been applied to a large extent, allowing for the preselection of environmental and social risks, as a result of which customers receive statuses regarding the level of these risks, so-called "environmental flags". "Environmental flags" are assigned to all clients as part of a portfolio pre-selection, carried out on the basis of individual company characteristics (including an assessment of their PAC). There are four types of flags: one is temporary ("For Verification") and three are final ("Positive Verification", "Elevated Risk", "Prohibited Activity").

**The first flag means that additional individual analysis by the banker is required, the other three do not require any additional action but affect the loan process:**

- "Positive Verification" implies a standard credit process;
- "Prohibited Activities" (e.g. coal mines, new coal power customers, wholesale of tropical timber, if not FSC certified) means that financing is not possible; for existing commitments in the portfolio, extension up to 12 months is possible with a gradual exposure reduction schedule;
- "Elevated Risk" – new commitments or upgrades are not recommended; renewals are possible.

Notwithstanding the above, any issues with the potential to adversely affect reputational risk (including restricted activities) require consultation with the Compliance Area, PR Department and the Sustainability and ESG team.

In addition, the bank has a Work Environment Management Department that coordinates the purchase of certificates as part of carbon offsetting activities.

The following graph shows the Santander Bank Polska S.A.'s units responsible for climate risk management.

The Risk Intelligence Department in the Risk Management Division is responsible for executing this process.





# Strategy

[GRI: Custom indicator (Description of the bank’s approach to integrating the requirements of the ESG regulations into its business strategy)]

[TCFD: KE/TCFD]

[PRB: 1 Alignment, 2 Impact]

[ESG: E – Environment]



## Our climate ambitions

As one of the largest banks in Poland, we are aware of our role in the transformation of the Polish economy and the importance that our actions, policies and financing will have on this process. The Santander Group’s recently announced global Net Zero strategy is a confirmation of this – we have set ourselves the goal of achieving climate neutrality by 2050. Furthermore, tackling the effects of climate change

is an overarching goal of ‘green banking’, our Responsible Banking strategy pillar.

Globally, the Santander Group is also a founding member of the Net Zero Banking Alliance, a United Nations initiative led by the banking sector that guides our work on qualitative investment portfolio analysis. Through these activities, we aim to contribute to halting the rise in the global average temperature.

## Towards a climate-neutral bank

[TCFD: KE/TCFD]

As Santander Bank Polska S.A., we support the objectives of the global Net Zero strategy through a two-pronged approach:



Firstly, we are making efforts to reduce greenhouse gas emissions from our internal emission sources, such as electricity consumption, business travel or fleet operations.



Secondly, in line with the TCFD’s recommendations, we are focusing on emissions resulting from our financing, including lending, advisory and investment services provided to customers from all segments. In this way, we want to reduce indirect greenhouse gas emissions in our value chain – from suppliers to end users, i.e. for example the service recipients of our business and corporate clients. The key in this context will be to provide sustainable finance and offer investment advice in line with the Paris Agreement.

Our actions towards clients in the climate area, reducing the bank’s exposure to climate risks, have so far been as follows:



In 2019, we waived financing for new thermal coal mines and new thermal coal power units.



As of 2020 onwards, all the bank’s contracts with entities that use coal contain clauses prohibiting the application of the financing granted for coal mining and production purposes.



At the same time, we support our clients in achieving their business goals and also help them to meet their environmental and climate change regulatory obligations.

On our way to meeting the goals of the Paris Agreement, we have simultaneously committed to the following steps:



From 2030 onwards, we will cease to fund energy companies with more than 10% of their revenue from coal-fired generation.



By 2030, we plan to completely reduce the bank's exposure to thermal coal producers (expiration of all contracts).



We will achieve climate neutrality by 2050.

## Scenario analysis

[TCFD: KE/TCFD];

[ESG: E – Environment]

[PRB: 1 Alignment, 2 Impact]

Although the impact of climate change on our activities is already beginning to be observed today, the materialisation of more serious risks is expected around 2040 and in the middle of this century. Therefore, in addition to focusing on current risks, our analysis also covers the medium-term and long-term perspective, which, however, is subject to some forecasting error due to assumptions made about the changing CO<sub>2</sub> content in the atmosphere, the extent of regulatory action and consumer behaviour.

In view of the above, for the purpose of this report and to enhance our company's climate resilience, we conducted an analysis that allowed us to identify climate risks and opportunities in detail on the basis of two climate scenarios, covering three timeframes: short-term (2025), medium-term (2030) and long-term (2050).

This approach provides a comprehensive understanding of how climate change may affect our operations and those

of our customers in different ways. For the analysis of climate-related risks and opportunities, two scenarios were selected in line with TCFD recommendations:



**Below 2°C**

*(in accordance with the Paris Agreement)*

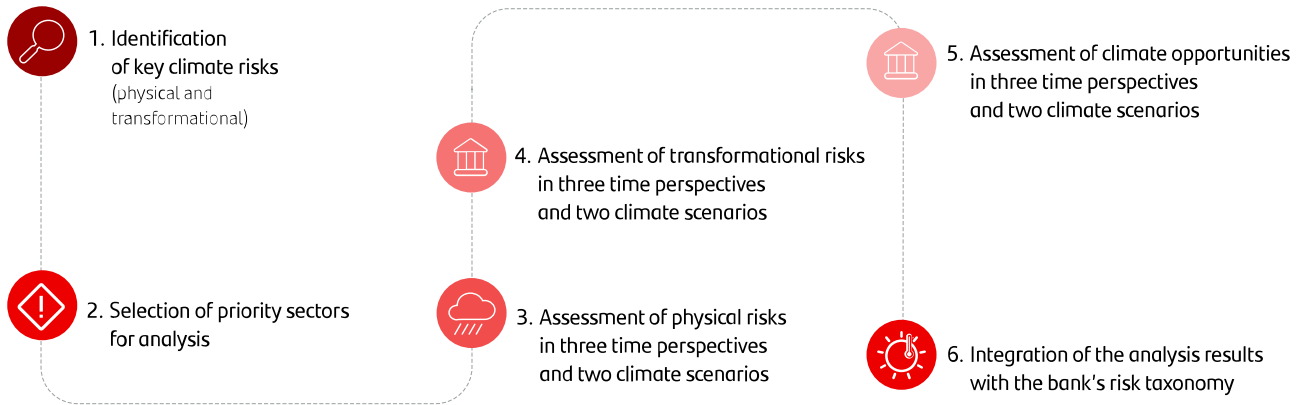
**4°C**

By effectively defining both the threats and opportunities arising from the climate transition, we are able to take actions that, in both scenarios analysed, provide Santander Bank Polska S.A. with resilience in the context of the key threats, as well as the possibility of exploiting them to improve growth dynamics, financial performance and the bank's image.

## Climate risks and opportunities

The analysis covers the entire value chain and all markets in which Santander Bank Polska S.A. operates. In the analysis two main types of risk were considered, in line with the TCFD approach: physical and transformational. We carried out an analysis of the main risks in both categories and, by identifying the key risks for our latitude, we assessed the risks in the sectors in which our clients operate (for more

information on the risk identification and assessment process, see the Methodology Appendix). We considered the evolution of physical and transformational risks across the 19 sectors in our portfolio in three perspectives: short-term (2025), medium-term (2030) and long-term (2050). We conducted a similar exercise, focusing on climate-related opportunities. The analysis process is shown in the figure below:



### Physical risks

We recognise the diverse physical risks associated with the impact of weather conditions on business operations. Our clients are exposed to diminishing returns on inputs caused by circumstances that prevent uninterrupted business operations, which can translate into a reduced ability to repay debt.

Sources of physical risks include extreme weather events, such as violent storms or floods, which in many sectors can cause infrastructure disruption or destruction. Particularly exposed to physical risks, by the very nature of the business, is the agricultural sector, where we have seen an increased risk of land erosion affecting the quality and quantity of yields.

In the medium to long term, we identify physical risks associated with Poland's deteriorating hydrological situation and the threat of drought. The lack of adequate water retention systems and water shortages may have a range of negative effects, affecting other sectors of the economy, including the energy sector. For example, combined heat and power (CHP) plants, which rely on river water for their cooling systems, may have to reduce power generation during periods of drought. We also saw a fire risk in the soft commodities sector, potentially causing losses in timber production, among others.

### Transformational risks

Particularly vulnerable in the context of the transition to a low-carbon economy are sectors dependent on coal and other fossil fuels, on which the Polish energy mix is predominantly based. We recognise the regulatory and legal risks associated with higher CO<sub>2</sub> costs, stricter reporting and data collection requirements, and even regulatory changes restricting the operation of some particularly environmentally damaging entities.

Regulatory risks may also arise as a result of revised regulations imposing climate-friendly solutions, which for some companies will mean higher costs of doing business. For example, in the automotive industry, the falling cost of electric vehicles and expected regulations at EU level may lead to stranded assets in the combustion car supply chain. At the same time, market competition may force companies from our portfolio to invest in increasingly innovative machinery.

We also recognise market risks due to the impact of climate change on market variables such as consumer choices, changing interest rates and commodity prices. Worth noting are also reputational risks linked to growing consumer awareness. We understand that all of the above risks can affect the bank both directly and through our customers.

## Results of the analysis of the risks’ impact on the bank

[TCFD: KE/TCFD]

[ESG: E - Environment]

[PRB: 1 Alignment, 2 Impact]

The approach discussed above allows for the integration of climate risk management as part of a broader, comprehensive risk management process. In line with TCFD recommendations, the outcomes of the analysis of physical

and transformational climate risks have been integrated into the taxonomy adopted by the bank. The results of the analysis are presented in the table below.

Banking risk	Impact of physical risks	Impact of transformational risks	Risk management approach
<b>Credit risk</b>	<ul style="list-style-type: none"> <li>Climate risks can negatively affect borrowers and reduce their ability to repay their debt, particularly in the agro sector where physical risks can reduce crop income.</li> <li>More frequent and intense sudden weather events and natural disasters may additionally decrease the value of the loan collateral.</li> </ul>	<ul style="list-style-type: none"> <li>EU or national regulations may adversely affect the debt sustainability of business borrowers operating in certain sectors, primarily in carbon-intensive sectors such as:                             <ul style="list-style-type: none"> <li>energy sector,</li> <li>fuel sector,</li> <li>transport and logistics, and</li> <li>agro sector.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Current risk management activities include assessing the vulnerability of companies in high-emission sectors (e.g. fuel, energy) to transformational risks. In accordance with our internal procedures for Environmental and Social Risk Analysis, we have defined risk categories (understood as individual ESRM recommendations for SCIB clients and 'environmental flags' for BCB clients described in the Corporate Governance chapter). Depending on the level of assessed risk, we have defined a strategy and risk appetite.</li> <li>We also monitor the impact of regulatory changes and technological advances in the automotive sector – companies that do not match the profile defined by us may not be eligible for funding.</li> <li>In future, we plan to significantly increase the frequency of risk assessments in this area and work on model solutions.</li> <li>At the same time, we are considering the introduction of a systemic solution for assessing the impact of CO<sub>2</sub> prices on the financial viability of companies (especially in high-emission sectors). Energy price stress tests will also be an important factor.</li> </ul>

Banking risk	Impact of physical risks	Impact of transformational risks	Risk management approach
<b>Market risk</b>	<ul style="list-style-type: none"> <li>Risk of losses arising from changes in the value of the bank's assets and liabilities caused by natural disasters, sudden weather events.</li> </ul>	<ul style="list-style-type: none"> <li>An increase in the costs associated with CO<sub>2</sub> emissions may raise the costs for some companies (particularly in carbon-intensive sectors such as energy and fuel). This may lead to a reduction in revenue for these companies and, consequently, a lower capacity to undertake new investments, which in turn may reduce the number of new loan applications.</li> <li>Regulatory pressures can indirectly affect the financial market by limiting investments in selected client groups.</li> </ul>	<ul style="list-style-type: none"> <li>We monitor regulatory changes and take a number of measures to support our customers, e.g. by launching financing for low-carbon solutions that lead to the mitigation of these risks.</li> </ul>
<b>Liquidity risk</b>	<ul style="list-style-type: none"> <li>Climate change, including natural disasters and sudden weather events, can cause a rapid increase in the demand for cash.</li> </ul>	<ul style="list-style-type: none"> <li><i>No significant impact of transformational risks has been identified.</i></li> </ul>	<ul style="list-style-type: none"> <li>In line with European and national regulations, we have adequate reserves and procedures in place.</li> </ul>
<b>Operational risk</b>	<ul style="list-style-type: none"> <li>Sudden weather events can affect the conduct of business at bank branches (e.g. flooding, power outages).</li> </ul>	<ul style="list-style-type: none"> <li>Increased energy costs may raise the expenses incurred by the bank (e.g. increase in the property rental charges).</li> </ul>	<ul style="list-style-type: none"> <li>In 2020, 100% of the energy purchased by the bank was green energy.</li> <li>50% of our branches use energy-efficient lighting.</li> </ul>
<b>Model risks</b>	<ul style="list-style-type: none"> <li>Business models may underestimate the value of losses caused by sudden weather events, which are increasing in intensity and frequency.</li> </ul>	<ul style="list-style-type: none"> <li>Business models may underestimate the impact of regulation and market changes due to climate change, especially in the context of supply chain analysis</li> </ul>	<ul style="list-style-type: none"> <li>We monitor the impact of weather events on the volume of losses and analyse the impact of regulation on all parts of the supply chain.</li> <li>With the support of an external advisor, we carried out a process of climate risks identification and analysis in the bank's key sectors under two climate scenarios and three time horizons. The results, presented in this report, will allow for better calibration of models and improved management in specific areas.</li> </ul>

Banking risk	Impact of physical risks	Impact of transformational risks	Risk management approach
<b>Business risks</b>	<ul style="list-style-type: none"> <li>No significant impact of physical risks has been identified.</li> </ul>	<ul style="list-style-type: none"> <li>In the short-term perspective, increased costs associated with the transition to a low-carbon economy are observed. Some of these costs are also passed on to consumers, which may reduce their willingness and/or ability to take out consumer loans (e.g. to finance a purchase of a new car).</li> <li>Regulation and changes in customer choices can create new product and service opportunities. Failure to address them or addressing them too late can lead to a loss of customers to competitors.</li> </ul>	<ul style="list-style-type: none"> <li>We continuously analyse the market situation and the actions of competitors, introduce new products to our range and maintain a dialogue with customers.</li> </ul>
<b>Reputational risk</b>	<ul style="list-style-type: none"> <li>No significant impact of physical risks has been identified.</li> </ul>	<ul style="list-style-type: none"> <li>Continued funding of sectors negatively perceived by regulators, the market and rating agencies (mainly carbon-intensive sectors) could negatively affect the bank's rating.</li> </ul>	<ul style="list-style-type: none"> <li>We pay particular attention to the transparent communication of sectoral policies.</li> <li>We are integrating the Santander Group's global reputational risk management policies into our region.</li> <li>We have a policy of engaging clients in counteracting climate and environmental change in relation to the fuel, energy and soft commodities sectors. We conduct reputational analysis in this context and analyse our clients' climate strategies.</li> </ul>
<b>Compliance risk</b>	<ul style="list-style-type: none"> <li>No significant impact of physical risks has been identified.</li> </ul>	<ul style="list-style-type: none"> <li>The regulatory pressure is likely to intensify, with a potential impact on increased in-house and/or advisory costs as a result of the obligation to comply with new regulations.</li> <li>If new regulations are not complied with, there may be a risk of penalties imposed by market regulators.</li> </ul>	<ul style="list-style-type: none"> <li>We keep our bank's regulations under review and fully comply with the requirements set by EU and national regulators.</li> <li>As part of the global Santander Group, we are a member of the Net Zero Banking Alliance</li> </ul>

The identified key risks, together with the scenario analysis described above, will be used to prepare appropriate risk mitigation initiatives, strengthen the resilience of the bank's strategy and adapt to a changing climate. The process of identifying and assessing climate risks is carried out in accordance with the policies and processes described in the next chapter.



## Climate opportunities

[TCFD: KE/TCFD]

[ESG: E - Environment]

[PRB: 1 Alignment, 2 Impact]

Although climate change is mainly associated with threats, many of the investments needed to meet energy and climate targets also present opportunities. As the European Commission points out, additional investments of EUR 180 billion per year are already needed to meet the 2030 climate targets. In addition, further measures will be required to achieve full climate neutrality by 2050<sup>1</sup>. This reality is an opportunity to build new infrastructure with zero emissions in mind. In addition, the expected EU regulations in the transport sector provide an opportunity to finance

the replacement of company car fleets with zero- or low-emission vehicles.

The transition towards a low-carbon economy therefore presents us with opportunities to support both our current and future customers as well as the economic transition by mobilising appropriate financing mechanisms. We therefore want to develop new products and services, including customer advice, while building a brand as a trusted partner. As part of our analysis, we have identified the following opportunities for Santander Bank Polska S.A. :

Opportunity	Relevant sector/ area	Short term: 1-3 years	Medium term: 2025-2030	Long term: 2030 +
Development of the RES market creating opportunities for investment in projects and companies related to this sector	energy sector / cross-sector	✓	✓	✓
Opportunities for involvement in projects and cooperation with companies active in the development and modernisation of pumped-storage power plants	energy sector	✓	✓	
Potential for participation in the financing of decarbonisation projects for the bank's existing clients	cross-sector	✓	✓	
Possibility to be involved in financing projects promoting electric or low-emission cars	transport / automotive	✓	✓	
Financing, especially in the public sector, of low-carbon transport solutions	transport / automotive	✓	✓	
Development of advisory services for the selection of low-carbon solutions for the agro sector and development of financial services in this area	agro sector	✓	✓	

<sup>1</sup> European Commission Communication 20.06.2019, Guidelines for reporting non-financial information: Supplement on reporting climate-related information.

# Risk management

[GRI: Custom indicator (Description of policies, procedures and results of climate risk exposure testing)]

[TCFD: KE/TCFD]

[ESG: E - Environment]

[PRB: 1 Alignment, 2 Impact]



## Analysis of risks by sector

In order to examine the vulnerability of the sectors in our portfolio and to develop an effective approach to managing climate risks, we analysed them in three time horizons: short-term, medium-term and long-term. The physical and transformational risks were rated on a scale of 1 to 5 (where 1 represents the lowest level of risk and 5 the highest).

The table below presents the results of this risk analysis by sector, together with a presentation of the materiality of the sector in the bank's portfolio. A colour legend with an explanation of the assumptions is presented in a separate table in the Methodology Appendix; a summary of the legend is provided below.



RF - physical risk / RT - transformational risk

Sector at risk	2025		2030				2050				The sector's current share in the category		
	RF	RT	Scenario 2°C		Scenario 4°C		Scenario 2°C		Scenario 4°C		SCIB*	Corporates*	SMEs*
			RF	RT	RF	RT	RF	RT	RF	RT			
Fuel sector	1	5	2	5	2	5	+	-	+	-	13%	0.3%	0.03%
Energy sector	2	5	3	5	3	5	+	-	+	-	16%	1%	0.2%
Metals and mining sector	1	3	1	5	1	5	+	+	+	+	11%	1%	0.4%
Soft commodities sector	3	2	5	3	5	2	+	-	+	-	0%	0.1%	1%
Automotive sector	2	3	2	3	2	3	+	+	+	-	3%	3%	0.3%
Real estate sector	1	2	2	3	2	3	-	+	+	-	6%	31%	15%
Materials and chemicals	2	3	3	3	3	3	+	+	+	+	8%	7%	4%
Production of packaging	2	2	2	3	2	2	-	+	-	+	0%	3%	1%
Furniture industry	2	1	2	2	2	1	-	-	+	+	0.2%	2%	1%

\*Portfolio structure at the end of 2021

Sector at risk	2025		2030				2050				The sector's current share in the category		
			Scenario 2°C		Scenario 4°C		Scenario 2°C		Scenario 4°C		SCIB*	Corpo-rates*	SMEs*
	RF	RT	RF	RT	RF	RT	RF	RT	RF	RT			
Food industry	[Light Green]		[Yellow]				[Light Green]				2%	8%	2%
Agro sector	[Yellow]		[Red]	[Yellow]	[Red]	[Yellow]	[Light Green]				0.3%	1%	28%
Public sector	[Dark Green]	[Light Green]	[Dark Green]	[Yellow]	[Dark Green]	[Light Green]	[Light Green]				0%	2%	0.01%
Transport and logistics	[Light Green]		[Yellow]				[Light Green]				0%	9%	14%
Cosmetics industry	[Dark Green]		[Light Green]	[Dark Green]	[Light Green]	[Dark Green]	[Light Green]				0.3%	0,3%	0.05%
E-commerce	[Dark Green]						[Light Green]				0%	1%	1%
Trade	[Light Green]		[Yellow]	[Light Green]	[Light Green]	[Light Green]	[Light Green]				35%	22%	27%
Tourism	[Light Green]		[Yellow]	[Light Green]	[Light Green]	[Light Green]	[Light Green]				1%	6%	2%
Waste management	[Dark Green]	[Light Green]	[Dark Green]	[Yellow]	[Dark Green]	[Light Green]	[Light Green]				0.09%	1%	1%
Financial sector	[Light Green]		[Yellow]				[Light Green]				5%	2%	2%
TOTAL											100%	100%	100%

\*Portfolio structure at the end of 2021

On the physical risk dimension, many of the sectors received a 'low' or 'very low risk' rating, but we believe that this risk will increase in the medium term. In the short term, the agro and soft commodities sectors are the most exposed (to a medium degree). We also expect, looking ahead to 2030, an increase in risk in the energy sector from a rating of 2 (low risk) to 3 (medium risk), due to an increase in the likelihood of prolonged drought and a possible reduction in power generation and intensification of extreme weather events.

The results of our analysis are broadly consistent with the conclusion that decarbonisation is necessary primarily in fossil fuel-based sectors. We assessed the fuel and power sectors as exposed to very high transformational risk.

Both sectors represent a significant portion of our Corporate and Investment Banking (SCIB) portfolio (13 and 16% respectively).

In the medium to long term, transformational risk (especially regulatory risk) will increase significantly in the 2°C scenario, due to the anticipated tightening of regulations supporting the green transition. We see such growth in the food industry, transport and logistics, trade, tourism, agro and financial sectors, among others. We recognise the importance of the retail sector in this regard as it

accounts for 35% of the SCIB<sup>i</sup> portfolio, 22% of the BCB<sup>ii</sup> portfolio and 27% of the SME portfolio. We assume that in a delayed mitigation scenario (4°C), climate policies will tighten more slowly due to less effective cooperation of the international community. Among other reasons, we have assumed that transformational risks in sectors such as automotive and finance will increase in the 2°C scenario, while remaining unchanged in the 4°C scenario.

<sup>i</sup> Corporate and Investment Banking Division

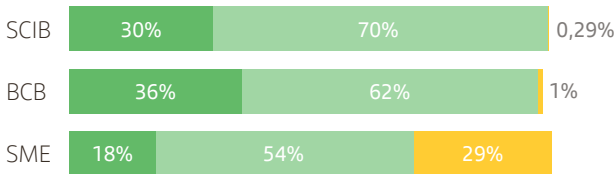
<sup>ii</sup> Business and Corporate Banking Division

## Risk exposure

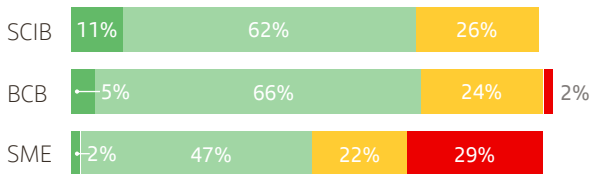
As a next step, our analysis included a calculation of exposure to climate risks. In other words, we asked ourselves a question what proportion of our portfolio in a particular segment (SCIB, BCB, SME) would belong to sectors from a particular risk category.

The charts below show the increase in exposure to physical risks assuming unchanged portfolio structure (at the end of 2021):

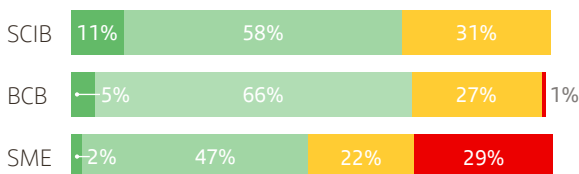
### Year 2025 – Physical risks



### Year 2030 (2°C scenario) – physical risks



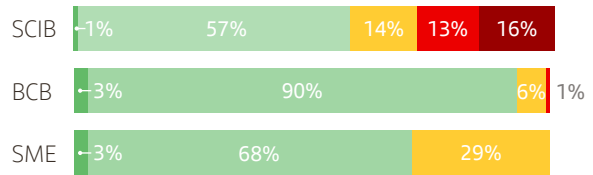
### Year 2030 (4°C scenario) – physical risks



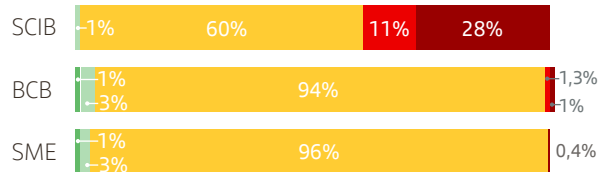
In the short term, the bulk of the portfolio in all areas is made up of sectors rated as exposed to 'very low risk' and 'low risk' (e.g. in the SCIB area, these two categories account for almost 100%). In the SME area, the agro sector was rated as high risk, accounting for 29% of the category portfolio. In the medium term, we see a rising exposure in the 2°C scenario, driven mainly by an increase in the physical risk rating in the energy, materials and chemicals, food, transport and logistics sectors. On the other hand, in the 4°C scenario, the increase in exposure in the medium term is caused by a rating upgrade in the financial sector.

We then carried out a similar analysis for transformational risks. The charts below show the increase in exposure to transformational risks also based on the unchanged portfolio structure (at the end of 2021):

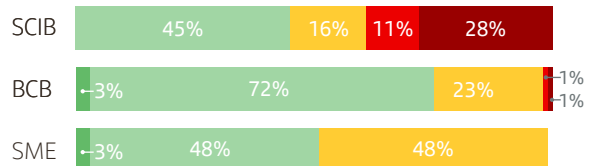
### Year 2025 – Transformational risks



### Year 2030 (2°C scenario) – transformational risks



### Year 2030 (4°C scenario) – transformational risks



The increase in exposure in the medium term in the 2°C scenario is due to a growth in the rating in most of the sectors analysed. While only 16% of the Corporate and Investment Banking portfolio was rated 5 (very high risk) in the 2025 outlook, in the medium term (in both scenarios) this is already 28%. Such an increase in risk in this category must be considered significant.

In the Business and Corporate Banking portfolio, the following sectors have a significant share (above 5%): real estate, materials and chemicals, food, retail and tourism. At the same time, these are the sectors in which transformational risks

increases from a rating of 2 (low risk) to 3 (medium risk) in the medium term in the 2°C scenario. In the SME portfolio, agro, real estate and transport and logistics are the sectors with the largest share and their rating in the 2030 horizon in the 2°C scenario is 3, which is why as much as 96% of the SME area is labelled as 'medium risk'.

In the 4°C scenario, regulatory risks are expected to increase at a slower rate, hence the rating relative to the 2°C scenario remains lower. This is particularly true for the real estate sector (rating 2), food (rating 2), trade (rating 2) and tourism (rating 2).

## Risk management policies and procedures

It is worth re-emphasising that the above analysis is important because in order to accomplish the transition to a climate-friendly economy we need to see multi-sectoral emission reductions and ultimately the elimination of greenhouse gas emissions in hard-to-abate sectors. These sectors currently account for 30% of all global CO<sub>2</sub> emissions (in particular cement, steel, chemicals and aviation). With this in mind, and given our plans and actions already underway, it will be crucial to support our clients in their transformation, with a particular focus on those sectors facing the greatest challenges. We want to engage our clients in a dialogue about physical and transformational risks, taking into account the diverse realities and level of risk associated with the sector.

Accordingly, in addition to the sectoral climate risk study described above, we also carried out analyses which lay the foundations for our sectoral policies. As stated in the Santander Bank Polska Group's "Sustainability Policy" (which is annexed to the Resolution of the Bank's Management Board of 4 August 2020), in 2019 we introduced environmental (and social) elements as criteria for evaluating projects of the corporate and investment banking segment. We implemented a procedure defining a mandatory process for analysing socio-environmental risks.

<sup>2</sup> Energy Transitions Commission, Mission Possible Report 2018.

In addition, client activities in all segments (SCIB, BCB and SMEs) may be subject to exclusions or limitations defined in the "Social, environmental and climate change risk management policy", which primarily apply to:

- oil and gas sector,
- energy production and transmission sector,
- mining and metals sector, and
- soft commodities sector.

In order to manage climate risks correctly and effectively, we use both a sectoral approach, where a designated unit is responsible for climate risks in a particular sector, and a cross-sectoral approach, where additional oversight is provided by the Risk Committee.

It is important for us to have a full annual analysis of climate-related risks and opportunities and an ongoing review of risks in the most exposed and priority sectors. This approach will allow us to immediately align our assessment of the severity of risks and how we manage climate risks with current development and regulatory policies and actions taken by our portfolio companies.

# Metrics and targets

This section of the report contains the emission levels associated with Santander Bank Polska S.A.'s activities in 2021. The methodology and scope of the calculations are provided in the Methodology appendix at the end of the report. Below is a summary of the calculation of CO<sub>2</sub> emissions in Santander Bank S.A.'s own activities (Scope 1) and those directly dependent on Santander Bank S.A.'s operations. (Scope 2), as well as business travel (Scope 3).

Emission category	Emissions IN 2021 (in tonnes of CO <sub>2</sub> e)	
	Location-based	Market-based
Scope 1	5,957.1	5,957.1
Scope 2	29,175.5	15,513.0
Scope 3	94.7	94.7*
<b>Total: scope 1+2</b>	<b>35,132.6</b>	<b>21,470.2</b>

\* Only location-based DEFRA data was used.

We use a number of metrics to measure our climate impact, including, among others, kilograms of carbon dioxide emissions translated into litres of petrol consumed by the car fleet, emissions from electricity consumption in our offices and district heat consumption. The table below provides a detailed summary of our emissions with a description of the sources we have taken into account, the consumption by source expressed in the relevant unit of measurement, the type of data and the emission indicator together with the source used in the calculation.

SCOPE 1:							
Source of emissions	Consumption	Unit	Data type	Emission indicator kgCO <sub>2</sub> e/unit	Source	Emissions tCO <sub>2</sub> e (location based)	Emissions tCO <sub>2</sub> e (market based)
Petrol car fleet	1,446,502.0	litres	actual	2.1935	DEFRA 2021	3,172.9	3,172.9
Diesel car fleet	8,563.5	litres	actual	2.5123	DEFRA 2021	21.5	21.5
Natural gas for central heating and hot water	12,399.4	MWh	actual	0.1832	DEFRA 2022	2,271.1	2,271.1
Heating oil for central heating and hot water	154,973.0	litres	actual	2.5401	DEFRA 2021	393.7	393.7
Diesel for power generators	1,100.0	litres	actual	2.5123	DEFRA 2022	2.8	2.8
Refrigerant R410A	45.6	kg	actual	2,088.0000	DEFRA 2021	95.2	95.2
<b>TOTAL:</b>						<b>5,957.1</b>	<b>5,957.1</b>

SCOPE 2:							
Source of emissions	Consumption	Unit	Data type	Emission indicator	Source	Emissions tCO <sub>2</sub> e (location based)	Emissions tCO <sub>2</sub> e (market based)
Electricity – offices	26,449.3	MWh	actual	0.0007	KOBIZE	17,245.8	3,583.3
Electricity – remote work	809.9*	MWh	estimation	0.0007	KOBIZE	528.1	528.1
District heating	118,151.6**	GJ	estimation	0.0965	URE	11,401.6	11,401.6
<b>TOTAL:</b>						<b>29,175.5</b>	<b>15,513.0</b>

SCOPE 3:							
Source of emissions	Consumption	Unit	Data type	Emission indicator	Source	Emissions tCO <sub>2</sub> e (location based)	Emissions tCO <sub>2</sub> e (market based)
Car – rental	19,598.0	km	actual	0.1715	DEFRA 2021	3.4	
Bus	14,000.0***	km	estimation	0.0268	DEFRA 2021	0.4	
Train	566,681.4	km	actual	0.0355	DEFRA 2021	20.1	
Aircraft – domestic flights	17,160.4	km	actual	0.2459	DEFRA 2021	4.2	
Aircraft – flights in Europe	383,859.8	km	actual	0.1535	DEFRA 2021	58.9	
Aircraft – flights outside Europe	40,048.4	km	actual	0.1931	DEFRA 2021	7.7	
<b>TOTAL:</b>						<b>94.7</b>	

\* Estimation based on person-days spent working remotely and assuming that a person working remotely consumes 0.12 kWh per working hour.

\*\* Estimation based on benchmarks of annual heat consumption per m<sup>2</sup> of area (extracted from the Statutory Energy Audit for 2020) and area of occupied premises (heated with district heating). The calculation takes into account locations abandoned during 2021, but only for the number of days during which they were used by the bank.

\*\*\* Due to unavailability of data, a distance of 100 km was assumed for each bus journey purchased.



We monitor resource consumption, own emissions and waste production at the majority of our sites through an internal data collection and processing system, which is audited annually by an independent third party.

In this way, we can identify the key areas that have the greatest impact on the environment – including the climate – and to take more effective countermeasures.

We have already taken ambitious steps to reduce our own emissions by using energy from renewable sources. We have also received an accession certificate for the Tauron Group's ECO Premium product. The document confirms that the electricity sold to us participates fully in the Environmental Energy Sales Guarantee scheme and comes from environmentally friendly energy sources – mainly hydroelectric power plants. We have thus significantly reduced our consumption of energy obtained from non-renewable raw materials. In addition, we are focusing on increasing energy efficiency in our own operations. In 2021, the bank's electricity consumption fell by 8.8 per cent compared to 2020 and we also reduced our diesel consumption by almost four times compared to 2020. Thanks to these measures and the purchase of certified carbon offset credits, we achieved internal CO<sub>2</sub> neutrality in 2020.



In 2021, 81% of the bank's purchased electricity for the property will be from a contract providing energy solely from RES.



In 2022, we purchased electric cars to reduce our transport-related emissions.

The emissivity of our portfolio is also very important to us. At this stage, we focused on the energy portfolio, and we did so by analysing our client companies that generate electricity with conventional generation assets. Looking at the bank's six largest customers in this area, we assumed for the purposes of this study that the equity exposure in these companies represents 100% of the financed portfolio, taking into account the portfolio structure as at 31 December, 2021. In accordance with the adopted assumptions, the weighted average emissivity of our portfolio in 2021 was 0.896 tCO<sub>2</sub> / MWh, where the basis for the calculation was the emission indicators for the surveyed generators (per MWh) and the share of exposure to a given company in the energy portfolio of power generators (percentage of the financed portfolio). Accordingly, the value of the indicator for 2021 decreased by approximately 1% vs. 2020.

# Methodology



## Task Force on Climate-related Financial Disclosures (TCFD)

Presented in 2017, the TCFD's recommendations are a non-binding guidepost for companies approaching climate issues responsibly. The general recommendations are further supported by detailed guidance published in the Supplemental Guidance for the Financial Sector, reflecting the high importance that the authors of the recommendations place on financial institutions.

The TCFD standards are based on four pillars, around which this report has also been arranged for the sake of clarity:

1. **Governance** – a description of the bank's management of its responsibility in the area of climate change risks and opportunities.
2. **Strategy** – a description of the actual and potential impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning.
3. **Risk Management** – the processes used by an organisation to identify, assess and manage climate risks.
4. **Metrics & Targets** – disclosures on metrics and targets used to assess risks and opportunities, including information on CO<sub>2</sub>.


The basic premise of the recommendation is that consistent and structured disclosures related to the financial sector climate would contribute to:

-  improving the process of responding early to risks and exploiting opportunities associated with climate change;
-  improving market communication practices on climate risks;
-  improving the availability and transparency of climate-related data that can be systematically analysed to assess the materiality of climate risks facing the financial sector.


Being financial intermediaries, banks are exposed to climate-related risks through lending and other financial intermediation, as well as through their own operations. According to the TCFD, banks may assume exposure to significant climate-related risks from their borrowers, customers or counterparties. Furthermore, banks that lend to companies directly exposed to climate risk (e.g. fossil fuel producers, real estate owners or agri-food companies) or trade in the securities of such companies may accumulate climate risk precisely through the aforementioned loans and holdings in these companies. TCFD stresses that fossil fuel-related credit exposure in particular merits disclosure in bank reports.

In terms of methodology, in order to present the identified climate risks in a consistent and transparent manner, the TCFD recommendations suggest to divide risks into two groups: physical and transformational.

**Physical risks** related to the climate can be sudden (resulting from specific events) or chronic (intensifying over the medium to long term).



**Sudden** physical risks are particularly weather-related and include natural disasters, storms, floods, fires or heat waves. They can destroy production facilities and disrupt supply chains.



**Chronic** physical risks manifest themselves through long-term weather patterns, changes in extreme precipitation, higher average temperatures, sustained heat waves and elevated water levels (seas and oceans).

**Transformational risks** relate to, among other things, legislative changes induced by climate change, fluctuations in market sentiment and consumer expectations and choices. In other words, it is the risk arising from the transition towards a low-carbon and climate-resilient economy. Within this group, we can distinguish the following risks:



**Regulatory and legal** – the legislators' response to climate change may reduce or increase the cost of doing business, as well as materialise the risk of litigation for not avoiding or not limiting adverse climate impacts or not adapting to climate change.



**Market-based** – changes in the supply and demand trends, including increased consumer awareness of environmental issues, can reduce the viability of some projects.



**Technological** – a possible switch to technologies less harmful to the climate involves additional costs.



**Reputational** – an irresponsible approach to climate risk can put a company's good name at risk when a company's climate commitments are not too ambitious or are not translated into actions.

It should be borne in mind that both types of risk have the potential to affect the bank and its customers in the short-, medium- and long-term perspective.

At the same time, efforts to mitigate and adapt to climate change present opportunities for businesses and organisations, due to the scale of investment that will need to be made to achieve the goals of the Paris Agreement.

**The TCFD identifies the following areas of opportunity:**

- efficient management of raw materials,
- new products and services,
- investment in renewable energy sources,
- access to new markets,
- increasing the resilience of the organisation.

These opportunities will vary depending on the company, the industry and region of business activity, as well as the adopted time horizon.

## Scenario analysis

Below is an explanation of the assumptions underlying the scenarios of future climate trends we have chosen.

Scenario	Assumptions
<p><b>Below 2°C</b></p> <p><i>In line with the Paris Agreement</i></p>	<ul style="list-style-type: none"> <li>• A scenario in which global average temperatures stop below 2°C compared to pre-industrial levels. The scenario assumes implementation of the Paris Agreement through <b>aggressive emissions reductions</b> driven largely by regulatory change; it is characterised by global cooperation between governments, society and industry to achieve radical decarbonisation.</li> <li>• We assume that transformational risks are predominant, but there are also market opportunities.</li> </ul>
<p><b>Below 4°C</b></p>	<ul style="list-style-type: none"> <li>• This scenario assumes global warming of 4°C. We refer to how global emissions would change if governments made no changes to existing policies and agreed to delay accomplishment of the Paris Agreement targets (<b>delayed mitigation</b>).</li> <li>• Physical risks (which trigger market risks) are predominant.</li> </ul>

## Selected sectors and risk assessment method

We analysed the following 19 sectors to identify and assess risks and opportunities

- fuel sector
- energy sector
- metals and mining sector
- soft commodities sector
- automotive sector
- real estate sector
- materials and chemistry
- production of packaging
- furniture industry
- food industry
- agro sector
- public sector
- transport and logistics sector
- cosmetics industry
- e-commerce
- trading
- tourism (mainly hotels)
- waste management, and
- financial sector

In each area, we analysed the physical and transformational risks and rated them on a scale from 1 (lowest risk) to 5 (highest). The method for assessing the level of climate risk in each sector is shown in the table below.

RAG (red-amber-green) classification of physical and transformational risk assessments		
Physical risks	Result	Transformational risks
The sector has a low sensitivity to physical risks.	<b>very low risk</b>	The sector is low carbon and independent of fossil fuels. It is closer to achieving zero carbon than other sectors.
The sector is to some extent sensitive to physical risks, but these can occur infrequently	<b>low risk</b>	The sector has lower greenhouse gas emissions than other sectors. It is doubtful that climate policies or changes in consumer preferences will significantly affect the sector.
There will be some kind of climate-induced disruption to the sector's operations which the sector will experience systematically (such disruptions can last for weeks at a time).	<b>medium risk</b>	Major investments are needed in the sector to achieve zero-carbon. It is likely that the sector will experience some negative impact from climate policies or changes in consumer preferences.
The sector is highly exposed to physical risks and will have long-term exposure and cost exposure due to climate change events.	<b>high risk</b>	The sector has higher emissions compared to others and will experience adverse demand responses. The sector during decarbonisation warrants a low-carbon policy, technological innovation and/or investment to achieve net-zero.
<i>not applicable</i>	<b>very high risk</b>	The sector relies heavily on fossil fuels. Significant investment and climate policy interventions are needed for the transformation to take place. Emphasis is on action from a wide range of stakeholders. Increased risk of premature asset write-downs. Uncertainty regarding the ability to participate in the transition and achieve net-zero.

## Sectoral risk analysis method

The following explanation refers to the method of risk analysis in our client sectors, which is set out in the table in the Risk Management chapter.

The assessment of each sector was first made in the short term (2025). Given the small time interval, climate scenarios were not included in the short term. The evaluation of physical risks (FR) and transformational risks (TR) includes a rating on a scale of 1-5 (the logic behind the assignment of a rating is explained in the table above).

We conducted the analysis for the medium term (2030) and long term (2050) in two scenarios: under 2°C (aggressive emission reduction) and 4°C (delayed mitigation). Due to the significant uncertainty for the long-term (2050) outlook, we conducted a trend analysis (increasing risk (+), no change (-)).

To show the materiality of the sector, the last three columns of the sector risk analysis table indicate the percentage represented by the sector in the portfolio of the 19 sectors analysed in one of the three categories – Santander

Corporate and Investment Banking (SCIB), Corporates and Small and Medium Enterprises (SMEs). The sectors with a greater than 5% share of the category portfolio are highlighted in dark grey.

## Method and scope for calculating the carbon footprint

The Greenhouse Gas Protocol and Corporate Value Chain (Scope 3) Accounting and Reporting Standard were used to calculate CO<sub>2</sub> levels from the Metrics and Targets section of this report.

Emission factors developed by the UK Department for Environment Food & Rural Affairs (DEFRA 2021)<sup>1</sup>, the National Balancing and Emissions Management Centre<sup>2</sup> and the Energy Regulatory Authority<sup>3</sup> were used. The table below describes the scope of the emission calculations, the emission sources and the calculation methodology:

<sup>1</sup> <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2021>

<sup>2</sup> [https://www.kobize.pl/uploads/materialy/materialy\\_do\\_pobrania/wskazniki\\_emisyjnosci/Wskazniki\\_emisyjnosci\\_grudzien\\_2021.pdf](https://www.kobize.pl/uploads/materialy/materialy_do_pobrania/wskazniki_emisyjnosci/Wskazniki_emisyjnosci_grudzien_2021.pdf)

<sup>3</sup> <https://www.ure.gov.pl/pl/cieplo/energetyka-cieplna-w-l/9009,2019.html>

Scope	Emission sources included in the report		Calculation methodology
SCOPE 1	Leakage of refrigerants	R410A	Emissions calculated on the basis of replenished R410A refrigerant volume data provided by Santander and an emissions indicator from DEFRA 2021.
	Emissions from mobile sources	1. diesel 2. petrol	Emissions calculated using diesel and petrol consumption data for the transport fleet, provided by Santander and an emissions indicator from DEFRA 2021.
	Emissions from stationary sources	3. natural gas 4. fuel oil 5. diesel fuel	Emissions calculated on the basis of heating oil and natural gas consumption data for heating, diesel for emergency generators and the emission factor from DEFRA 2021.

Scope	Emission sources included in the report		Calculation methodology
SCOPE 2	Electricity	Offices	<p>Emissions calculated on the basis of electricity consumption data and an emissions indicator from the KOBIZE.</p> <p>Market Based emissions calculated based on supplier fuel structure data. Due to a lack of information about suppliers in some of the premises used by Santander, the % supplier structure in the bank's branches was used.</p>
		Remote work	<p>No actual data available – estimate based on person-days spent working remotely and assuming that a person working remotely consumes 0.12 KWh per working hour.</p> <p>Emissions calculated on the basis of estimated consumption and the grid emission indicator obtained from the NERC.</p>
	District heating	Offices	<p>No real-life data available – estimation based on benchmarks of annual heat consumption per m2 area (from the 2020 Statutory Energy Audit) and area of premises in use (heated with district heating). Calculations include locations abandoned during 2021, but only for the number of days they were used by the bank.</p> <p>Emissions calculated on the basis of estimated consumption and the emissions indicator from DEFRA 2021.</p>
SCOPE 3	Business trips	Car hire	Emissions calculated on the basis of distance travelled in leased cars, provided by Santander, and an emissions indicator from DEFRA 2021.
		Bus transport	<p>No real-life data available – a distance of 100 km was assumed for each bus journey purchased.</p> <p>Emissions were calculated as the product of the estimated route length multiplied by the number of trips purchased and the emissions indicator from DEFRA 2021.</p>
		Rail transport	Emissions calculated from data on distance travelled by rail, provided by Santander and the emission indicator from DEFRA 2021.
		Air transport	Emissions calculated on the basis of domestic distance travelled (broken down by domestic, European and international flights) provided by Santander and the emissions indicator from DEFRA 2021.

## Table with references to TCFD recommendations

Recommended disclosures	Place in the report
<b>Disclose the organisation's management policies on climate-related risks and opportunities.</b>	Corporate governance
a. Describe the management board's oversight of climate-related risks and opportunities.	Corporate governance
b. Describe the role of management in assessing and managing climate-related risks and opportunities.	Corporate governance
<b>Disclose the actual and potential impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning, if such information is relevant.</b>	Strategy
a. Describe the climate-related risks and opportunities that the organisation has identified in the short, medium and long term.	Physical risks, Transformational risks, Climate opportunities
b. Describe the impact of climate-related risks and opportunities on the organisation's operations, strategy and financial planning.	Our climate ambitions, Towards a climate-neutral bank, Scenario analysis, Climate risks and opportunities, Results of the analysis of the risks' impact on the bank
c. Describe the resilience of the organisation's strategy, taking into account different climate-related scenarios, including a 2°C or lower scenario.	Scenario analysis, Climate risks and opportunities
<b>Disclose how the organisation identifies, assesses and manages climate-related risks.</b>	Risk management
a. Describe the organisation's processes for identifying and assessing climate-related risks.	Analysis of risks by sector
b. Describe the organisation's processes for managing climate-related risks	Risk management policies and procedures
c. Describe how the processes for identifying, assessing and managing climate-related risks are integrated into the overall risk management of the organisation.	Risk management policies and procedures
<b>Disclose the measures and targets used to assess and manage relevant climate-related risks and opportunities, if such information is relevant.</b>	Metrics and targets
a. Disclose the indicators used by the organisation to assess climate-related risks and opportunities in line with the risk management strategy and process.	Metrics and targets
b. The extent of greenhouse gas emissions and the associated risks must be disclosed.	Metrics and targets
c. Describe the objectives used by the organisation to manage climate-related risks and opportunities and performance against the objectives.	Metrics and targets



# Stakeholder Relations – Social



# Management approach

## Relations with employees

Our HR strategy focuses on:



building an employee-oriented organisational culture,



ensuring employee well-being,



improving the employee experience through organisational culture modelling,



digitising processes and providing a flexible working environment.

## Customer relations

We are pursuing a strategic direction of "Customer Obsession", which means that every initiative and decision taken in relation to achieving the Bank's objectives takes into account the quality and strength of the relationship with the customer.

Customer experience is a key success factor and a key competitive advantage, especially in the banking sector where regulation and technology drive high comparability of services. With profound changes in the market due to pandemic period innovations and fintech solutions, customers are comparing experiences across industries and their expectations are constantly rising.

### Our response:

- Simplicity, effortlessness and self-service are the hallmarks of our services and products;
- Building a good relationship with a dedicated advisor for business clients;
- Implementation of innovative solutions.

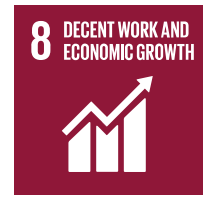
## Relations with communities

In its relationship with communities, the bank supports the UN Sustainable Development Goals:



The bank is committed to long-term social projects that respond to the needs of local communities and bring about positive change in society.

# Relationship with employees



## Introduction

[ESG: S – Social]

### The direction of our business strategy for 2021-2023: Caring for employees

**Strategic objective: Engaged employees**

#### Our ambition:



We will continue to develop a corporate culture based on the **Simple, Personal, Fair** values



We will increase the commitment of our employees and maintain the TOP employer title



We will attract and retain the best talents



We will continue to develop key competences (including leadership competences)

Employees are our most valuable asset. That is why we have dedicated an entire area of our business strategy to the workplace. To realise our ambitions, we implement the actions included in our HR strategy, which currently focuses on:

- actively shaping an employee-oriented corporate culture,
- improving the employee's experience,
- ensuring employee well-being,
- digitising processes and providing a flexible working environment.

We have retained the title of Top Employers Poland and Europe 2021 awarded to companies that create the best working conditions, care about talent development and improve recruitment processes.



# Employment structure

[GRI: 2-7, 2-30]

[GPW: S-P4]

Number of persons employed under employment contracts with the bank - 9,801, of which 69% are women and 31% are men



39.9 years

Average age of employees



93.7%

Percentage of employees working full time



89%

Percentage of employees with contracts for an indefinite time



11.5

Average number of years worked by bank employees <sup>1</sup>



21%

Staff turnover rate<sup>2</sup>



6<sup>3</sup>

Number of trade union organisations

<sup>1</sup> Average service duration in Santander Bank Polska as at 31 December, 2021.

<sup>2</sup> Turnover calculated as the number of terminated employment contracts in 2021 / average number of employees of Santander Bank Polska S.A. at the end of each month in 2021. The turnover rate takes into account the process of group layoffs.

<sup>3</sup> There is no collective labour agreement in place in the Santander Bank Polska Group.

In 2021, Santander Bank Polska S.A.'s headcount decreased by 8.2 %. This is due to the digital transformation of the bank's business model – the optimisation of the branch network, the development of remote distribution channels and the implementation of solutions that increase the operational efficiency of the organisation. Our goal is to maximally focus our efforts and resources on customer relations, business development and competence building in line with the profile desired in the organisation.

As part of the redundancy procedure adopted by the Management Board of Santander Bank Polska S.A., in 2021 the redundancy process covered 719 people. We prepared a comprehensive support programme for them (reStart). Its most important elements are activities in the area of professional activation and competence development.



group and individual support and self-study based on prepared educational materials;



a range of training courses, including the analysis of one's own aptitude, the development of qualifications and skills and the building of competences necessary for job-seeking;



psychological support and meetings with experts in the field.



More data illustrating the employment structure at Santander Bank Polska S.A. can be found in the ESG Performance chapter in the section Social Performance (page 120).

# Corporate culture

## Foundations of our corporate culture

The corporate culture of the Santander Bank Polska Group is based on:

- principles described in the [General Code of Conduct](#), which sets standards for action and shapes desirable attitudes in many dimensions of the organisation's activities;
- The three values of "Simple | Personal| Fair";
- 8 desired corporate behaviours, which are also used as criteria in the periodic employee evaluation;
- [Sustainable Development Policy](#), which emphasises the key role of employees in building the bank's success.



An important part of our corporate culture is our **risk pro culture** which emphasises the responsibility of each employee for risk management. As part of shaping the risk culture:

- we educate the bank's employees and carry out activities to make aware of the risks in their daily work,
- we remind about the channels available for reporting concerns,
- we develop elements of an incentive system to encourage employees to adhere to the values of a risk culture,
- we recognize the best employees in the Risk Heroes competition.

Team leaders have an important role in shaping the desired corporate culture. We expect them to act in accordance with their leadership commitments, which are summarised in the diagram on the right:



## Creating a positive employee experience

One of the priorities of Santander Bank Polska S.A. in the employee area is actions shaping a positive employee experience. We are committed to ensuring that employees feel satisfaction at work and achieve their ambitions.

In 2021, we have identified key areas of employee experience that require further improvement and have embarked on new initiatives, including:

- fostering a culture of recognition at work and enhancing the employees' perception that their contribution is valued,
- building and recommending the Santander brand through active use of the bank's products and services.

We launched an employer brand building campaign under the slogan "You are like...". Our goal was to show the development opportunities offered by the bank and the type of specialists we are particularly looking for (e.g. in such areas as IT, risk, data analysis and sales network). In the campaign, we presented employees as superheroes, appreciating their daily, diligent work and the challenges they face every day.

## Diversity in the workplace

[GRI: 405-1, 406-1]  
[ESG: S – Social]

[ESG: S – Social]

We recognise the enormous value of diversity. We therefore make the utmost effort to support the various dimensions of diversity in our organisation through our actions. Respect for individuality, the promotion of equal treatment and the prevention of discrimination are three very important elements of our corporate culture reflected in numerous internal policies and procedures of the bank, including:



"Respect and Dignity Policy",



"Human Rights Policy",



"Sustainability Policy",



"Santander Bank Polska Group Corporate Culture Policy".



For more information on the above policies, please see the *Responsible Business Report 2019*, the *Employees* chapter ([esg.santander.pl/2019/en/pracownicy/roznorodnosc-i-prawa-czlowieka](http://esg.santander.pl/2019/en/pracownicy/roznorodnosc-i-prawa-czlowieka)).

Santander Bank Polska S.A. is a signatory of the Diversity Charter, an international initiative supported by the European Commission.



The effects of our actions were appreciated in 2021. We received the Diversity in Check distinction awarded to employers most advanced in diversity and inclusiveness management in Poland.



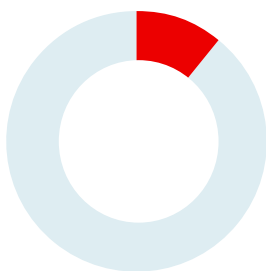
An important aspect of ensuring organisational diversity is our actions aimed at the supervisory and management bodies. The existing "Policy on Diversity in the Composition of the Management Board of Santander Bank Polska S.A." and the "Policy for Assessing the Suitability of Members of the Supervisory Board of Santander Bank Polska S.A." promote the diversity of the members of these bodies in terms of qualities and competences. The provisions included therein refer directly to our aim which is to achieve a gender balance in the composition of the Management Board and the Supervisory Board and to increase diversity in terms of age, education, experience and geographical origin. In line with these policies, we have set specific objectives to ourselves.

	Target for 2025	Status at the end of 2021
Share of women in the Management Board	at least 30%	11.11%
Share of women in the Supervisory Board	40–60%	40%

[GRI: 405-1]

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

Composition of the bank's Management Board by gender



● **11.1% Women**  
● **88.9% Men**

Composition of the bank's Management Board by age



● **55.56% 30–50 years**  
● **44.44% >50 years**

Data in tabular format

Age	2021	
	Female	Male
Under 30 years	0.00%	0.00%
30-50 years	0.00%	55.56%
Over 50 years	11.11%	33.33%
Total percentage	11.11%	88.89%
Foreigners	0.00%	22.22%

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

Composition of the bank's Supervisory Board by gender



● **40% Women**  
● **60% Men**

Composition of the bank's Supervisory Board by age



● **20% 30–50 years**  
● **80% >50 years**

Data in tabular format

Age	2021	
	Female	Male
Under 30 years	0.00%	0.00%
30-50 years	20.00%	0.00%
Over 50 years	20.00%	60.00%
Total percentage	40.00%	60.00%
Foreigners	10.00%	50.00%



More data illustrating the employment structure at Santander Bank Polska S.A. can be found in the ESG Performance chapter in the section Social Performance (page XX).



## #ThePlaceToBeYourself

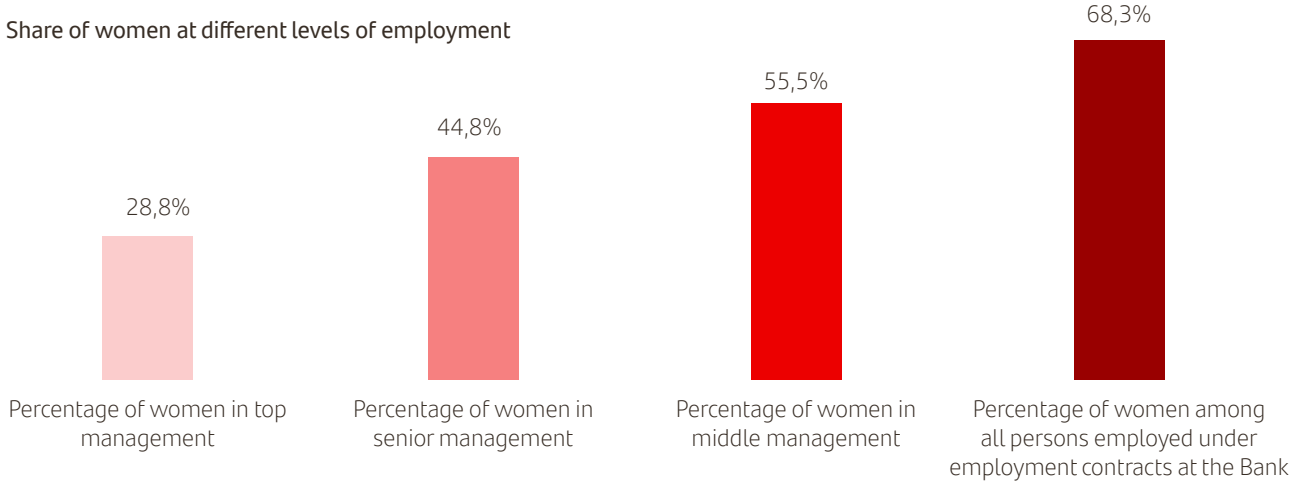
Diversity at Santander Bank Polska S.A. has many dimensions. We are committed to ensuring that every employee can feel themselves with us and is treated with respect, kindness and friendliness on a daily basis. Therefore, the Santander Group has launched the **#ThePlaceToBeYourself** campaign. This is in line with the activities we undertake locally, such as:

- employee groups, for instance, "Santander Parents", "Ecology" or "Embrace" – intended for LGBT+ people and their allies;
- Diversity Month celebrations, during which we organised a series of webinars, workshops, debates or inspirational meetings, showing the power and potential that diversity and inclusion bring to an organisation;
- a series of workshops "Precedence for diversity" and a series of meetings entitled "Let's talk about diversity" facilitated by our leaders (attended altogether by 500 people);
- celebration of the International Day against Transphobia, Biphobia and Homophobia.

## Actions to support women

Gender diversity is an important dimension of Santander Bank Polska S.A.'s diversity. We encourage women to take up challenges and leadership roles. We pay great attention to ensuring a balance in the number of women and men participating in our development programmes, as well as in the succession and recruitment process.

Share of women at different levels of employment



Data in tabular format

	2021	2020
Percentage of women in top management	28.8%	22.0%
Percentage of women in senior management	44.8%	50.0%
Percentage of women in middle management	55.5%	57.2%
Percentage of women among all persons employed under employment contracts at the Bank	68.3%	

**In 2021:**

- We launched a series of Santander Female podcasts. Their topics included diversity and inclusion in large organisations and women's leadership. The podcasts have been listened to over 2,000 times;



Santander Female podcasts are available on [Spotify](#) and [Youtube](#).

- We initiated the project "IT Through a Woman's Eye", which aims to encourage women to move into TECH professions;

- We established cooperation with the Share the Care Foundation, which supports us in the process of implementing the EU directive on extending fathers' leave;
- We worked with UNGC Network Poland on the Standards of Business Ethics, where one of the priorities is equal opportunities for men and women in business.



For our work on behalf of women, we have been awarded the 2021 'Equal Company' Certificate by Forbes Women magazine in support of equality and diversity in business. For more information, please visit the section *Awards and recognitions* (page 16).

## Actions to support workers with disabilities

We continue to work towards building an inclusive and diverse working environment for persons with disabilities.

At Santander Bank Polska S.A., we create diverse teams:

- Santander Disability
- World Day of People with Disabilities

**Our activities:**

- As part of the Differently Abled Project, we organised regular educational campaigns on disability aimed at employees and managers, e.g. "Listen to the World of the Deaf", "Seeing means... Look at the World Like the Blind", "Don't Hesitate: Learn the Sign Language with Us – a workshop on the basics of sign language". The aim

of these initiatives was to raise awareness of the rights and needs of persons with disabilities and to break down barriers.

- From 2020, employees with disabilities can apply for a financial allowance to be used for health-related purposes.
- We are involved in activities aimed at building the image of an employer open to employing people with disabilities, such as discussion panels, podcasts with the participation of persons representing organisations supporting people with disabilities in finding jobs, as well as partnership in events at universities (participation in the "Letter Writing Night" at the Wrocław University of Technology).



## Anti-discrimination

[GRI: 406-1]

We declare zero tolerance for any form of discrimination. As part of shaping an ethical culture and counteracting such phenomena as mobbing, discrimination and harassment, we have made an e-learning training available to our employees. It reminds participants about the rules in force in the organisation and how to seek support in case of their violations. The training was implemented as compulsory in 2018 and is systematically delivered to newly hired employees.

Additionally, on the occasion of the Diversity Month, we organised a webinar for employees on "How to prevent discrimination – do I, he or she discriminate?".

**In 2021, there were no reported cases of discrimination at Santander Bank Polska S.A.**

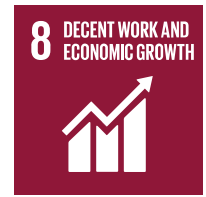
  
  
**93%**

The completion rate of the training on countering behaviours incompatible with our ethical culture at the end of 2021.

# Remuneration and benefits

[GRI: 202-1, 401-2, 202-1]

[GPW: S-P2]



[GRI: 202-1, 401-2]

## Remuneration policy

The “Remuneration Policy of the Santander Bank Polska Group” is a document that defines all the applicable rules regarding employee remuneration. The objective of our approach is to attract and retain the best qualified people in the bank. Therefore, we offer them a market-competitive total benefits package, which consists of:

- basic salary,
- bonus schemes, and
- attractive additional benefits.

In the long term, the objective of our Remuneration Policy is to ensure sustainable development of the entire Group, taking into account the interests of key stakeholder groups.



For more information on Santander Bank Polska S.A.'s Remuneration Policy, in particular in relation to members of the Management Board and Supervisory Board, please refer to pages 161 to 166 of the *Management Report on the Activities of the Santander Bank Polska Group in 2021* ([www.tiny.pl/wqsln](http://www.tiny.pl/wqsln)).

[GRI: 202-1]; [GPW: S-P2]

## Equal pay

Equal treatment of women and men is a priority for us. This also applies to remuneration. We monitor the gender pay gap using the **EPG (Equal Pay Gap) / GPG (Gender Pay Gap)** indicators and gradually strive to eliminate it completely.

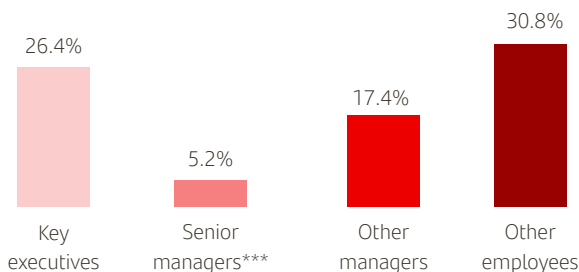
The value of Equal Pay Gap\* at the bank was 2.4%, meaning that on average women earned 2.4% less than men in the same positions. This ratio improved by 0.16 percentage points from the previous year. Our goal is to eliminate the pay gap completely by 2025.

\* The EPG index compares the pay of men and women who work in the same job, at the same level, in the same role. It aims to capture 'equal pay for equal work'.

### To close the pay gap completely, we will:

- include information on EPG in the monthly HR Dashboards provided to managers, with a list of jobs where there is a gender pay gap and information on the value of EPG for individual jobs in a given organisational unit (if any);
- take employment-related decisions taking into account their impact on the EPG.

### Gender Pay Gap Indicator\*\*



\*\* The GPG index measures the pay gap regardless of the nature of the job, in the organisation, in the company (vertical approach).

\*\*\* Without the bank's Management Board for which the bank publishes a dedicated remuneration report.

### Data in tabular format

Employee groups	GPG
Key executives	26.4%
Senior managers***	5.2%
Other managers	17.4%
Other employees	30.8%

The Gender Pay Gap indicator is largely the result of social and economic conditions that have evolved over decades. In our case, it is influenced by the bank's organisational structure, in which the vast majority of branch employees are women, while in IT-related positions the majority of employees are men. The change in the value of the GPG indicator will be evolutionary. To support the transition we will:

- gradually increase the proportion of women in senior management,

- offer dedicated development programmes for women,
- maintain a gender balance in recruitment and development processes,
- include adequate representation of women in succession plans,
- educate employees in the context of equal treatment and inclusiveness.

## Benefits

The following benefits are offered to all Santander Bank Polska S.A. employees:

### Health:

- comprehensive private medical care for employees and family members
- Multisport card
- dental health packages for employees
- refunds for the purchase of corrective eye glasses

### Family:

- support for parents, including co-financing of nurseries and kindergartens, summer camps and school starter kits,
- "Two Hours for the Family"

### Safety and support:

- financial allowance for health purposes for employees with disabilities
- group life insurance for employees
- financial assistance, e.g. in the form of a loan for housing or financial support for persons in difficult situations
- support for pensioners, for example, holiday subsidies

### Culture, travel and shopping:

- discount scheme for business partners' products
- a wide range of services and benefits under a cafeteria system

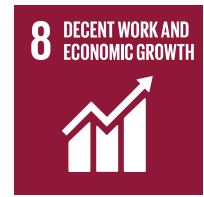
An important element of our employee benefits programme is the cafeteria system. Depending on the employee's income per family member, points are awarded under the Company's Social Benefits Fund, which can be exchanged for holidays in Poland and abroad, subsidies for child care in a crèche, kindergarten or children's club, co-financing of a school starter kit, sports and cultural events, access to virtual cultural events, purchases in bookshops, sports shops or takeaway food.

# Training and development

[GRI: 402-1, 401-2]

[ESG: 5-Social]

[PRB: 5 Governance & Target Setting]



## Employees of Santander Bank Polska S.A. received:



328,658

hours of training



74.6%

training for women



25.6%

training for men

Attracting, retaining and developing talent is one of our most important goals. We want to work with the best, because the success of our company depends on our employees. We are constantly improving existing solutions and implementing new ones to make Santander Bank Polska S.A. an attractive and desirable place to work.

We have an integrated talent management strategy that aims to develop employees at every stage of their career in the organisation. Our approach follows the 70-20-10 development philosophy of learning through own experience (70%), learning with the support of others (20%) and training (10%).

## Development activities at Santander Bank Polska S.A.

### Job-related development projects

- implementation of the DOJO system
- access to training platforms (including Udemy, EduWeb, eTutor, Inspiro)
- the use of development studies, especially DISC, Gallup, Harrison
- Development Elixir: a collection of inspirations in the form of webinars, lectures by external and internal experts, panel discussions, mailings
- Development Planet: an internal website dedicated to development initiatives

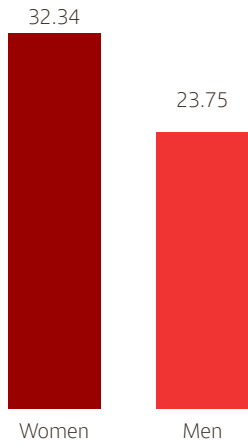
### Projects enhancing knowledge-sharing culture

- YOUNiversity: an in-house tutoring programme. The community includes around 150 tutors
- mentoring
- MOST programme: internal internships where employees have the opportunity to participate in projects carried out in other units of the bank
- Mundo: internal internships in which employees have the opportunity to participate in projects carried out in other units throughout the Santander Group

### Training and workshops

- Advisor of the Future: training to strengthen competences related to digital customer service,
- Service Design Academy
- Keep Growing: a development programme for those with the highest performance rating in the previous year
- Young Leaders: a programme carried out throughout the Santander Group to develop the leadership competencies of a selected group of talents
- Futuro: a programme for all managers in the bank to develop leadership skills
- training related to the development of future social competences
- training to develop the skills needed to pursue the bank's strategic directions

Average number of training hours per employee by gender and position in 2021



Data in tabular format

	2021
Average number of training hours per employee, including:	29.62
women	32.34
men	23.75
senior management	14.57
junior management	17.63
other employees	30.37



+1.08h

this is how much the average number of training hours at Santander Bank Polska S.A. increased compared to the previous year.

### Leadership development

An important role in the development of employees is played by their managers. That is why we are committed to supporting them in developing their leadership competences. In 2021, leadership development was based on the **human-to-human leadership** approach. According to it, the leader plays an important role in building the employee experience by:

- engaging employees in the change process,
- building relationships based on trust and mutual understanding.

Last year, we emphasised the development of open and effective communication. We promoted a culture of feedback, appreciation and development activities supporting dialogue with employees.

We talked a lot about trust as a basis for healthy and successful teams. We also focused on the development of the competences of top managers needed to manage teams in the context of remote and hybrid working.

### Health and safety at work

{GRI: 403-2, 403-6}  
 [ESG: S-Social]  
 [GPW: S-S1]

We make the utmost effort to provide our employees with a safe and comfortable workplace. We have Social Labour Inspectors and an Occupational Health and Safety Committee, all necessary information is available on the intranet and employees receive regular training.

In addition, in 2021, we conducted health and safety audits at 260 branch locations, as a result of which we developed recommendations to further improve safety and comfort at work.

## COVID-19 pandemic

Our activities in 2021 were mainly focused on ensuring the safety and health of employees in terms of the threat of the COVID-19 pandemic. To this end we:

- monitored the current epidemiological situation within and outside the organisation, reacted to changes in legislation and adapted activities to legal requirements;
- coordinated activities related to reported quarantines, isolations and other situations related to COVID-19;
- held crisis management team meetings in units where a case of COVID-19 infection was confirmed in an employee working in the office;
- offered diagnostic tests to employees exposed to coronavirus (3702 tests performed 2021);
- introduced the possibility of consulting a psychologist;
- negotiated a discount on COVID-19 tests for employees and their families and provided the opportunity to obtain the test certificate in English;
- organised a campaign of vaccination against COVID-19 for employees and their families.

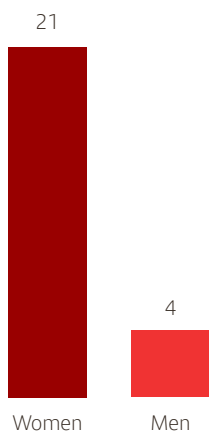
## Health and well-being

In the area of Wellbeing & Mental Health, which is based on 4 pillars (physical health, mental health, successful relationships and financial education), we ran regular events, with each month dedicated to a different topic. Additionally, for the sake of the health of our employees and their families, we:

- offered medical care for children regardless of their age (until now, children up to 25 years of age could be enrolled in the medical care package);
- arranged mammography tests in selected locations;
- conducted a vaccination campaign for influenza and tick-borne encephalitis;
- organised online physical exercise sessions with physiotherapists and personal trainers.

## Occupational health and safety in numbers

Work accidents (incidents) by gender in 2021



Data in tabular format

<b>Number of fatalities</b>	
all employees	0
<b>Number of lost-time accidents – all employees</b>	
women	21
men	4
<b>Number of days lost (loss of working time) due to work accidents</b>	
women	804
men	41



For more figures related to OSH, see ESG performance in the Social performance area (page 120).



# Customer relations

## Products and services

[GRI: 2-6]

### Key activities in 2021 affecting our customers

We continued the strategic project of **accelerated digitisation of retail banking**, which aims to provide customers with “end-to-end” digital solutions. As part of the project, we are incorporating **further innovative products** into our offering, changing processes and the way we organise work and collaboration.

We worked hard to make our **processes and products as user-friendly and intuitive as possible**, for both customers and employees.

We were making changes that enabled us to best **adapt to new market conditions and customer expectations**.

The bank’s offer is modern, comprehensive and meets the diverse needs of customers in terms of: bank accounts, credit, savings and investment products, settlement services and insurance and card products.

Santander Bank Polska S.A. has 5,432 thousand customers, including:

 Retail customers	 Small and medium-sized enterprises
 Corporations	 Large enterprises
 Public sector institutions	



In our 2020 ESG report we have described in detail the products, contact channels and goals in serving our various customer segments in the 2020 ESG Report in the Customers and Services subsection of the Customers chapter, in sections dedicated to retail customers and SMEs, business customers and Santander Leasing. The report can be found at: [esg.santander.pl/2020/en](https://esg.santander.pl/2020/en).

## Standard for the creation and development of products and services

In 2021, we developed and implemented in certain parts of the bank a standardised, customer-centric product and service development process, Compass.

This is our process based on an Agile workflow that helps achieve business goals by focusing on customer needs and empirically validating hypotheses with customers. Compass is a practical application of design and research tools and

methods, taking into account the needs of the complex and highly regulated business environment of a large bank, such as our bank.

In our day-to-day work, Compass helps us answer the question of whether the products and services we plan to implement meet our customers’ needs and provide them with a good experience, while at the same time enabling us to achieve our business objectives.

# Customer-centricity

[GRI: Custom indicator (Main actions to increase customer satisfaction), 3-3, Custom indicator (Actions implemented to ensure cybersecurity), 3-3, 418-1, 3-3]

[PRB: 3 Clients and Customers, 3 Clients and Customers]

[GPW: G-S1]

Customer-centric orientation is our compass – a strength which stems from making decisions and designing processes, services and offers with the customer's perspective in mind.

One of the strategic directions within our 2021-2023 Strategy is "**Customer Obsession**", which means that every initiative and decision taken to achieve the bank's objectives

takes into account the quality and strength of the relationship with the customer.

**Simplicity, effortless banking and self-service** are key features of our services. For business customer segments, the key differentiator is a **good relationship with a dedicated advisor**.

## Quality of service

[GRI: Custom indicator (Main actions to increase customer satisfaction)]

### Service standards

In 2021, we refined the new customer service standards developed in 2020. In view of the continuing COVID-19 pandemic, we implemented remote customer service standards in each group, prepared rules for cooperation between our customer service segments and launched the Santa Fan digitisation programme.

### The commitments made under our excellent customer service credo have become particularly important:



We help customers handle their affairs "here and now" (in all service segments).



We encourage them to expand their cooperation with the bank, also in other segments.



We support them with remote and omnichannel services.



We appreciate each other and work together for the benefit of our customers.

In total, we trained 10,000 people in service standards (40,000 training hours), including the entire frontline staff. The new, empathetic service standard is in effect in as many as 7 out of 8 customer contact points.

### Our priorities in developing the highest quality of service:

- **Systematic and continuous implementation of a customer-centric strategy.**
- **Continuous monitoring of customer satisfaction with our services.**

- We conduct service quality surveys at various stages in our relationships with customers and for a number of customer touch points with the bank, including the branch, online and mobile banking and the call centre.
- **Responding to customer suggestions and expectations when preparing the offering – scaling service design with the voice of the customer in mind.**

As part of our efforts to improve customer satisfaction with our products and services, we pursued the following strategic priorities:

#### Retail customers

- delivering the best customer experience through a customer-centric orientation in the solution generation process. Measuring effects through NPS surveys
- simplification and digitalisation of products and processes
- activation and growth of business, especially in digital channels
- cooperation with One Europe on Santander Group projects

### Key achievements and results in 2021:

- We implemented a number of initiatives to improve the delivery of products and services that meet customer expectations. These included scaling Service Design competencies across key teams in the bank and formalising of the activity planning process based on the customer voice.
- We achieved a higher NPS indicator for retail customer loyalty and made it to the top three banks in this category. We also improved NPS for SME customers and ranked second in this category.
- We implemented new functionalities to accelerate customer digitisation and simplify products and processes.
- We developed remote and electronic banking processes for businesses.

#### Small and Medium-sized Enterprises (SMEs)

- increased satisfaction of business customers with the quality of products and services offered
- development of remote processes and electronic banking for businesses
- omnichannel and simplification of the corporate lending process

#### Private Banking

- strengthening the position of Santander Private Banking as first choice banking in Poland
- providing a reliable diversified investment offer
- providing professional services, ensuring the highest quality and exploiting the synergies of Santander Group and the bank's internal potential

- We simplified the credit process for advisers and corporate clients.
- We continued our work on simplifying the language used by the bank, revising internal documents and our communication to customers.
- We implemented the tool and processed applications for subsidies from PFR's Financial Shield 2.0 aid scheme.

We have simplified: **23** regulations, **74** templates for email messages, **200** versions of responses to complaints, the agreement for the Account As I Want It and documents concerning loan repayment. We introduced simplified versions of **52** procedures and withdrew **44** other procedures. We continuously review the effectiveness of the changes made.

### Key activities planned for 2022:

- The focus will continue to be on simplifying and developing digital solutions and processes that enable customers to bank efficiently remotely with a high level of positive experience for both customers and employees.
- We intend to continue to expand our daily transaction banking solutions and our credit and insurance offerings so that they are available anywhere, anytime.
- We will simplify processes, products and system infrastructure, reduce paper documents in favour of electronic communication and optimise the organisational structure.
- We are prioritising issues related to climate change and social activities. The initiatives implemented to date in this area will be continued, with a particular focus on the "Green Offer" and the expansion of green finance.

## Complaints

In managing the complaints process our priorities are:

- **accessibility** – complaints can be lodged at branches, by telephone, through e-banking services and by post. Replies to complaints are provided in a form convenient for the customer: by letter, SMS or in online and mobile banking;
- **speed of service** – in the complaints process we use robotisation, which allows for a significant acceleration of repetitive tasks and shorter complaint handling time;
- **accessibility and clarity of language** – we write our replies in a clear way, avoiding banking jargon and complicated language, and present the case comprehensively;

- **standards** – the handling of complaints in our bank meets regulatory requirements; moreover, we systematically check the quality and speed of handling these processes and the level of customer satisfaction (confirmed by surveys). All conclusions and results of analyses and surveys are implemented in the organisation and serve to improve the entire complaint process. Customers may also use the assistance of a Customer Care Officer who evaluates appeals against decisions issued in response to complaints.



81%

of responses delivered electronically



98%

of cases were resolved in the simplified process within one working day.



60%

of cases were dealt with within three working days.



24%

of cases were handled “on the spot” by bank employees who accepted the complaint, within their discretions. The customer received a decision immediately after submitting the complaint.

## Cyber security

[GRI: 3-3, Custom indicator (Actions implemented to ensure cybersecurity)];  
 [PRB: 3 Clients and Customers],  
 [GPW: G-S1]

### Our approach

The key to effective cyber and technology risk management is **collaboration within the organisation across multiple areas, based on best standards and good practice, and ongoing monitoring**. At our bank, **we continually review and update** cyber security **regulations and processes** to adapt to changing realities and challenges.

This approach makes it possible to continuously strengthen the security of our transaction systems, the tools used by customers in their daily banking, customer data as well as the infrastructure and technology used in the organisation.

### Actions taken in 2021:

- We continued to promote the free CyberRescue service for customers, which offers, among other things, alerts on cyber threats and expert support. The aim of these activities is to reach as many people actively using online and mobile banking, as possible.
- As in previous years, we published warnings about ongoing cyber threats, including messages in online banking and on the bank’s main website.
- We took measures to improve the competencies of staff in the area of cyber security.
- Within the Polish Bank Association, we cooperated with CERT with a direct impact on strengthening the security of the entire financial sector.

### We promote security and cyber-security

In 2021, as in previous years, we ran initiatives to build #CyberAwareness among customers and employees. We will continue our educational activities in 2022.

- A social media campaign for customers based on **"Cyber Proverbs"** was awarded in the "Golden Clips" competition. Reach: 1.5 million social media users.
- We extended the next edition of the cyber-education campaign "Don't believe in fairy tales for adults" to channels through which we can reach customers who use the Internet less often. Reach:
  - **6 million** social media users,
  - **800,000** YouTube users,
  - **5.7 million** radio users.
- The campaign was presented on screen displays in branches and on the bank's head office building in Warsaw.

- The TV campaign for the "Account As I Want It" combined with the promotion of the CyberRescue security package, which offers support also for customers using Internet less often. Reach: nearly **9 million** people.
- SMS campaigns targeted at SME customers promoting safe online behaviour and warning of current threats. Reach: the campaign was addressed to **260,000** customers.
- Communication campaigns targeting **electronic banking customers** to promote safe online behaviour, **CyberRescue security package**.
- We continued our cooperation with the "Bakcyl" programme which aims to increase financial literacy and safety among young people.
- **We have launched a "Safe Banking" section** on our websites, where cyber-education materials and current threat warnings appear. A banner is shown on the bank's main website to quickly and visibly inform customers about recent cyber crime threats.

### Plans for 2022

Cyber security and technology risk management is an area that constantly faces challenges and changes resulting from the organisation's objectives, but also triggered by external events. That is why in 2022 we plan to:

- continue to increase the maturity of tools, systems and regulations directly affecting cyber security and technology;
- focus on solutions that foster process automation and innovation;
- further develop the competences of staff in the area of cyber security and technology;
- continue initiatives to build #CyberAwareness among bank customers and employees;
- work with the financial sector and other cyber security stakeholders to share information, best practices and solutions.

## Information security

[GRI: 3-3, 418-1]

[PRB: 3 Clients and Customers]

Santander Bank Polska S.A. has an Information Security Management System that is certified in accordance with the ISO/IEC 27001:2013 standard. The system includes supervision of information security in the business environment of the Santander Bank Polska Group and assessment of specific requirements for information security and IT systems.

 30\*

Total number of justified complaints regarding breaches of privacy and loss of customer data

\* We do not have statistics separating the number of privacy breaches and customer data loss incidents.

## Combating financial crime

[GRI: 3-3]

### Threats

We have defined key risks, which include loss or theft of confidential data, interruption of key services, attacks on customer assets, fraudulent transactions, which is a consequence of the rapid development of modern information technology and the digital economy, as well as globalisation.

One of the key risks in both the banking and financial sector is the risk of cyber crime. This concerns both human behaviour and technological aspects.

There is a growing trend towards the professionalisation of cyber attacks and the specialisation of cyber criminals in specific fields. In particular, attacks using new technologies offered by criminals under a business service model are gaining popularity.

During the pandemic period, the importance of cyber security also increased significantly due to the massive shift of employees to remote working (handling almost all processes) and the rapidly growing use of remote channels by customers in sales and after-sales processes. On an ongoing basis, we monitored and took steps to mitigate risks in aspects affecting both customers and employees. Among other things, we proactively warned of emerging risks resulting from attempts by criminals to exploit the pandemic. We increased our surveillance of areas exposed to the risk of fraud.

## Our activities - combating financial crime

### Regulations

We have documented our approach to combating financial crime and key actions in the "Santander Bank Polska Group Cyber Security and Financial Crime Prevention Strategy 2019-2021" and we have outlined mitigating actions in the Cyber Security Transformation Plan.

In our bank, we have adopted the definition of operational risk as set out by the Basel Committee on Banking Supervision, according to which operational risk is the possibility of loss resulting from the inadequacy or unreliability of internal processes, people and systems, as well as from external events, i.e. also as a result of criminal activities. The Santander Bank Polska Group has an integrated risk management structure whereby all risks that have a material impact on its business are identified, measured, monitored and controlled. Operational risk management in our bank and Group involves employees at all levels throughout the organisation and comprises a number of interrelated elements.

Together with the Group entities, we have developed and are implementing an 'Operational Risk Management Strategy'. The objective of operational risk management is to minimise the likelihood of and/or reduce the impact of unexpected adverse events, including those related to criminal activities.

### Tools and activities

Our bank invests in the development of technologies that serve the processes of protecting against cyber attacks and countering other types of financial crime. Developed in the area of Business Intelligence, machine learning models and algorithms help us understand how to improve processes and services to satisfy our customers, but also support us in safeguarding customers and the bank from cybercrime.

In 2021, we have been launching preventive activities, including awareness campaigns targeting customers and employees, such as social media education campaigns, increasing both groups' vigilance about digital threats and building a culture of cyber security.

Due to the sensitive nature of the subject, most of the information regarding the details of our prevention, monitoring and anti-financial crime activities is classified.

**Our forecasts**

The risk of ransomware (a specific kind of malware), distributed denial of service (DDoS) attacks or the use of social engineering will not decrease in 2022. We predict that attacks on supply chains, cyber espionage and attacks involving artificial intelligence and machine learning will continue to be a growing threat.

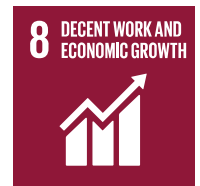
The geopolitical situation makes us pay particular attention to the risk of targeted attacks carried out by highly organised, disciplined and sophisticated groups, sponsored and coordinated by regime governments.

# Inclusive banking

[GRI: 3-3, Custom indicator (Number of bank access points in Poland, including branches broken down by outlets operated directly by the bank and by partner outlets), Sector supplement – FS 14, Custom indicator (Number of bank branches with Barrier-Free Service certification)]

[ESG: S – Social]

[PRB: 3 Clients and Customers]



[GRI: 3-3, Custom indicator (Number of bank access points in Poland, including branches broken down by outlets operated directly by the bank and by partner outlets)]

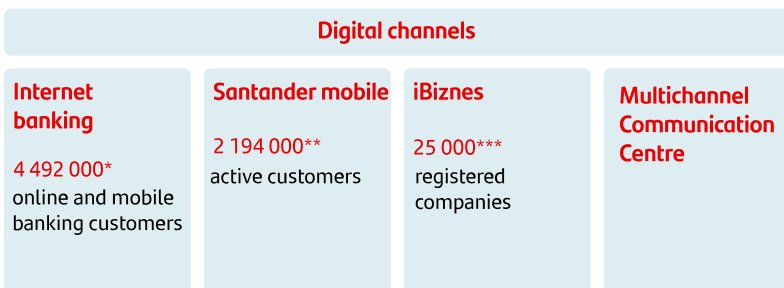
Inclusion is one of the pillars of the Responsible Banking Strategy. We adapt our offer, service and communication to all customers, without exclusion, and systematically increase our accessibility through the latest technology and appropriate conditions in traditional banking outlets.

## Availability

We are available to our customers in traditional outlets, digital channels and provide a network of self-service facilities.



We are ranked **second** among Polish banks in terms of the number of **deposit machines** and **third** in terms of the number of **ATMs**.



\* Number of customers with a signed agreement for access to electronic banking services, under which it is possible to use the available products and services.

\*\* Number of active mobile banking customers who logged into the mobile application or its light version at least once in the last month of the reporting period, or checked their balance without logging in.

\*\*\*The line applies only to customers using the iBiznes24 service, i.e. the electronic platform for business customers (excluding customers with access to Moja Firma plus and Mini Firma).



## Inclusion

[GRI: Sector supplement – FS 14]

[PRB: 3 Clients and Customers]

[ESG: S – Social]

We treat inclusive banking as a commitment to genuinely caring for and meeting the needs of different customer groups.

### Actions taken in 2021 to ensure access to financial services for people from disadvantaged groups

We continued the Barrier-Free Service programme implemented for 12 years by Santander Bank Polska S.A. which aims to provide access to the bank's services and products to customers with special needs (persons with disabilities, seniors). We are systematically increasing our accessibility, using technologically advanced methods and taking care to ensure appropriate conditions in traditional banking outlets. Implemented solutions:



All the bank's branches and partner outlets apply **Barrier-Free Service standards**, which favour the service of customers with various needs, including those with disabilities. Priority service desks await customers at branches. The outlets are equipped with mini magnifiers and frames to facilitate signing of documents by blind and visually impaired people. At each location it is possible to connect online with a sign advisor, with whom deaf persons can speak in Polish Sign Language (PJM). Connection with an advisor using PJM is possible not only in bank branches, but also through the Santander mobile application, Santander Internet service and the bank's website;



As of 22 March 2022, 37 branches of our bank have **portable induction loops**, i.e. devices that facilitate conversations for hearing-impaired customers who use hearing aids. The bank has procedures in place for making statements of will by customers unable to read and/or write;

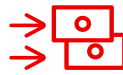


Our other branches have been equipped with: tactile paths, a tyfographic map (a plan of the branch with convex points reflecting the surrounding objects and descriptions in Braille along with a bell to summon the branch staff) and the TOTUPOINT navigation and information system.

**These solutions support spatial orientation and increase safety for people with disabilities;**



We systematically **audited our branches for architectural accessibility** for customers with disabilities;



**Our ATMs have functionalities facilitating their use by people with various needs.** These include: voice-activated service (so-called talking ATMs), the ability to switch the screen to high-contrast mode or turn it off, and Braille signage. Currently 95% of our nearly 1,500 ATMs have at least one special functionality of this kind (as at 20 May 2022);



**We developed and audited online and mobile banking for accessibility for customers with disabilities.** We enabled logging into mobile banking applications with **Face ID and Touch ID**, and in the Multichannel Communication Centre we launched an option of **identification by voice biometrics** over the phone;



In July 2021, we introduced **cards with a blind notch**, i.e. a cut-out on the side of the card, which makes it easier to use for people with visual impairments, for example at ATMs or during payments.



On our website at [santander.pl/ws-obsługa-bez-barier](https://santander.pl/ws-obsługa-bez-barier) there is a section dedicated to 'Barrier-Free Service' with a lot of information.

## Our communication targeting customers with special needs

- We provide the possibility to request so-called accessible documents (e.g. non-personalized contract templates, regulations) – remotely or in branches. In this way, we fulfil the requirements of the Act on Ensuring Accessibility for Persons with Special Needs of 19 July 2019.
- Throughout 2021, we conducted systematic communication and education campaigns aimed at the bank’s employees and customers, organising, among other things, training courses, meetings and webinars with experts and social media campaigns.
- Our advertising messages are adapted to the needs of people with visual and hearing impairments. Videos on the Barrier-Free Service website and on the bank’s YouTube channel are available with subtitles, audio description or a Polish Sign Language interpreter.

[GRI: Custom indicator (Number of bank branches with Barrier-Free Service certification)]

### Barrier-Free Service – results of our actions (as of 31 December, 2021)

Indicator	2021
Number of outlets with “Barrier-Free Branch” certificate	157
Number of outlets equipped with portable induction loops:	37
Number of bank branch employees trained in the principles of servicing customers with special needs (traditional and e-learning training):	4,037 completed e-learning courses, approximately 250 persons participating in remote training
Number of accessibility audits carried out in cooperation with TUS Foundation, according to the methodology of niepełnosprawnik.pl	14

# Transparency and dialogue with customers

[GRI: 2-27, 417-2, 417-3, 419-1, 3-3, Custom indicator (Results of customer satisfaction measurement)]

## Compliance with regulations

[GRI: 2-27]

### Priorities in 2021:

- Just like in 2020, we focused on ensuring compliance with regulatory requirements as part of the digital transformation of banking services, with a particular focus on cyber security issues, which are described in section *Customer Relations* (page XX).
- We have continued to develop standards and best practice for serving vulnerable customers, with a focus on persons aged 60 plus.

### Reported fraud and irregularities

In 2021, a total of 205 cases were reported to the whistleblowing channels operating at the bank.

Each registered report was analysed in detail, considered and explained. Some of these reports were confirmed and the employees guilty of negligence were subject to adequate sanctions commensurate with the identified irregularities. Among the reported non-conformances, there were no material breaches that could affect the bank's reputation.

### Customer satisfaction surveys

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

In 2021:

0 – Total number of non-financial sanctions for non-compliance with laws and regulations ( regarding services and products, offering and/or customer relations).

0 – Total number of cases of non-compliance with regulations and voluntary codes governing marketing communications.

0 – Total number of cases of non-compliance with regulations and voluntary codes governing labelling and information on products and services.

0 – Amount of significant fines and total number of non-financial sanctions for non-compliance with laws and regulations (regarding services and products, offering and/or customer relations).

## Customer satisfaction surveys

[GRI: 3-3, Custom indicator (Results of customer satisfaction measurement)]

We conduct customer satisfaction and loyalty surveys on a continuous basis in three perspectives:

- after purchasing a bank's product or interacting with the bank;
- relational surveys, conducted on our entire customer base;
- benchmarking, showing how we compare to our competitors.

We continue to carry out research to deepen the customer's point of view and their expectations of the products and services being implemented.

### Customer loyalty - NPS

Customer loyalty and their willingness to recommend a brand is measured by the NPS (Net Promoter Score) indicator, which is one of the main indicators monitored in our bank. NPS is also an element of incentive systems for all employees.

At the end of 2021, the level of **retail customer loyalty according to the NPS indicator was 47%**, which is **an increase of 3 percentage points** compared to 2020.



50.9%

Retail customers' satisfaction with helpline services according to SAT-NET index\*



1,747

Number of retail customers who took part in the SAT-NET survey



44.2%

SME customers' satisfaction with helpline services according to SAT-NET index



1,659

Number of SME customers surveyed by SAT-NET

\* There has been a change in the way the satisfaction index is calculated in 2021 compared to 2020. The satisfaction index for 2021 is calculated as the difference between the proportion of customers rating overall satisfaction at 9 and 10 (10 being the maximum value) and the proportion of customers rating overall satisfaction on a scale of 0-6 (where 0 is the minimum possible value).

We conduct regular monthly monitoring of current NPS results for all segments at the Management Board level and, in addition, a detailed review of the results for the Retail segment is carried out.

# New technologies and innovation

[GRI: Custom indicator (Information about key products, including new products introduced during the reporting period),

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

[PRB: 3 Clients and Customers]

[GRI: Custom indicator (Information about key products, including new products introduced during the reporting period)]

**The IT challenges associated with the continuation of the remote or hybrid working model and the increased exploitation of remote distribution channels have accelerated the digital transformation, automation and robotisation processes of banking institutions.**

At Santander Bank Polska, we believe that innovation comes from customer obsession. Every day we improve and digitise our processes to provide even higher quality services and products.

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

[PRB: 3 Clients and Customers]

## Innovations for retail customers launched in 2021

Ultimately, our customers will have the whole bank in their pockets – available anywhere, anytime. They will receive 100% relevant offers i.e. helpful, welcome and on time. We aim to increase self-service and digital sales.

### Selected new developments and improvements in our processes and products:

- Biometric payment confirmation in mobile authentication.
- Vertical eco-cards with blind notch as part of One Card for One Europe.
- Contactless BLIK payments, a functionality allowing contactless payments at payment terminals (without generating and entering a code), commonly supported by terminals processing BLIK or Mastercard payments in the country and abroad.
- Remote motorway payments – Autopay, i.e. automatic collection of motorway tolls from the customer's current account based on vehicle registration data entered into the mobile application. As at 31 December 2021, approximately 31,000 users were using the Autopay service.

- New simplified application processes for cash consolidation loans in our app and online banking.
- Co-browsing, or screen sharing (interactive online support for customers).
- My Goals service – the modern way to save easily in the app and Santander internet.
- New additional service – remote medical consultation "Telemedi.co".

### Innovations and initiatives for SME segment customers launched in 2021

- New services in Mini Firma internet – eBond, eHealth and eLeasing.
- A possibility to take out a business loan using the mobile app.
- Updating data for all organisations and legal entities by mail service in Mini Firma online banking.
- A new way of verifying identity in the process of opening a company account – a photo account.
- Santander Leasing offers a possibility to sign agreements remotely during an e-meeting: with a traditional signature (by hand) or with a qualified electronic signature (QES). The e-meeting takes place via the Hangouts Meet application and is recorded with the customer's consent. In addition, the company has made it possible to conclude an agreement using QES on the eBOK24 customer website. This allows the customer to sign agreements anywhere, without wasting time to get to a branch and reducing paper consumption and CO<sub>2</sub> emissions.
- Santander Leasing has provided customers with the opportunity to enter into leasing or loan agreements with repayment security in the form of a BGK guarantee.
- We have introduced a fixed rate loan for companies.

## Other high-tech projects

- From December 2021, we are offering our selected customers **Call Steering (CS) – an IVR service**, which is a technology that can recognise and interpret human speech. Selected customers who are calling us no longer need to use the phone keypad to connect with an advisor. The voiceover asks the customer what they would like to talk about – and based on their response, recognises the type of subject matter and connects them to the appropriate advisor, reducing the need for agent-assisted switchovers. Analyses have shown us that the effectiveness of identifying the subject matter of the customer’s call is as high as 90%. We conducted a survey among customers using the service. Customers perceive the solution as innovative because it saves time and is convenient. **It was pointed out that the CS solution is friendly to people with disabilities and the elderly.**
- We implemented **the GTS (One Trade) platform** for comprehensive handling of international payments. This is the first banking platform of this kind in Poland – **a type of international electronic banking service that provides companies with a simple and efficient way to manage foreign trade finance products.**
- This world, hitherto accessible to a small group of large corporations, is now to be opened up and made easy to understand to small and medium-sized companies, together with the wealth of products and services offered to companies by the Santander Group worldwide. It is the first banking platform of this category in Poland. Its main advantages are:

  - integration – global overview of all current accounts in any currency, information from different countries easily available in one place,
  - access to information – monitoring all international transactions with full transparency,
  - ease of management – possible consolidation of the account and control of international payments and cash flows.
- We continued the AccelUp Acceleration Programme implemented jointly with the Polish Agency for Enterprise Development. It is based on intensive cooperation between mature start-ups offering ready-to-implement solutions whose innovative product or service solutions can be useful to satisfy the identified needs of our bank. Start-ups receive support of up to PLN 200,000 and 100 hours of consultancy services in order to adapt the solution to the bank’s needs and validate it in near-real conditions. The aim of the Programme is to commercially implement the technologies of selected start-ups that successfully pass the pilot stage and then scale them up within the Santander Group. In 2021, thanks to the cooperation within AccelUP (Round III) with Loyalty Tool, we launched an external loyalty platform with partner offers collected for our customers, e.g. Booking.com, Uber Eats, Orange, Allegro, eObuwie.pl. We used the simplest and safest discount code mechanism to implement, not requiring the exchange of customer data with bankujzrabatami.pl operator. In 2022, we will continue with AccelUp and implement further solutions developed as part of the project.

# Support to customers in distress

We show understanding and try to support customers who experience problems with timely repayment of their liabilities. In such circumstances, the bank's priority is to identify the causes of the situation and jointly find the best possible solutions to restore timely loan repayments.

We monitor arrears from an early stage of overdue payments and take action to support customers.

## Early stage of overdue liabilities for Retail and SME customers

Solutions available on Santander Internet for self-service by the customer:	Telephone contact with an advisor whose role is to ensure:	At our branches customers can apply for:
<ul style="list-style-type: none"> <li>• declaration of repayment of overdue amounts within 7 days</li> <li>• ordering an interview with an advisor at a convenient time for the customer and setting a new repayment date</li> <li>• restructuring, i.e. arranging repayments anew:                             <ul style="list-style-type: none"> <li>• grace periods for loan principal repayments</li> <li>• temporary reduction of loan instalments</li> <li>• extension of the credit period</li> <li>• setting a new repayment schedule covering the past due and non-past due portion of the credit</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• identification of customer problems and needs</li> <li>• joint selection and implementation of the most appropriate solution in a given situation</li> <li>• ongoing, partnership-based communication with the customer</li> <li>• agreeing on the repayment of overdue debt or working out a long-term solution that allows the client the comfort of timely repayment</li> </ul>	<ul style="list-style-type: none"> <li>• consolidation of all liabilities into one loan</li> <li>• voluntary sale of the real property being the security for the repayment of the loan (if the sales proceeds are lower than the outstanding loan amount we agree on convenient terms of repayment of the remaining amount due)</li> </ul>

## Results of advisors' performance evaluation

We regularly check whether our advisors apply partnership principles in practice when talking to customers and meet the expectations of customers in distress. We carry out surveys immediately after the conversation (SAT-NET indicator). Customers are asked to rate the friendliness, politeness and commitment of their advisor on a scale of 1 (least satisfied) to 7 (most satisfied).

Last year, we invited 82,800 customers to participate in the survey. The response rate was 29.8% and the **level of SAT-NET customer satisfaction reached 86%**.

Key figures:



82.8 tys.  
customers



29.8%  
response rate



86%  
SAT-NET customer satisfaction level

## Borrower support

- In accordance with the Act on Support for Mortgage Borrowers in Financial Distress, we accept customer applications for financial assistance from BGK funds.
- For mortgage customers with CHF loans, we have implemented and maintain the assistance package known as the "ZBP 6-pack". We offer all six elements of that package, which includes, among other things, conversion of the loan to PLN at the average NBP rate, currency spread reduced to 2%, and taking into account the negative CHF Libor. In addition, we also offer these customers a possibility of loan restructuring, reduction of instalments and change of loan security.



Information for the bank's customers in distress is posted and updated on our website ([www.santander.pl/koronawirus-aktualne-informacje-banku](http://www.santander.pl/koronawirus-aktualne-informacje-banku)).

# Support to customers during the COVID-19 pandemic

In 2021, we were all more aware and better adapted to living and operating under constraints, which enabled us to deal more effectively with the adverse effects of the COVID-19 pandemic.

Our customers were accustomed to using modern technological solutions to support operational processes. There was a need, however, to continue support activities.

## Loan repayment reliefs

Since the beginning of the pandemic, the bank has supported customers in providing loan repayment reliefs. Our customers are offered a possibility to reduce the amount of repaid loan instalments on their own, in the electronic banking, by way of:

- extension of the loan period by 12 months in the case of cash loans and SMEs,
- 50% reduction of the principal repayment for 12 months for mortgages and SMEs,
- reliefs under the Financial Shield 4.0 scheme – suspension of the loan agreement up to 3 months for retail customers.

## Concessions

In e-banking services, we offered customers a possibility of:

- changing the instalment payment date,
- changing the account for the repayment of the loan.

We have set up a dedicated website for customers with up-to-date information on what support we can provide to them at: [www.santander.pl/koronawirus-aktualne-informacje-banku](http://www.santander.pl/koronawirus-aktualne-informacje-banku).

## Operation of aid programmes

In 2021, we continued our activities under the government's anti-crisis programmes offering support to customers in financial distress caused by the pandemic. We implemented the tools and processed applications for subsidies under the PFR's Financial Shield 2.0 aid scheme (application forms were available in online banking for Mini Firma, Moja Firma plus and iBiznes24 users). In the first half of the year we also continued to support aid programmes operated by BGK.

## Sector responses to the pandemic

We co-created and adopted the second moratorium developed by the banking sector under the auspices of the Polish Bank Association, setting out uniform rules for offering relief tools to customers affected by the COVID-19 pandemic.



# Relations with society

## Introduction

[GRI: Custom indicator (Number of beneficiaries of projects and social initiatives in the field of education initiated and/or supported in a given year by the bank and/or the bank's Foundation; Custom indicator: Total amount of money allocated to social engagement activities)];  
[ESG: S – Social]



We have been socially committed for several decades, aware of the scale of our impact and our capabilities. As one of the largest banks operating in Poland we want to share our capital with our immediate environment, addressing important social challenges. This is our responsibility and a way to create a better reality for ourselves and future generations.

### Our main areas of community involvement are:

<p>education - support for higher education, dissemination of financial and cyber security knowledge;</p>	<p>promoting entrepreneurship;</p>
<p>development of civil society;</p>	<p>culture sponsorship.</p>

## Education

### Santander Universidades



Education is a fundamental pillar of our social commitment, and our flagship programme in this area is Santander Universidades.

### This is a wide-ranging initiative whose main objective is to support:

<p><b>education</b> – we want to provide equal opportunities of access to quality education for young people,</p>	<p><b>entrepreneurship</b> – we want to support people in turning their ideas into successful businesses,</p>	<p><b>young people entering the labour market</b> – we want to help them acquire competences sought after by employers.</p>
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## Santander Universidades in numbers

### Poland



10 years

in Poland



59

Number of universities



PLN 1.5 million

Budget allocated to activities in 2021



6,422

Number of scholarships in 2021



42,047

Number of users of the Santander Scholarship platform, including 30,528 in 2021

### Worldwide



25 years

worldwide



>1,000

universities in 15 countries



EUR 2.1 billion

Budget allocated to activities since the beginning of the programme



630,000

Number of scholarships since the beginning of the programme

#### Relationship centres at universities

We have 12 relationship centres at Polish universities. We use them to create a platform for cooperation between the world of business and academia, and as a result we help to improve the quality of education by orienting it to the needs of the current labour market. Within our relationship centres we offer a relaxation zone and meeting rooms, support the organisation of events and teach new technologies.

#### We are present in 7 Polish cities:



#### Santander Scholarships platform

The most important element of the Santander Universidades programme is the scholarship platform, which gives people over 18 years of age access to educational projects funded by the Santander Group. Thanks to it, people interested in acquiring new competences can take advantage of educational programmes offered not only by Polish institutions, but also by Spanish, German, English and even Brazilian ones. **In 2021 alone, we awarded 6,422 scholarships in Poland.**

6,422

awarded scholarships in Poland



Please visit [santander-grants.com](https://santander-grants.com) for all current recruitments for our funded scholarship programmes.

## Examples of (selected) projects implemented in 2021 within Santander Universidades

- Santander Universidades Academy**, a series of webinars for students, graduates and all individuals interested in broadly understood banking. Thanks to the cooperation between the Cracow University of Economics and Santander Universidades, participants had the opportunity to listen to lectures on topics such as finance, economics, leadership, artificial intelligence, robotisation and auditing.
- Student Nobel Prize 2021**, a competition organised by the Independent Students' Association, in which students compete in 9 categories – from technology to arts and social activities. The aim of the competition is to recognise the best students and increase their chances of succeeding in the world of science and business.
- Santander Language Scholarship | English and IELTS with the British Council**, a free online English language course for 500 people, which offered the opportunity to improve their English and pass the IELTS test. Almost 10,000 people applied for the project.

*This formula, which has been described as the Santander Universidades Academy, seems to fit in very well with the formula of economic universities. We see an increase in the knowledge of these people and we feel satisfaction that in relation, in conversation, in dialogue with people who deal with banking on a daily basis, these people learn really fast and very quickly develop new competences*

**Prof. Stanisław Mazur, Ph.D.**  
Rector of the Cracow University of Economics



More information about Santander Universidades can be found:

- [on the programme website \(www.santander.pl/santander-universidades\)](http://www.santander.pl/santander-universidades)
- [in a brochure summarising 10 years of the programme in Poland \(www.santander.pl/\\_files/summary/1509657\)](http://www.santander.pl/_files/summary/1509657)

## Cybersecurity

### Security in Cyberspace educational project

The project is coordinated by the Warsaw Banking Institute and our bank has been its partner since 2017. The aim is to disseminate basic knowledge on broadly understood online safety and to develop practical skills related to the use of new technologies.



Details of the project "Security in Cyberspace" can be found at [cyber.wib.edu.pl](http://cyber.wib.edu.pl).

### In 2021, we reached 122,340 people by organising together with our partners:



>1,000

lessons for **91,061** primary and secondary school pupils from all over Poland



>150

lectures for **12,060** students from all over Poland,



127

training courses attended by **15,283** first-year students,



>1000

lectures for more than 1,000 people aged **65+**,



936

persons who completed e-learning courses




>2,000

participants of the 5th Congress on Financial Education and Entrepreneurship

### Educational activities on cyber security

At the beginning of February 2021, we launched the **Cyber Proverbs** campaign on the social media channels of Santander Bank Polska S.A. Its aim was to promote online safety using slogans based on the most popular Polish proverbs. All this was done to draw the attention of Internet users to the basic principles ensuring the security of both personal and banking data in the virtual space.



We were awarded a **"Silver Clip Award"** in the 'Finance' category for our **"Cyber Proverbs"** campaign.

As part of the **'Fairy Tales for Adults'** campaign we have in turn produced a series of fairy tale videos that show how a well-crafted 'fairy tale' story can lull our vigilance on the Internet and lead to serious consequences. Our fairy tales were created in cooperation with three popular Polish writers: Janina Bąk, Wojciech Chmielarz and Jakub Szamatka.



For more information on the Fairy Tales for Adults campaign, visit [Santander.pl/bajki](https://santander.pl/bajki).

### The educational project "How's Your Driving"



The "How's Your Driving" campaign has been running since 2015. Its aim is to promote responsible and polite behaviour on the road. We communicate mainly through social media, posting interesting

facts related to car use and safe driving, as well as current traffic information. A distinctive feature of the campaign is the consistent involvement of users in the creation of the largest community of drivers focused on road safety and culture in Poland.

#### In 2021:

- Our content was viewed **12 million times on Facebook** and **1 million times on Instagram**;
- On Facebook, users posted **12,000 comments** and on Instagram we had **55,000 active followers**;
- The project attracted a record number of users who actively participated in the discussions, often initiating them themselves;
- We recorded **13,000 hits** on our **website**.



More information about the "How's Your Driving" project can be found at [jakjezdzisz.pl](https://jakjezdzisz.pl).

### Digital Festival 2021

As part of our commitment to technology education, we were a partner in the 3rd edition of the Digital Festival, the largest initiative of its kind in Poland, which in 2021 was held under the slogan "Digital is not a revolution. It's evolution!" The purpose of the event is to introduce Poles to digital technologies, increasingly present in our everyday life.

An important element of the festival is the "SkillUp Academy" platform with free trainings that help develop digital competences. Santander Bank Polska experts were involved in the creation of several **training courses, which benefited 1,845 people** (as of December 31, 2021).

The bank was also a partner of one of the festival publications "**Modern Senior – A Guide to the Digital World**". We co-authored the chapter on mobile banking from which seniors can learn that online banking is easy and safe and how not to fall prey to online fraudsters. "Modern Senior" has been downloaded as a PDF from the Festival website 1167 times (as of December 31, 2021).



For more information about the festival and available training courses, visit the [SkillUp Academy website \(digitalfestival.pl/akademia-skillup\)](https://digitalfestival.pl/akademia-skillup).

Reports and guides produced as part of the festival are available on the [Festival website \(digitalpoland.org/en/publications\)](https://digitalpoland.org/en/publications).

## “Gym of Remembrance”

In 2021, we supported the Shipyard Foundation's “Memory Gym” project by subsidizing the printing of a guidebook entitled. “Mind Training for Seniors. Scenarios for working in senior – caregiver pairs”. It is 300 pages of ready-made lesson plans, exercises and worksheets for conducting cognitive function training with senior citizens, including those suffering from dementia syndromes or mild cognitive

disorders caused by age, depression, anxiety or somatic disorders.

The book also included educational material prepared by banking experts on online and mobile banking for seniors, along with exercises to stimulate language function and memory. The guidebook went to 3280 beneficiaries.



More about the project: [www.silowniapamieci.pl](http://www.silowniapamieci.pl).

## Promoting entrepreneurship

### Finansiaki

Finansiaki is an original project by Santander Bank Polska supporting financial education of children and youth. Its main objective is to increase financial knowledge among children and teenagers, as well as the competence of their parents and teachers in teaching the basics of entrepreneurship.



18,818

Total number of website views



258

Number of participants in finance classes conducted by bank employees



412

Number of the book downloads from finansiaki.pl website



3,926

Number of books sent in PDF format to parents setting up an account

The centrepiece of the project is a website which provides materials for learning how to manage money. We have published also available for free guide a guide for parents “Finansiaki.” written by journalist Paweł Oksanowicz and economic psychologist Agata Trzcińska, Ph.D. On the project's Facebook page we run ongoing communication aimed at helping parents and teachers to introduce children to the complicated world of finance in an attractive way. Additionally, in 2021 we cooperated with parenting influencers and bloggers to increase the scale of our reach.

An important addition to the website is the involvement of our employees in conducting classes on financial education as part of corporate volunteering. Using scenarios developed by experts, they bring the world of finance closer to children in schools and kindergartens.

In addition, in 2021 we partnered with Dziennik Gazeta Prawna for Children's Day – a special poll with children aged 9-15 on “Money is fun, but also... a big responsibility” (questions: Where does money come from, What is a family budget, pocket money, saving). An opinion poll was also conducted in August 2021 on our behalf on a group of 1,000 people (fathers and mothers of children aged 3 -7, 7-14, 14 – 17). The survey was conducted using the CAWI method on the Opinions.co.uk panel (owned by IQS) – an exploration of the topics parents talk to their children about money and finances in general.

For more information on the results of our surveys, please visit our website:

- [Sometimes we can't find the right words to talk about money.](#)
- [Monthly or weekly payments are the most common forms of pocket money in Poland.](#)
- [81% of Poles motivate their children to save money](#)



More information about the „Finansiaki.” project can be found on the website [finansiaki.pl](http://finansiaki.pl) or on its profile on Facebook: [facebook.com/FinansiakiToMy/](https://facebook.com/FinansiakiToMy/).

# Corporate volunteering

[GRI: Custom indicator (Size of corporate volunteering), Custom indicator (Number of beneficiaries of corporate volunteering activities / year)]

[ESG: S- Social]



We have been developing corporate volunteering in Santander Bank Polska S.A. since 2010. We do it in three ways, through time volunteering, skill volunteering and economic education. We are proud to see how the corporate volunteering programme has become engrained in our organisational culture over all these years.

## Corporate volunteering in numbers in 2021



126

Number of completed corporate volunteering projects



22,145

Number of beneficiaries of corporate volunteering activities



1,891\*

Number of employee volunteers

\*Data as of the end of December 2021. The number of volunteers has decreased due to turnover and the layoff process.



PLN 94,606.58

Amount of money allocated by Santander Foundation to corporate volunteering



For more information about our corporate volunteering programme and examples of activities carried out in 2021, please see the Foundation's annual report ([fundacja.santander.pl/sprawozdania/#2021](https://fundacja.santander.pl/sprawozdania/#2021))

# Santander Foundation

[GRI: Custom indicator (Total amount allocated to community engagement activities), Custom indicator (Number of beneficiaries of projects and social initiatives in the field of education initiated and/or supported in a given year by the bank and/or the bank's Foundation)]



The Santander Foundation was established in 1997 as an organisation attached to Bank Zachodni S.A. In the 25 years of its activity, the Foundation has become the inventor, initiator and executor of most of the bank's social commitment programmes. The Foundation:

- cares for ecology, local community development, supports children and young people, and raises awareness of safe banking through grant programmes;
- invests in the education of children and young people, facilitates the development of their passions and talents through a scholarship programme;
- supports academic communities across Poland through the Santander Universitas programme;
- promotes and supports the idea of volunteering, developing corporate volunteering in the bank;
- provides schools, orphanages and other institutions with computers, as well as funding for educational, charitable and cultural projects.

## Santander Foundation in numbers in 2021

Number of organisations supported by grant programmes: **102**

Amount of money allocated to all grant programmes: **PLN 600,000**

Number of grant programme beneficiaries: **544,872**



More information about the activities carried out by the Santander Bank Polska Foundation can be found on the Foundation's website: [fundacja.santander.pl](https://fundacja.santander.pl)

## Here I Live, Here I Make ECO Changes



More information about the grant programme „Here I Live, Here I Make ECO Changes“ can be found on the Foundation’s website ([fundacja.santander.pl/tu-mieszkam-tu-zmieniam](https://fundacja.santander.pl/tu-mieszkam-tu-zmieniam)).



**PLN 300,000**  
Total amount of funds donated



**PLN 3,000, PLN 5,000 or PLN 8,000**  
Amount of individual grant



**58**  
Number of organisations supported



**538,577**  
Total number of beneficiaries

## Other grant programmes



### The Bank of Children’s Smiles

#### Assumptions

The Bank of Children’s Smiles funded projects to help children and young people in need of psychological support due to, among other things, the effects of the COVID-19 pandemic

#### Effects

- Number of applications received for the programme: 161
- Number of organisations supported: 15
- Number of beneficiaries: 422
- Programme budget: PLN 150,000



### The Bank of Young Sports Champions\*

#### Assumptions

The programme promotes active spending of leisure time. Within the framework of the 2021 edition, we provided support to sports undertakings with the participation of persons aged 5 to 26, such as team sports competitions, Olympics, Paralympics, practice sessions and other activities that promote sport and the principle of fair play

#### Effects

- Number of applications received for the programme: 585
- Number of organisations supported: 29
- Number of beneficiaries: 5 674
- Programme budget: PLN 150,000

\* The competition was settled in 2022.





### Hacks for Cyber Attacks\*

#### Assumptions

We inaugurated the 1<sup>st</sup> edition of the “Hacks for Cyber Attacks” programme, which aims to identify the most interesting consumer financial education projects on:

- protection against fraud and financial crime,
- safe use of electronic banking,
- secure online financial management.

#### Effects

- Number of organisations supported: 15
- Amount of a single grant: PLN 50,000 or PLN 100,000
- Programme budget: PLN 1,200, 000

\* The competition was settled in 2022.

## Cultural sponsorship

### Santander Orchestra



Santander Orchestra is an original project of Santander Bank Polska supporting careers of the most talented young musicians. The 2021 edition resulted in cooperation with Warner Music Poland on the project “Szymon Komasa – Songs from the Old Men’s Cabaret. Laboratory”. The authors of new arrangements of the cult songs of the Jerzy Wasowski and Jeremi Przybora duo were, among others, Aleksander Dębicz, Krzysztof Herdzin, Paweł Mykietyn, Hania Rani and Bartek Wąsik. Apart from Szymon Komasa, the songs were sung by Joanna Kulig, Hanna Banaszak, Mary Komasa, Vito Bambino and Błażej Król, accompanied by the Santander Orchestra conducted by Krzysztof Herdzin and Radosław Labahu.

In addition, during the recording, 40 young musicians took part in two educational workshops on personal budget management and biohacking.

**Santander Orchestra also established cooperation with Anna Hnatowicz, participant of the 2021 edition of “The Voice of Poland”. The result was the recording of the Christmas song “Jingle Bells”.**

Music videos of songs recorded in 2021:

- [Szymon Komasa & Vito Bambino, Santander Orchestra – \*Jeżeli kochać, to nie indywidualnie\*](#)
- [Szymon Komasa & Joanna Kulig, Aleksander Dębicz – \*Piosenka jest dobra na wszystko\*](#)
- [Santander Orchestra & Anna Hnatowicz – \*Jingle Bells\*](#)

# Actions taken in response to the consequences of the armed conflict in Ukraine

## We support our employees

In this difficult time, we feel solidarity with our employees coming from Ukraine. We show it through financial, psychological and other non-financial support.

Our colleagues coming from Ukraine received an ad hoc financial allowance when the war broke out. We paid it irrespective of the type of relationship with the bank, both to bank's employees and to contractors or suppliers providing services to our bank.

### Assistance and support for workers from Ukraine



We have offered bank employees and contractors to receive remuneration advances for three months ahead, i.e. for March, April and May 2022;



We have organised their work in such a way as to provide them five days of paid leave;



Our recruiters and career advisors supported the families of our employees coming from Ukraine in finding jobs. The interested applicants can contact us via the dedicated email address: [pomocdlaukrainy@santader.pl](mailto:pomocdlaukrainy@santader.pl);



Employees working under permanent employment contracts can benefit from the Company Social Benefits Fund (ZFŚS).

### Psychological support for all staff

We are aware of the strong emotions that the armed conflict in Ukraine evokes in all of us, which is why we have taken care of our employees by offering access to webinars on coping with crisis situations and the opportunity to receive free psychological support.

#### Webinar topics:

“Techniques for communicating with clients in the face of a crisis – how to handle anger, anxiety or excessive emotions”;

“How to care for children in the face of crisis - supportive family communication”;

“The different faces of anxiety - from uncertainty to understanding”.

#### We help to help

Each bank employee involved in helping the victims of the current situation has the opportunity to take an additional 8 hours of paid leave for volunteering jobs.

On our intranet, we have created a place to make announcements – to ask for help or offer support. It is a space where employees can pass on items or offer their services.

## We support our customers

### Fee exemptions and simplified procedures

We have exempted our Ukrainian customers from paying for:

newly opened Accounts As I Want It with a customised card from 1 March, 2022 to 30 September, 2022;

existing PLN and FX personal accounts;

existing and newly issued debit cards.

### Activities for SMEs

We have exempted from selected fees:

- our existing business clients who have their registered office in Ukraine or are Ukrainian citizens;
- customers opening "Accounts Worth Recommending" for businesses as of 1 March 2022 who have their registered office in Ukraine or are Ukrainian citizens.

The exemption covers

- maintenance of a PLN business account;
- maintenance of an FX business account;
- corporate debit cards (excluding charge cards) – issued PLN and FX accounts and new business cards issued as of 1 March 2022. This applies to:
  - monthly card fee,
  - account statement fee,
  - charges for balance enquiries at our ATMs,
  - card renewal fees.

The changes are in effect for the period from 1 March to 30 September, 2022

### Other concessions:

- We introduced a simplified account opening procedure for Ukrainian citizens who arrived in Poland after 23 February 2022;
- From 7 March 2022, Ukrainian citizens can apply for a suspension of loan repayment;
- We reimbursed all our customers aged 26 and over the monthly fee for March and April for the ATM Package to facilitate cash withdrawals.

Until September 30, 2022, no fee will be charged for outgoing or incoming transfers to/from banks in Ukraine (SWIFT code UA), both in the case of retail and business customers. The exemption applies to:

- ordinary;
- urgent; and
- express;

money transfers in any currency and with any cost option. In this way, we want to facilitate the transfer of financial support.

### Assistance provided by our partners

All our clients can take advantage of the offer of Telemedi.co. Our partner offers medical consultations in Ukrainian and Russian. Specialist doctors – paediatricians and general practitioners – are available immediately.

The **CyberRescue** service will keep our data safe online.

Both services can be activated by customers on Santander internet, under Partner Offers.

## Community actions - we support organisations and initiatives

### We Will Double Your Impact

For the third time, Santander Bank Polska Group together with the Santander Foundation launched the charity campaign We Will Double Your Impact, this time to help Ukraine. We doubled the value of each donation, allocating PLN 1.5 million for this purpose. More than 26,500 people took part in the charity fund raiser. Together with our customers and employees, we collected more than PLN 4.25m.



#### PLN 2.5m from the fund raiser

– the amount of money paid to the Foundation's account



#### PLN 1.5m from Santander Bank Polska Group

– the amount of money allocated to double your donations

The money from the fund raiser was donated to organisations coordinating aid for people affected by the war in Ukraine – the **Polish Humanitarian Action, Unicef** and the Polish Red Cross. **The City of Przemyśl** was also supported by our donation.

Marcin Dorociński was also involved in promoting the fund raiser, encouraging people to join the We Will Double Your Impact campaign in a special spot.



#### Santander Bank Polska and the University of Szczecin have launched a free, open Polish language course for people from Ukraine

Together with the University of Szczecin, we have prepared a Polish language course to make it easier for people arriving from Ukraine to find a job on the Polish labour market or to study in Poland. The basic level classes were conducted online by a lecturer from the University of Szczecin.

Anyone interested can take advantage of the online course material covering 60 hours of lessons at their convenience. The recordings of the lessons are available at [www.santander.pl/kurs-polskiego](http://www.santander.pl/kurs-polskiego).



#### Santander Bank Polska supported the UN Refugee Agency to deliver cash quickly and safely to refugees from Ukraine

We have partnered with the UN Refugee Agency (UNHCR) by providing a tool to quickly and safely transfer cash to refugees arriving in Poland from Ukraine.

The UNHCR Cash Assistance programme uses innovative technology provided by Santander Bank Polska based on the BLIK cheque system, a unique nine-digit code that can be used to withdraw cash from ATMs without the need for a payment card, bank account or smartphone banking app. The service does not require the production of any plastic cards. Refugees who registered at the UNHCR reception desk received a secure password and then an SMS code that allows them to withdraw money from most ATMs in Poland, including those operated by Santander Bank Polska, PKO BP, Millennium, BNP Paribas, mBank, ING, SGB, Euronet and Planet Cash.



#### Kilometres for Ukraine

We supported the activities of our employees, who collected kilometres while cycling, running, walking or exercising. Each kilometre covered increased the pool of funds that the Santander Foundation donated to orphanages housing children from Ukraine

For the first 7,000 km travelled together, the distance between Warsaw-London-Madrid and Lisbon – which we called the crossing of Europe – the Santander Foundation donated PLN 50,000. For every subsequent 7,000 km, we paid PLN 20,000, up to an amount of PLN 100,000.

The funds raised were donated to:

– **the City of Białystok – for the Care and Education Centre in Białystok.** The money will be used to renovate four rooms and a playroom intended for orphaned children from Ukraine residing at the Centre.

**Amount donated: PLN 120 248.99.** (including PLN 70 248.99 from the collection).

– **Lower Silesian Foundation for Foster Care „Przystanek Rodzina”.** The money will be used to purchase equipment for the centre in Stare Volov 12, which houses children from Ukrainian foster care.

**Amount donated: PLN 120 248.99.** (including PLN 70 248.99 from the collection).

– **SOS Children's Villages Association in Poland.** The money will support the SOS Children's Villages Programme in Kraśnik, which houses, among others, children from Ukraine. **Amount transferred: PLN 120 248.99.** (including PLN 70 248.99 from the collection).



### **Gingerbread from and for Ukraine – A Trade Fair**

As a thank you for their commitment to helping a group of children from Ukraine who were on a trip to Poland on the day the war broke out and were unable to return home, our colleagues received hand-made, artistic gingerbread cookies, straight from Odessa, from the mother of the tour leader. They decided to donate them to a charity fair to raise additional funds. The fair took place on 11 April at our Relationship Centre in Warsaw. All the money raised went towards shopping for the kids and their carers, who are now in Poland



### **We support the Aid Fund for Women and Girls from Ukraine „Hello Girls!”**

We have announced a fundraiser to support women and girls from Ukraine. From 15 June to 15 July 2022, we will donate all the funds that come into our dedicated account to Dominika Kulczyk Foundation for a special “Hello Girls!” Support Fund for Women and Girls from Ukraine.

## **Support of the Banco Santander Group**

### **WAW-MAD humanitarian corridor**

The Santander Group chartered a plane to take 180 refugees from Ukraine to Spain. We made arrangements for the initiative in collaboration with the Spanish Ministry of Integration, Social Security and Migration. The action was a success thanks to the great commitment of our bank's employees, the use of local infrastructure and the support of our colleagues from the Santander Group in Spain.

Our bank helped in establishing the identity of asylum seekers at the Spanish embassy in Poland, relocating refugees, transporting them from Nadarzyn to the airport in Warsaw and providing them with accommodation in Madrid.

### **Together with the Santander Group banks in Europe**

We have donated more than PLN 4.5 million! We supported the International Committee of the Red Cross and the UN Refugee Agency – UNHCR. As part of this support, among other things, we donated PLN 500,000 to the Polish Red Cross (PCK).



# Our results



# Results of the environmental area

Emission levels associated with Santander Bank Polska S.A.'s operations in 2021. (in tons of CO<sub>2</sub>E). Below is a summary of the calculation of CO<sub>2</sub> emission levels in own activities (scope 1) and those directly dependent on Santander Bank S.A. operations. (scope 2), as well as business travel (scope 3). The methodology and scope of the calculations are included in the methodological appendix at the end of the TCFD report, which is an integral part of this report.

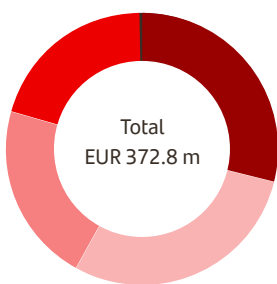
Emission category	Emissions in 2021 (in tonnes of CO <sub>2</sub> e)	
	Location-based	Market-based
Location-based		
Scope 1	5,957.1	5,957.1
Scope 2	29,175.5	15,513.0
Scope 3	94.7	94.7*
Scopes 1+2 Total	35,132.6	21,470.2

We use several metrics to measure our climate impact, including, among others, kilograms of carbon dioxide emissions translated into liters of gasoline consumed in the fleet, emissions from electricity consumption in our offices, and consumption of district heat.

A detailed summary of our emissions, including a description of the sources of these emissions we have considered, the consumption of the source expressed in the appropriate unit of measurement, the type of data, and the emission factor, along with the source on which the calculation was based, can be found in the [TCFD report](#) (page 52).

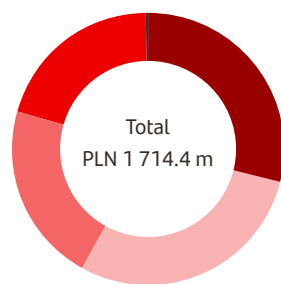
## Green finance in 2021

In EUR m



- **107.8** Green buildings
- **109.5** Renewables
- **79.1** Clean mobility
- **76.2** Agro
- **0.2** Circular economy

In PLN m



- **495.7** Green buildings
- **503.7** Renewables
- **363.6** Clean mobility
- **350.5** Agro
- **0.9** Circular economy

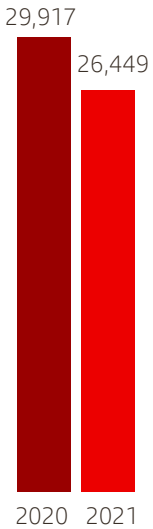
Data in tabular form

Area	EUR m	PLN m
Green buildings	107.8	495.7
Renewables	109.5	503.7
Clean mobility	79.1	363.6
Agro	76.2	350.5
Circular economy	0.2	0.9
<b>Total</b>	<b>372.8</b>	<b>1,714.4</b>

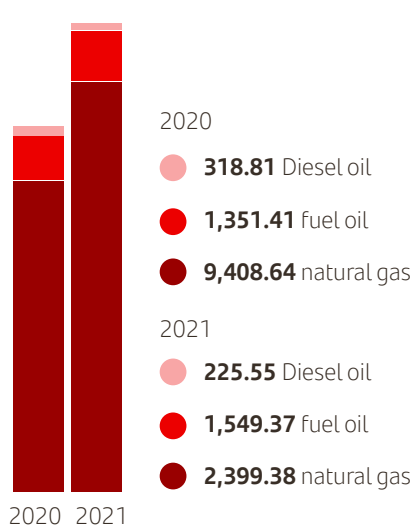


**Electricity consumption in 2020 and 2021**

Total electricity consumption



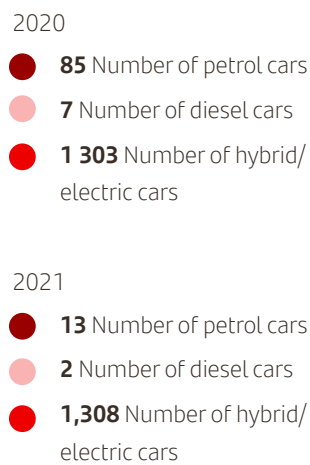
Total energy consumption from non-renewable resources



Data in tabular form

Electricity consumption [MWh]	2020	2021
Total electricity consumption	29,917.00	26,449.00
Total energy consumption from non-renewable resources	11,078.86	14,174.30
of which:		
natural gas	9,408.64	12,399.38
fuel oil	1,351.41	1,549.37
Diesel oil	318.81	225.55
Percentage of green energy purchased by the Bank	100%	100%

**The bank's car fleet**

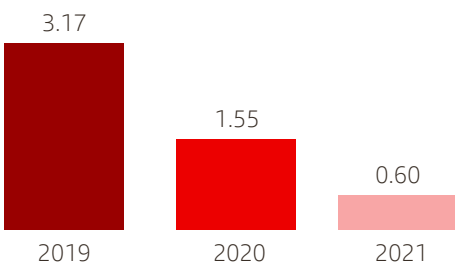


Data in tabular form

	2020	2021
Number of petrol cars	85	13
Number of diesel cars	7	2
Number of hybrid/electric cars	1,303	1,308

**Business travel**

Number of business trips per employee



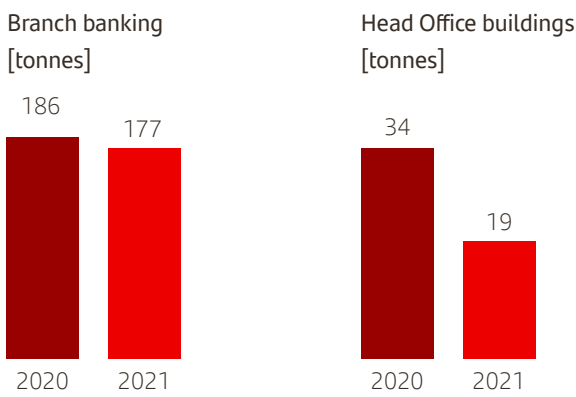
Data in tabular form

Indicator	2019	2020	2021
Number of business trips per employee	3.17	1.55	0.60

### Reductions in diesel and petrol consumption associated with business travel using the bank's car fleet in 2021

<b>Diesel consumption (in l)</b>	<b>8,563.52</b>
Reduction in diesel consumption versus 2020	-23,317.93
Petrol consumption (l)	1,446 502
Reduction in petrol consumption versus 2020	-53,431.48
Average fuel consumption per employee	127.94

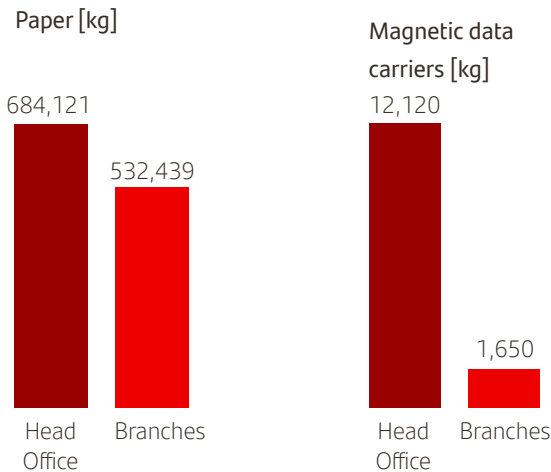
### Paper consumption



Data in tabular form

Paper consumption	2020	2021
Branch banking [tonnes]	186	177
Head Office buildings [tonnes]	34	19

### Paper waste and other waste, including electronic data carriers (disposal)

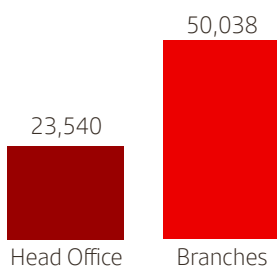


Data in tabular form

Type of waste	Head Office	Branches	Total
Paper [kg]	684,121	532,439	1,216,560
Magnetic data carriers [kg]	12,120	1,650	13,770

### Water consumption

Water supplied from the municipal network



Data in tabular form

Total volume of water abstracted by source (in m³)	Head Office	Branches
Water supplied from the municipal network	23,540.00	50,038.00
Other sources	–	–
Total	23,540.00	50,038.00

# Results of the social area

[GRI: 2-7, 2-8, 405-1, 401-1, 404-3, 405-2, 202-1, 2-21, 403-9, 403-5]

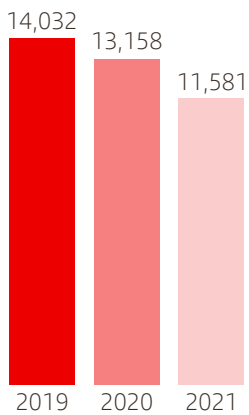
[GPW: S-P3]

## Employment structure

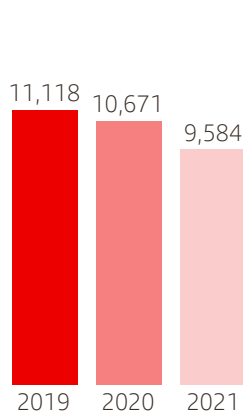
[GRI: 2-7]

### Employment in the Santander Bank Polska Group and in Santander Bank Polska S.A.

Employment in the Santander Bank Polska Group



Employment in the Santander Bank Polska S.A.



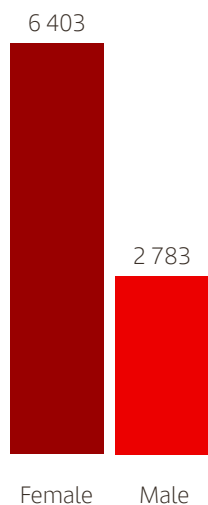
Data in tabular form

	Employment in the Santander Bank Polska Group	Employment in the Santander Bank Polska S.A.
2021	11,581	9,584
2020	13,158	10,671
2019	14,032	11,118

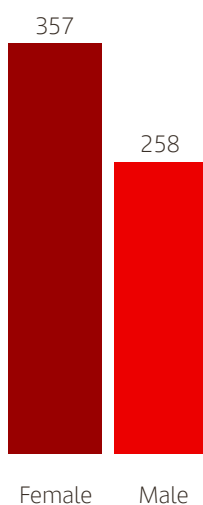
Number of employees of Santander Bank Polska S.A. / Santander Bank Polska Group, both full-time and part-time, regardless of the employment status, as at 31.12.2021.

### Number of full-time and part-time employees by gender in 2021

Full-time



Part-time

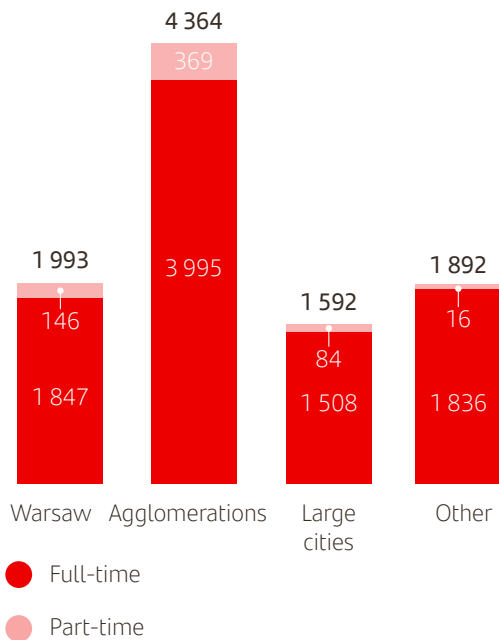


Data in tabular form

<b>Full-time</b>	<b>9,186</b>
Female	6,403
Male	2,783
<b>Part-time</b>	<b>615</b>
Female	357
Male	258

Data refers to the number of people employed by the bank, regardless of the employment status.

### Number of full-time and part-time employees (persons) by region in 2021

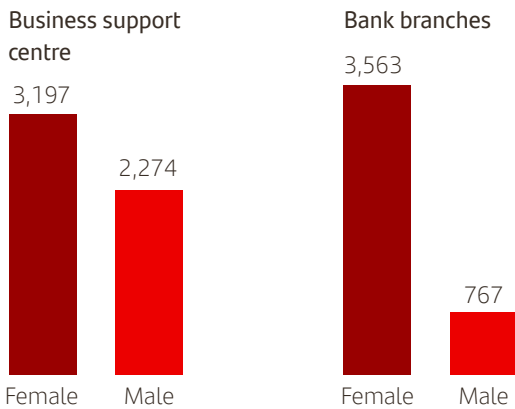


#### Data in tabular form

		Female	Male	Total
Warsaw	Full-time	1,094	753	1,847
	Part-time	79	67	146
Agglomerations	Full-time	2,507	1,488	3,995
	Part-time	208	161	369
Large cities	Full-time	1,204	304	1,508
	Part-time	58	26	84
Other	Full-time	1,598	238	1,836
	Part-time	12	4	16

Data refer to the number of people employed by the bank, regardless of the employment status

### Number of employees and associates (per person) by workplace in 2021

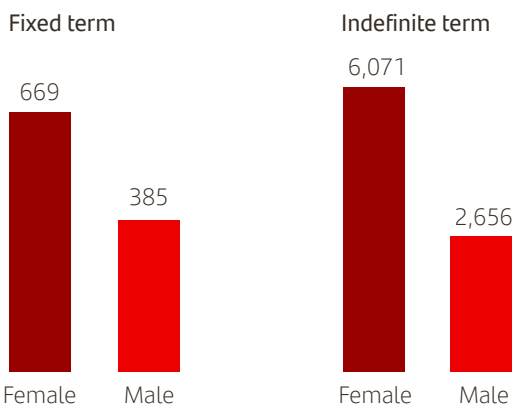


#### Data in tabular form

	Female	Male	Total
Business support centre	3,197	2,274	5,471
Bank branches	3,563	767	4,330

\* Dane dotyczą liczby osób zatrudnionych w Banku, bez względu na status zatrudnienia.

### Number of employees and associates by employment contract duration in 2021 r.



#### Data in tabular form

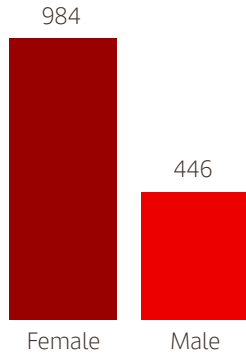
<b>Fixed term (total)</b>	<b>1,074</b>
Female	689
Male	385
<b>Indefinite term (total)</b>	<b>8,727</b>
Female	6,071
Male	2,656

\* Data refer to the number of people employed by the Bank, regardless of the employment status.

[GRI: 2-8]

### Number of employees and associates employed under arrangements other than employment contracts (persons) in 2021

Employed under a contract of mandate



Data in tabular form

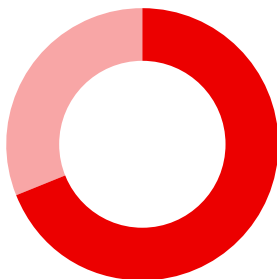
<b>Employed under a contract of mandate</b>	<b>1,430</b>
Female	984
Male	446
<b>Employed under a contract for specific work</b>	<b>0</b>
Female	0
Male	0

\* Dane dotyczą liczby osób zatrudnionych w Banku, bez względu na status zatrudnienia.

## Diversity

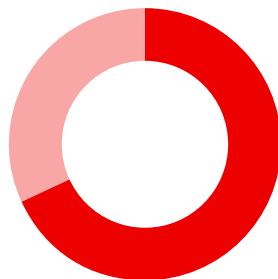
[GRI: 405-1]

Total number of employees by gender (per FTE)



● **6 258** Female  
● **2 808** Male

Total number of employees by gender (per person)



● **6 546** Female  
● **3 038** Male

Data in tabular form

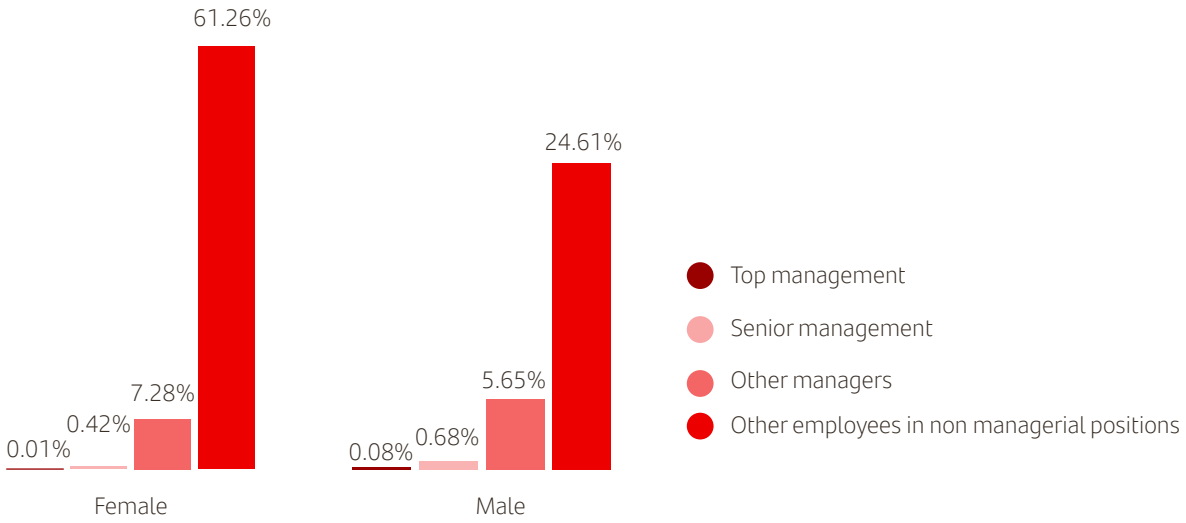
<b>Total number of employees by gender (per FTE)</b>	<b>9,066</b>
Female	6,258
Male	2,808
<b>Total number of employees by gender (per person)</b>	<b>9,584</b>
Female	6,546
Male	3,038

\* Dane dotyczą liczby etatów w Santander Bank Polska S.A. o statusie „czynny”.

### The number and percentage of Bank employees in each category in 2021 in relation to the total number of employees in the organization

	Number of employees	Female (%)	Male (%)	Percentage in each category combined (%)
<30 years	1,469	10.34%	4.65%	14.99%
30-50 years	6,654	46.42%	21.47%	67.89%
>50 years	1,678	12.21%	4.91%	17.12%

**Bank employees by employment structure (percentage of employees in each category in 2021 to total number of employees)**



Data in tabular form

	Female	Male	Total percentage from each category (%)
Top management	0.01%	0.08%	0.09%
Senior management	0.42%	0.68%	1.10%
Other managers	7.28%	5.65%	12.94%
Other employees in non managerial positions	61.26%	24.61%	85.87%

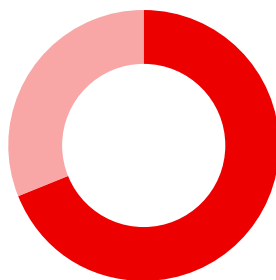
**Employee turnover**

[GRI: 401-1]

[GPW: S-P3]

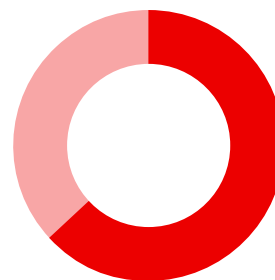
**Employees newly hired on a contract basis in 2021 by gender and age**

Number of employees at the end of 2021



● **6,760** Female  
● **3,041** Male

Total number of employees newly hired during 2021



● **727** Female  
● **423** Male

## Data in tabular form

<b>Number of employees at the end of 2021</b>	<b>9,801</b>
Including women	6,760
Including men	3,041
<b>Total number of employees newly hired during 2021 ( number of people hired, contracted employment) by gender*</b>	
Total number of newly hired employees	1,150
Including women	727
Including men	423
<b>Share of newly hired employees by gender in the total number of employees**:</b>	
Including women	7.42%
Including men	4.32%
<b>Share of newly hired employees by gender in total number of newly hired employees</b>	
Including women ***	63.22%
Including men ****	36.78%
<b>Total number of employees newly hired during 2021 (number of people hired, contracted employment) by age category:</b>	
Including employees under 30 years of age	585
Including workers aged 30-50	538
Including employees over 50 years of age	27
<b>Share of newly hired employees by age category in the total number of employees**:</b>	
Including employees under 30 years of age	5.97%
Including workers aged 30-50	5.49%
Including employees over 50 years of age	0.28%
<b>Share of newly hired employees by age category in the total number of newly hired employees:</b>	
Including employees under 30 years of age	50.87%
Including workers aged 30-50	46.78%
Including employees over 50 years of age	2.35%

The data refers to the number of people employed by the Bank, regardless of employment status

\* The data refers to the number of people employed by the Bank, regardless of employment status. If a person is employed twice during the year, it is shown once.

\*\* For the figure of 9,801 - the number of employees regardless of employment status.

\*\*\* Ratio of newly hired women in the reported period to the number of all women employed on contract at the bank as of December 31, 2021.

\*\*\*\* Ratio of newly hired men in the reported period to the number of all men employed on contract at the bank as of December 31, 2021.



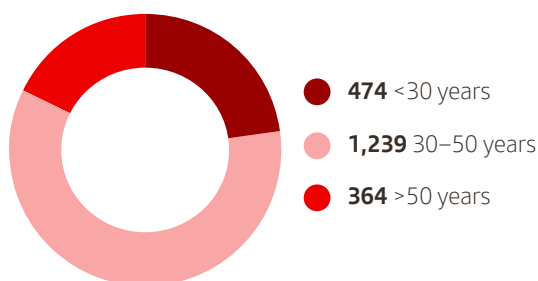
### Total number of newly hired employees on a contract basis (per person) in 2021, broken down by working hours and location

Full-time	1,030
Warsaw	218
Agglomerations	414
Large cities	192
Other	206
Part-time	120
Warsaw	20
Agglomerations	86
Large cities	14
Other	0

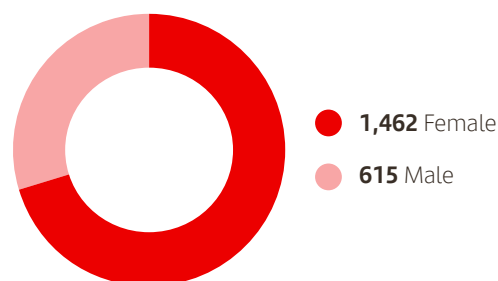
\* The data refers to the number of people, regardless of employment status

### Total number of departures (per person) by gender and age in 2021

Total number of employee departures (per person) by age



Number of employee departures by gender



Data in tabular form

<b>Total number of job departures*:</b>	2 077
Including women:	1,462
Including men:	615
Share of employee departures in the total number of employees** by gender:	
Including women:	14.92%
Including men:	6.27%
Share of employee departures by gender in total number of employee departures:	
Including women ***:	70.39%
Including men ****:	29.61%
Total number of contracted employees who left their jobs (number of people) by age category:	
Number of employees under 30	474
Number of employees aged 30-50	1,239
Number of employees over 50 years old	364
Share of employee departures by age category in the total number of employees**:	
<30	4.84%
30-50 years	12.64%
>50 years old	3.71%
Share of employee departures by age category in the total number of employee departures:	
<30	22.82%
30-50 years	59.65%
>50 years old	17.53%

\* Data refers to the number of people, regardless of employment status. Total number of departures from 2021. If one person has left twice, they are shown once.

\*\* For the figure of 9,801 - the number of employees regardless of employment status.

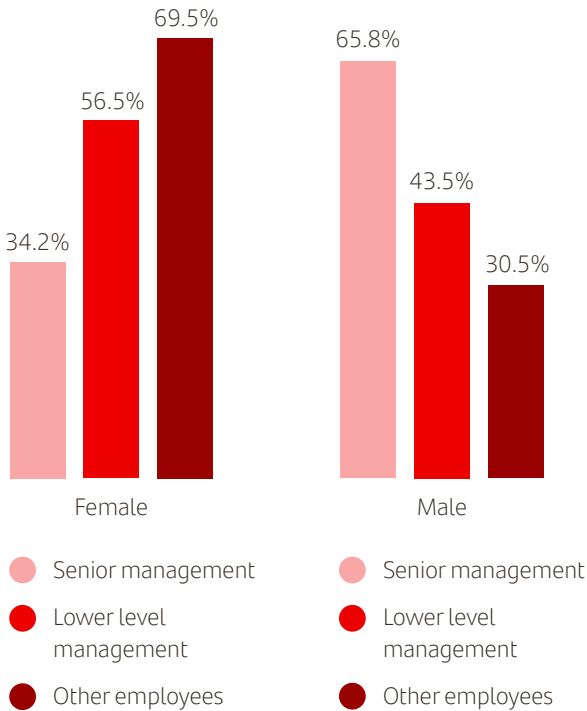
\*\*\* Ratio of female departures in the reported period to the number of all female employees of the Bank on a contract of employment as of 31/12/2021.

\*\*\*\* Ratio of male departures in the reported period to the number of all male employees on contract at the Bank as of December 31, 2021

## Assessing the quality of work

[GRI: 404-3]

### Percentage of employees subject to regular job quality assessments and career development reviews by gender and employment category in 2021



Data in tabular form

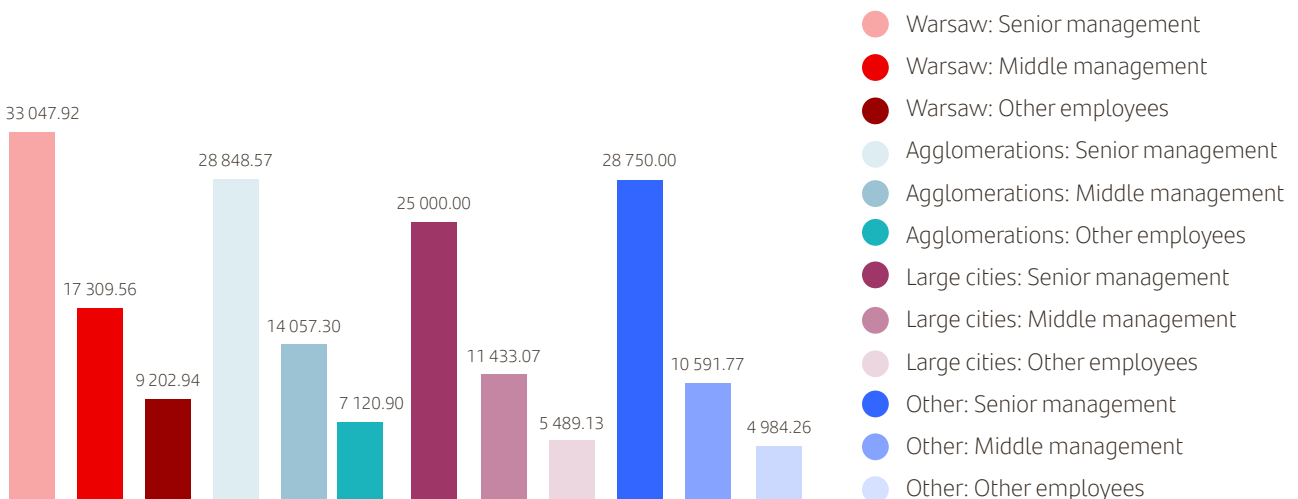
Employment category	Female	Male
Senior management	34.20%	65.80%
Lower level management	56.50%	43.50%
Other employees	69.50%	30.50%

## Salary

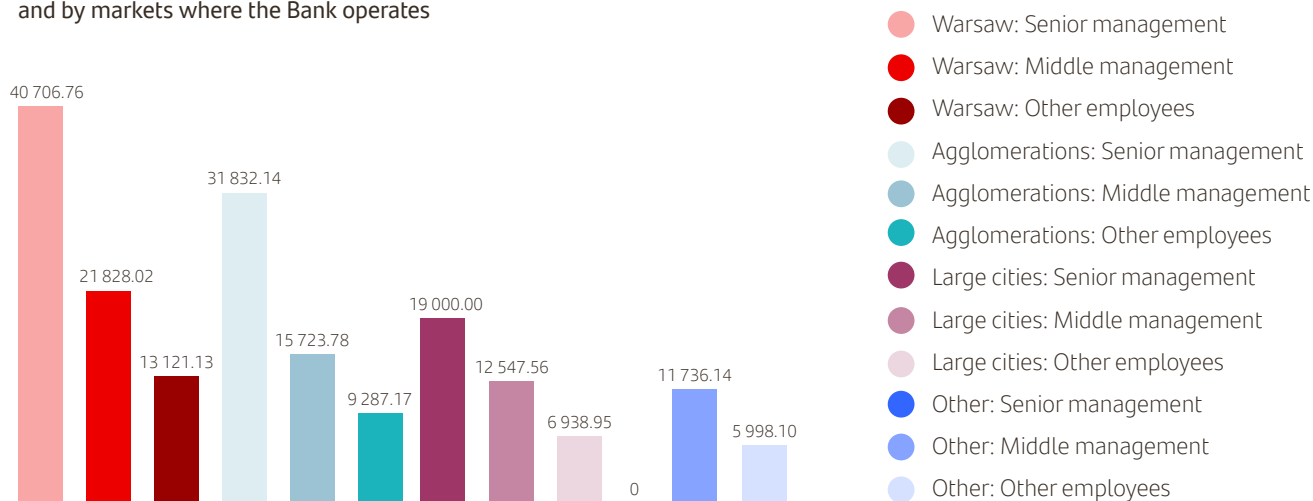
[GRI: 405-2]

### Average wages for men and women in 2021 by employment category and by markets where the Bank operates

#### Average wages for women in 2021 by employment category and by markets where the Bank operates



### Average wages for men in 2021 by employment category and by markets where the Bank operates



### Data in tabular form

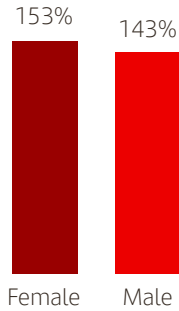
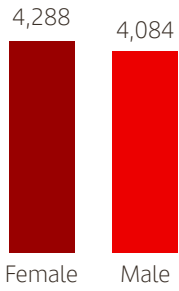
Market	Employment category	Average basic salary for women	Average basic salary for men	Ratio of women's basic pay to men's basic pay
Warsaw	Senior management	PLN 33,047.92	PLN 40,706.76	81%
	Middle management	PLN 17,309.56	PLN 21,828.02	79%
	Other employees	PLN 9,202.94	PLN 13,121.13	70%
Agglomerations	Senior management	PLN 28,848.57	PLN 31,832.14	91%
	Middle management	PLN 14,057.30	PLN 15,723.78	89%
	Other employees	PLN 7,120.90	PLN 9,287.17	77%
Large cities	Senior management	PLN 25,000.00	PLN 19,000.00	132%
	Middle management	PLN 11,433.07	PLN 12,547.56	91%
	Other employees	PLN 5,489.13	PLN 6,938.95	79%
Other	Senior management	PLN 28,750.00	-	-
	Middle management	PLN 10,591.77	PLN 11,736.14	90%
	Other employees	PLN 4,984.26	PLN 5,998.10	83%

[GRI: 202-1]

**Average wages for men and women in 2021 by employment category and by markets where the Bank operates**

Average monthly salary of the lowest-level employees

% of minimum wage



Data in tabular form

	Female	Male
Average monthly salary of the lowest-level employees	4,288	4,084
% of minimum wage	153%	146%

[GRI: 2-21]

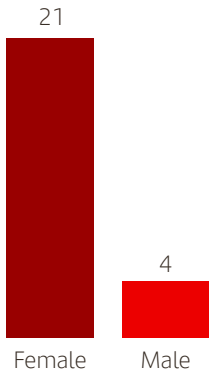
**Annual salary index**

	2021
Ratio of annual total compensation for the highest paid person in the organization to the median annual total compensation of all employees (excluding the the highest paid person)	32.60
Ratio of the percentage increase in total annual compensation for the highest paid person in the organization to the median percentage increase in total annual compensation for all employees (excluding the highest paid person)	0.83

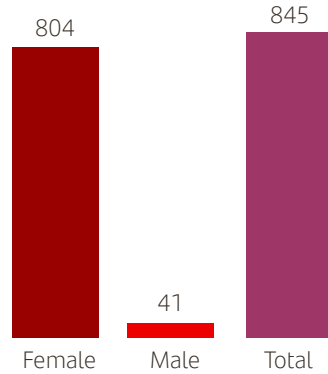
## OHS

[GRI: 403-9]

Accidents (incidents) at work in 2021 by gender



Number of employees who participated in health and safety training in 2021



\*(LDR, calculated as the ratio of the total number of days lost to the number of planned working hours of employees in the reporting period \* 200000)

### Data in tabular form

	Female	Male
Total number of accidents (incidents) at work	21	4
of which fatal accidents	0	0
of which major accidents (incidents)	0	0
of which minor accidents (incidents)	21	4
Total number of persons injured in accidents:	25	
Total accident incidence rate (IR, calculated as the total number of persons injured in accidents/employment × 1,000)	2.55	
Accident incidence rate	3.11	1.31
Total number of days lost to work due to work accidents (LDR, calculated as the ratio of the total number of days lost to the number of planned working hours of employees in the reporting period * 200000)	845	
	804	41
Accident severity rate (calculated as the number of lost days due to accidents/number of accidents)	33.8	
	38.3	10.2
Absence rate (AR, calculated as the total number of days of absence from work/number of days worked per year * 200000))	9.88	
	8.83	1.05

[GRI: 403-5]

### Number of employees who participated in health and safety training in 2021

Number of people who took part in initial training in occupational health and safety	667
Number of people who took part in periodic training in occupational health and safety	539

# Results of the governance area

[GRI: 201-1, 205-2, 308-1, 414-1]

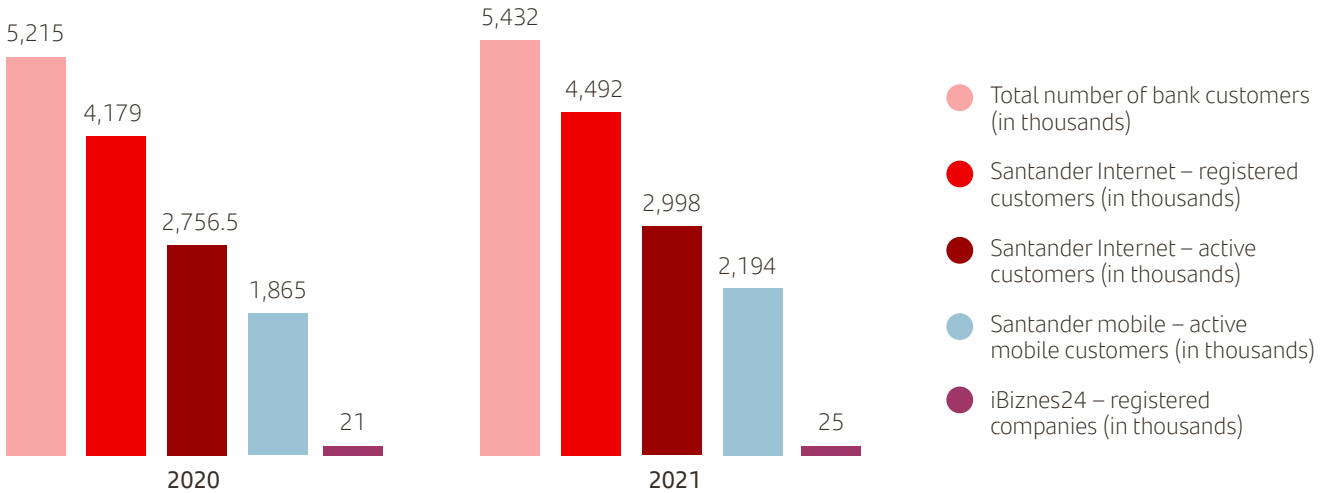
[ESG: G - Corporate governance]

[GRI: 201-1]

[ESG: G - Corporate governance]

## Financial performance and key performance indicators

### Customers

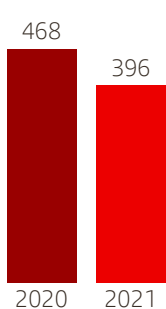


#### Data in tabular form

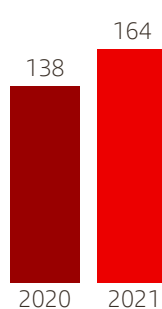
	2021	2020	2019	2018	2017
Total number of bank customers (in thousands)	5,432	5,215	5,049.5	4,884	4,412
Santander Internet – registered customers (in thousands)	4,492	4,179	4,424	4,019	3,388
Santander Internet – active customers (in thousands)	2,998	2,756.5	2,510	2,345	2,056
Santander mobile – active mobile customers (in thousands)	2,194	1,865	1,577	1,338	1,094
iBiznes24 – registered companies (in thousands)	25	21	18	17	15

### Outlets

#### Branches



#### Partner outlets

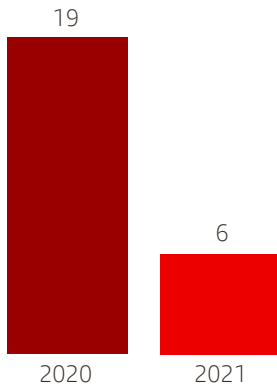


#### Data in tabular form

	2021	2020	2019	2018	2017
Branches	396	468	515	612	576
Partner outlets	164	138	134	123	109

**Banking centres**

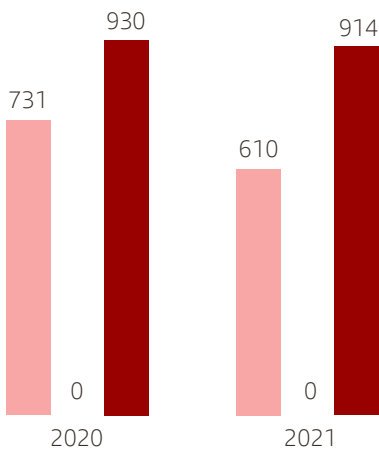
Business and Corporate Banking Centres



Data in tabular form

	2021	2020	2019	2018	2017
Business and Corporate Banking Centres	6	19	19	12	12

**ATMs and CDMs**



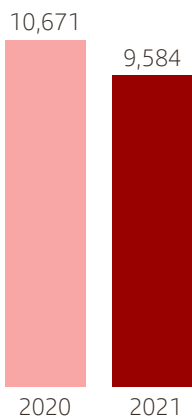
Data in tabular form

	2021	2020	2019	2018	2017
ATMs	610	731	774	858	948
CDMs	0	0	3	4	13
Dual-function machines	914	930	923	900	771

- ATMs
- CDMs
- Dual-function machines

**Employees**

Number of employees (as at 31 Dec, 2021)

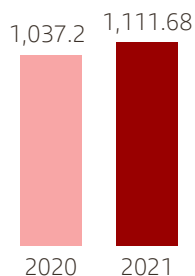


Data in tabular form

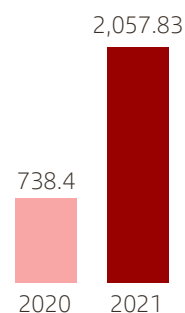
	2021	2020	2019	2018	2017
Number of employees (as at 31 Dec, 2021)	9,584	10,671	10,867	12,641	11,489

## Financial results

Profit attributable to shareholders of the bank  
(in PLN million)



Profit for the period (in PLN million)

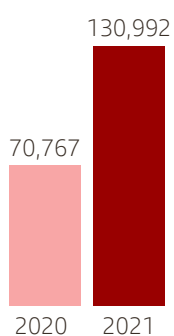


### Data in tabular form

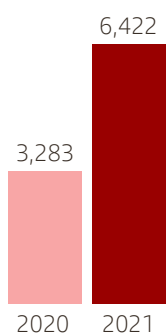
	2021	2020	2019	2018	2017
Profit attributable to shareholders of the bank (in PLN million)	1,111.68	1,037.2	2,138.3	2,365	2,213.1
Profit for the period (in PLN million)	2,057.83	738.4	2,113.5	2,167	1,916.2
Total assets (in PLN million)	218,184.87	203,140.5	181,471.5	183,038.6	132,863.3
Total liabilities (in PLN million)	194,357.52	177,717.7	157,293.9	159,178.2	112,024.4
Total equity (in PLN million)	23,827.35	25,422.8	24,177.6	23,860.4	20,838.8
ROE	4.1%	3.3%	10.81%	11.4%	11.0%
Loans/Deposits	71.5%	73.9%	81.8%	84.2%	88.6%
Capital ratio	20.99%	23.90%	19.58%	14.04%	18.95%

## Responsible Banking Performance

Number of financially empowered people since 1 January, 2019 (thousands)



Scholarships, internships and entrepreneurship programmes (number)



### Data in tabular form

Objective	2021	2020
Top 10 employers (place in ranking)	Top Employer Certificate	Top Employer Certificate
Women in managerial positions (%)	34.7%	35%
Equal pay Gap (%)	2.4%	2.4%
Number of financially empowered people since 1 January, 2019 (thousands)	130,992	70,767
Green finance provided (EUR m)*	214	144
Electricity from renewable sources (%) **	82%	85%
Reduction of single-use plastics (%)	100%	100%
Scholarships, internships and entrepreneurship programmes (number)	6,422	3,283
Number of people helped (in thousands)	305,652	363,464

\* Excluding the Corporate and Investment Banking Division.

\*\* Change in the indicator presentation vs. previous ESG Reports. We have now also included energy that the bank does not buy directly from suppliers (e.g. branches).



[GRI: 205-2]

## Results of ethical policies implementation

Percentage of employees who attended e-learning courses on ethics and compliance	97.43%
Percentage of employees who have familiarised themselves with anti-corruption policies and procedures:	
Group	100%
Bank	100%
Members of the bank's Management Board	100%
Representatives of the bank's senior management	100%
Representatives of the bank's middle management	100%
Other employees of the bank	100%
Percentage of employees who have received anti-corruption training in 2021:	
Group	97.21%
Bank	97.40%
Members of the bank's Management Board	100%
Representatives of the bank's senior management	91.30%
Representatives of the bank's middle management	96.76%
Other employees of the bank	97.49%

[GRI: 308-1, 414-1]

## Key indicators reflecting the performance of purchasing policies

Number of suppliers with an annual turnover exceeding PLN 50,000:	1,178
Including the number of suppliers subject to qualification:	991
Number of completed purchasing processes:	144
Percentage of suppliers – Polish or foreign – with registered office or branch in Poland:	92%
Number of suppliers that were reviewed for CSR aspects:	749
Number of suppliers reviewed for environmental matters/requirements:	749

# About the report



# Description of the reporting process

[GRI: 2-2, 2-3, 2-4, 2-14, 3-1, 3-2]

The Santander Bank Polska's ESG report 2021 is already the ninth report presenting our organisation's impact on environmental, social and economic issues and describing our management practices. The report covers the period from 1 January, 2021 to 31 December, 2021, unless it is explicitly stated otherwise in the report. Our reports are published annually.

The previous Report for 2020 was presented on 3 September 2021.

The report was prepared in accordance with the Global Reporting Initiative (GRI) international standard, at the Core level.

The report presents information that is most relevant from the point of view of investors, regulators and the European Union. These include ESG (Environmental, Social, Governance) indicators, European Commission guidelines

on non-financial climate-related disclosures, and UNEP FI – Principles for Responsible Banking.

An integral part of the ESG 2021 Report is the Santander Bank Polska S.A. climate report developed using the TCFD recommendations . The methodology of the report, as well as its scope and references to individual TCFD recommendations are detailed in the report.

For the purpose of the TCFD report and to enhance Santander Bank Polska S.A.'s climate resilience, we conducted an analysis that allowed us to identify in detail climate risks and opportunities based on two climate scenarios, covering three timeframes: short-term (2025), medium-term (2030) and long-term (2050).

The analysis spanned the entire value chain and all the markets in which Santander Bank Polska S.A. operates.

## The report also refers to international guidelines and objectives relevant to our organisation and the financial sector, such as:



European Commission Guidelines on the Disclosure of Non-Financial Information Related to Climate Impact



ESG factors: Environmental, Social and Governance



Sustainable Development Goals (SDGs) identified as strategic for Santander Bank Polska



UNEP Finance Principles for Responsible Banking (PRB)

The GRI Index table outlines the report content in reference to each guideline and objective.

## Identification of material reporting topics

In 2022, we revised the bank’s ESG materiality matrix by conducting an initial assessment of the materiality of ESG aspects. We conducted the process according to a pilot new methodology developed by the Santander Group at a global level. In the following years, Santander Bank Polska S.A. plans to implement the process using all of its assumptions.

The materiality analysis of ESG aspects consisted of three steps:

- The development of a list of material ESG aspects based on an analysis of the material ESG factors identified by Santander Bank Polska S.A. and the Santander Group in 2020, the bank’s internal documents, sustainability issues relevant to the industry and ESG aspects identified as critical by Santander Bank Polska S.A.’s direct competitors. The outcome was a list of 21 key ESG aspects that were prioritised.
- Assessment of material ESG aspects. Each aspect was evaluated on a scale of 1-5 in terms of a) the impact

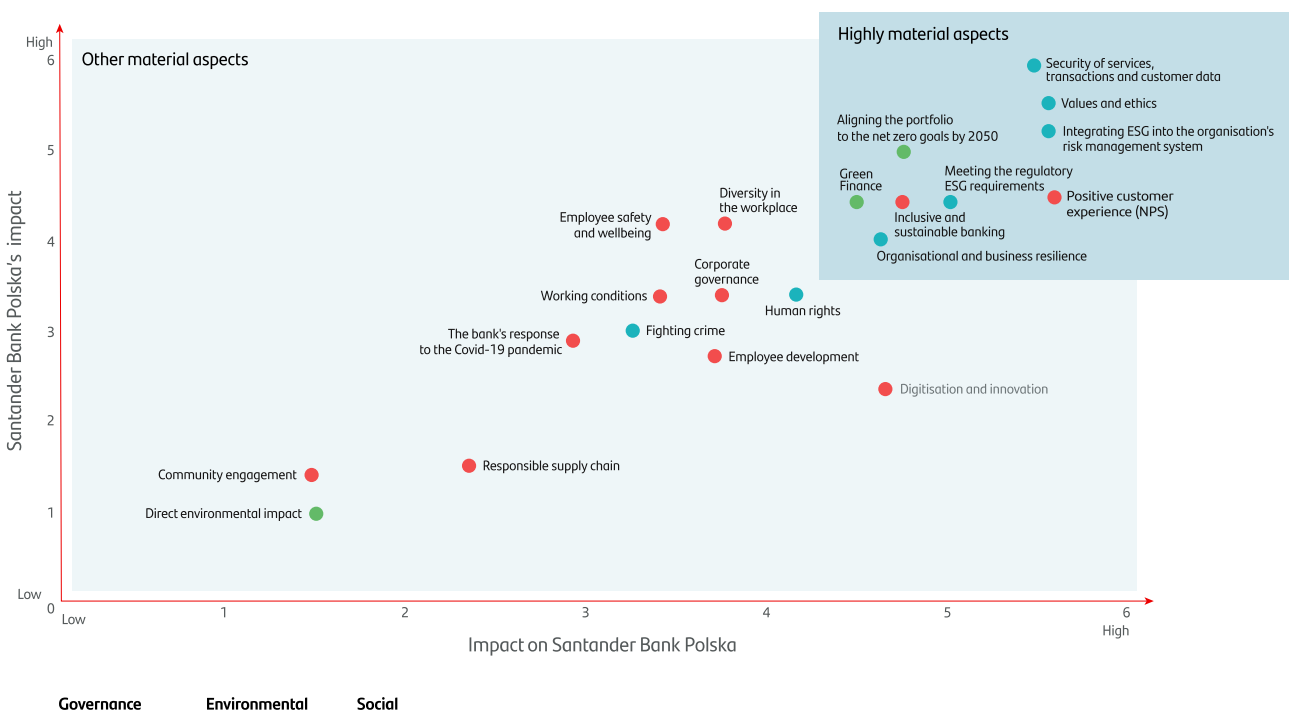
on Santander Bank Polska S.A. and b) the impact of Santander Bank Polska S.A. through a given aspect on the environment. Four stakeholder groups were invited to assess the impact on Santander Bank Polska S.A. (external experts – in the form of interviews, customers, employees and representatives of the third sector – in the form of an online survey). Santander’s impact was then assessed through a workshop by employees responsible for managing the ESG area in the organisation, taking into account the opinions of external experts.

- Subsequently, the average ratings given by each of the groups surveyed were assigned weights, with the highest weight given to the opinions of external experts. As a result, a matrix of material ESG aspects was developed that have a significant social, environmental and economic impact and influencing the performance of Santander Bank Polska S.A.

The final decision on the materiality of the themes identified was made by the bank’s CEO.

## ESG materiality matrix 2021 of Santander Bank Polska S.A.

### Materiality Matrix of ESG Aspects Results of the assessment process



The results of the above analyses have been taken into account while compiling this report. All of the reporting topics that were highlighted in the process of determining the content of the report as most relevant affect both our organisation and its objectives, as well as our environment.

There have been no significant changes in the measurement methods used in the current report compared to the previous report.

The material reporting topics have changed. A summary of the material reporting topics for 2020 vs. 2021 is shown in the table.

Topic	Material topic in 2021	Material Topic in 2020	Impact on the bank	Impact on the environment
Security of services, transactions and customer data	YES	YES	YES	YES
Values and ethics	YES	NO	YES	YES
Integrating ESG into the organisation's risk management system	YES	YES	YES	YES
Positive customer experience (NPS)	YES	YES	YES	YES
Aligning the portfolio to the net zero 2050 goals	YES	NO	YES	YES
Meeting the regulatory ESG requirements	YES	NO	YES	YES
Inclusive and sustainable banking	YES	NO	YES	YES
Green finance	YES	YES	YES	YES
Organisational and business resilience	YES	NO	YES	YES

Other material aspects:

- Diversity in the workplace
- Employee safety and wellbeing
- Human rights
- Corporate governance
- Digitalisation and innovation
- Working conditions
- Fighting crime
- Employee development
- The bank's response to the Covid-19 pandemic
- Responsible supply chain
- Community engagement
- Direct environmental impact

# Tables of reporting indicators

Statement of Compliance	Santander Bank Polska has prepared this report in accordance with the GRI Standards for the period from 1 January, 2021 to 31 December, 2021.
Applied GRI 1 standard	GRI 1: Foundation 2021
Applicable GRI sector standard	An updated sector standard for the financial industry has not yet been published so we refer in this report to selected GRI G4 Financial Services Sector Disclosures.

List of indicators covered in the report							
Indicator number	GRI standard	Indicator name	Report section	(SDGs) <sup>1</sup>	PRB <sup>2</sup>	ESG <sup>3</sup>	EC/TCFD <sup>4</sup>
<b>I. PROFILE DISCLOSURES [General Disclosures 2021]</b>							
<b>1. The organisation and its reporting practices</b>							
GRI 2-1	GRI 2. General Disclosures 2021	Organisational details	<ul style="list-style-type: none"> <li>Activity profile</li> <li>Contact</li> </ul>				
GRI 2-2	GRI 2. General Disclosures 2021	Entities included in the organization's sustainability reporting	<ul style="list-style-type: none"> <li>About the report/ Description of the reporting process</li> </ul>				
GRI 2-3	GRI 2. General Disclosures 2021	Reporting period, frequency and contact point	<ul style="list-style-type: none"> <li>About the report/ Description of the reporting process</li> </ul>				
GRI 2-4	GRI 2. General Disclosures 2021	Restatements of information	<ul style="list-style-type: none"> <li>About the report/ Description of the reporting process</li> </ul>				
GRI 2-5	GRI 2. General Disclosures 2021	External assurance	<ul style="list-style-type: none"> <li>About the report/Audit assurance</li> </ul>				
<b>2. Activities and workers</b>							
GRI 2-6	GRI 2. General Disclosures 2021	Activities, value chain and other business relationships	<ul style="list-style-type: none"> <li>Activity profile</li> <li>Sustainable value chain</li> </ul>				
GRI 2-7	GRI 2. General Disclosures 2021	Employees	<ul style="list-style-type: none"> <li>Employment structure</li> </ul>				
Custom indicator	Not applicable	Number of the bank's access points in Poland, including branches broken down by outlets operated directly by the bank and partner outlets	<ul style="list-style-type: none"> <li>Inclusive banking</li> </ul>				
GRI 2-8	GRI 2. General Disclosures 2021	Workers who are not employees	<ul style="list-style-type: none"> <li>Social performance</li> </ul>				

**List of indicators covered in the report**

Indicator number	GRI standard	Indicator name	Report section	(SDGs) <sup>1</sup>	PRB <sup>2</sup>	ESG <sup>3</sup>	EC/TCFD <sup>4</sup>
<b>I. PROFILE DISCLOSURES [General Disclosures 2021]</b>							
<b>3. Governance</b>							
GRI 2-9	GRI 2. General Disclosures 2021	Highest governance body structure and composition	<ul style="list-style-type: none"> <li>Governance structure</li> </ul>				
GRI 2-10	GRI 2. General Disclosures 2021	Nomination and selection of the highest governance body	<ul style="list-style-type: none"> <li>Governance structure</li> <li>Governance structure/ nomination of the management board</li> </ul>				
GRI 2-11	GRI 2. General Disclosures 2021	Chair of the highest governance body	<ul style="list-style-type: none"> <li>Governance structure</li> </ul>				
GRI 2-12	GRI 2. General Disclosures 2021	Role of the highest governance body in overseeing the management of impacts	<ul style="list-style-type: none"> <li>Governance structure</li> <li>Corporate governance/ Management remuneration process</li> <li>Risk</li> <li>Risk/ Responsibility for ESG risk management</li> </ul>				
GRI 2-13	GRI 2. General Disclosures 2021	Delegation of responsibility for managing impacts	<ul style="list-style-type: none"> <li>Governance structure</li> <li>Governance structure/ Committees</li> <li>Risk/ Responsibility for ESG risk management</li> </ul>				
GRI 2-14	GRI 2. General Disclosures 2021	Role of the highest governance body in sustainability reporting	<ul style="list-style-type: none"> <li>About the report/ Description of the reporting process</li> </ul>				
GRI 2-15	GRI 2. General Disclosures 2021	Conflict of interest	<ul style="list-style-type: none"> <li>Ethics</li> <li>Anti-corruption/ Conflict of interest</li> </ul>				
GRI 2-16	GRI 2. General Disclosures 2021	Communication of critical concerns	<ul style="list-style-type: none"> <li>Ethics/Whistleblowing</li> </ul>				
GRI 2-17	GRI 2. General Disclosures 2021	Collective knowledge of the highest governance body	<ul style="list-style-type: none"> <li>Responsible Banking – management of ESG issues/ Management commitment</li> </ul>				
GRI 2-19	GRI 2. General Disclosures 2021	Remuneration policies	<ul style="list-style-type: none"> <li>Corporate governance/ Remuneration policy</li> </ul>				
GRI 2-20	GRI 2. General Disclosures 2021	Process to determine remuneration	<ul style="list-style-type: none"> <li>Corporate governance/ Management remuneration process</li> </ul>				
GRI 2-20	GRI 2. General Disclosures 2021	Process to determine remuneration	<ul style="list-style-type: none"> <li>Corporate governance/ Management remuneration process</li> </ul>				
GRI 2-21	GRI 2. General Disclosures 2021	Annual total compensation ratio	<ul style="list-style-type: none"> <li>Social performance</li> </ul>				

### List of indicators covered in the report

Indicator number	GRI standard	Indicator name	Report section	(SDGs) <sup>1</sup>	PRB <sup>2</sup>	ESG <sup>3</sup>	EC/TCFD <sup>4</sup>
<b>I. PROFILE DISCLOSURES [General Disclosures 2021]</b>							
<b>4. Strategy, policies and practices</b>							
GRI 2-22	GRI 2. General Disclosures 2021	Statement on sustainable development strategy	<ul style="list-style-type: none"> <li>About the bank/ Interview with Michał Gajewski, CEO of Santander Bank Polska</li> </ul>				
GRI 2-23	GRI 2. General Disclosures 2021	Policy commitments	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Business strategy</li> <li>Responsible Banking – management of ESG issues</li> </ul>	13,17	PRB 1,3	ESG Environmental ESG Social ESG Governance	
GRI 2-24	GRI 2. General Disclosures 2021	Embedding policy commitments	<ul style="list-style-type: none"> <li>Business strategy</li> <li>Responsible Banking – management of ESG issues</li> </ul>				
GRI 2-25	GRI 2. General Disclosures 2021	Processes to remediate negative impacts	<ul style="list-style-type: none"> <li>Risk/ ESG risk management as part of the overall risk management system</li> </ul>				
GRI 2-26	GRI 2. General Disclosures 2021	Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> <li>Ethics</li> </ul>				
GRI 2-27	GRI 2. General Disclosures 2021	Compliance with laws and regulations	<ul style="list-style-type: none"> <li>Transparency and dialogue with customers/ Compliance with regulations</li> </ul>				
GRI 2-28	GRI 2. General Disclosures 2021	Membership associations	<ul style="list-style-type: none"> <li>Partnerships</li> </ul>	12, 13, 17	PRB 4	ESG Environmental ESG Social ESG Governance	
<b>5. Stakeholder engagement</b>							
GRI 2-29	GRI 2. General Disclosures 2021	Approach to stakeholder engagement	<ul style="list-style-type: none"> <li>Bank's stakeholders and relations with the environment</li> </ul>		PRB 4	ESG Governance	
GRI 2-30	GRI 2. General Disclosures 2021	Collective bargaining agreements	<ul style="list-style-type: none"> <li>Employment structure</li> </ul>				
<b>II. MATERIAL TOPICS</b>							
GRI 3-1	GRI 3. Material topics 2021	Process to determine material topics	<ul style="list-style-type: none"> <li>About the report/ Description of the reporting process</li> </ul>				
GRI 3-2	GRI 3. Material topics 2021	List of material topics	<ul style="list-style-type: none"> <li>About the report/ Description of the reporting process</li> </ul>				



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<b>II. MATERIAL TOPICS</b>							
<b>1. Reporting topic: Security of services, transactions and customer data</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Customer-centricity/ Cybersecurity</li> </ul>		PRB 3		
GRI 418-1	GRI 418. Customer privacy 2016	Total number of justified complaints regarding breaches of customer privacy and data loss	<ul style="list-style-type: none"> <li>Customer-centricity/ Cybersecurity</li> </ul>				
Custom indicator	Not applicable	Actions implemented to ensure cybersecurity	<ul style="list-style-type: none"> <li>Customer-centricity/ Cybersecurity</li> </ul>		PRB 3		
<b>2. Reporting topic: Values and ethics</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Ethics</li> <li>Anti-corruption</li> </ul>	SDG 8		ESG Governance	
GRI 205-2	GRI 205. Anti-corruption 2016	Communication and training on anti-corruption policies and procedures (indicator reported partially)	<ul style="list-style-type: none"> <li>Ethics/ Performance of ethical policies</li> </ul>				
GRI 205-3	GRI 205. Anti-corruption 2016	Confirmed cases of corruption and actions taken in response to them	<ul style="list-style-type: none"> <li>Anti-corruption</li> </ul>				
Custom indicator	Not applicable	List of key activities and initiatives carried out in the bank during the year to increase employees' knowledge of the bank's ethics and culture	<ul style="list-style-type: none"> <li>Ethics/ Employee education on ethical issues</li> </ul>		PRB 5	ESG Governance	
Custom indicator	Not applicable	Number of reports of misconduct and/or matters of concern to the „Ethical Mailbox“ and the helpline	<ul style="list-style-type: none"> <li>Ethics/Whistleblowing</li> </ul>	SDG 8	PRB 5	ESG Governance	
GRI 415-1	GRI 415. Social engagement 2016	Total financial and in-kind donations to political parties, politicians and similar organizations	<ul style="list-style-type: none"> <li>PLN 0</li> </ul>				
GRI 417-2	GRI 417. Marketing and labelling 2016	Total number of incidents of non-compliance with regulations and/ or voluntary codes concerning product and service information and labelling	<ul style="list-style-type: none"> <li>Transparency and dialogue with customers/ Compliance with responsible sales and marketing regulations</li> </ul>				

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<b>II. MATERIAL TOPICS</b>							
<b>2. Reporting topic: Values and ethics</b>							
GRI 417-3	GRI 417. Marketing and labelling 2016	Total number of incidents of non-compliance with regulations and/or voluntary codes concerning marketing communications	<ul style="list-style-type: none"> <li>Transparency and dialogue with customers / Compliance with responsible sales and marketing regulations</li> </ul>				
GRI 419-1	GRI 419. Compliance with law 2016	Value of significant fines and non-monetary sanctions for non-compliance with laws and/or regulations	<ul style="list-style-type: none"> <li>Transparency and dialogue with customers / Compliance with responsible sales and marketing regulations</li> </ul>				
<b>3. Reporting topic: Integrating ESG into the organisation's risk management system</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Risk/ ESG risk management as part of the risk management system</li> </ul>				
Custom indicator	Description of policies, procedures and results of climate risk exposure testing		<ul style="list-style-type: none"> <li>Risk management (TCFD Report)</li> </ul>				
<b>4. Reporting topic: Meeting regulatory ESG requirements</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Business model and value creation model</li> </ul>				
Custom indicator	Description of the bank's approach to integrating the requirements of the ESG regulations into its business strategy		<ul style="list-style-type: none"> <li>Strategy (TCFD Report)</li> </ul>				
<b>5. Reporting topic: Operational and business resilience</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Business model and value creation model</li> </ul>				
GRI 201-1	GRI 201. Economic performance	Direct value generated and distributed	<ul style="list-style-type: none"> <li>Governance performance</li> </ul>			ESG Governance	
GRI 203-2	GRI 203. Indirect economic impact	Material indirect economic impact	<ul style="list-style-type: none"> <li>Bank's stakeholders and relations with the environment</li> </ul>				

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Indicator number	GRI standard	Indicator name	Report section	(SDGs) <sup>1</sup>	PRB <sup>2</sup>	ESG <sup>3</sup>	EC/TCFD <sup>4</sup>
<b>II. MATERIAL TOPICS</b>							
<b>6. Reporting topic: Positive customer experience (NPS)</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Transparency and dialogue with customers/Customer satisfaction surveys</li> </ul>				
Custom indicator	Not applicable	Main actions to increase customer satisfaction	<ul style="list-style-type: none"> <li>Customer-centricity/Service quality</li> </ul>				
Custom indicator	Not applicable	Results of customer satisfaction measurement	<ul style="list-style-type: none"> <li>Transparency and dialogue with customers/Customer satisfaction surveys</li> </ul>				
<b>7. Reporting topic: Inclusive and sustainable banking</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Inclusive banking</li> </ul>	SDG 4, 8, 10, 11	PRB 1	ESG Social	
Custom indicator	Not applicable	Information about key products, including new products introduced during the reporting period	<ul style="list-style-type: none"> <li>New technologies and innovation</li> </ul>		PRB 3		
Custom indicator	Not applicable	Products and initiatives for small and medium-sized enterprises (SMEs)	<ul style="list-style-type: none"> <li>New technologies and innovation/Innovations and initiatives for SME segment customers launched in 2021</li> </ul>		PRB 3		
Custom indicator	Not applicable	Number of bank branches with Barrier-Free Service certification	<ul style="list-style-type: none"> <li>Inclusive banking/Barrier-free service table – results of our activities</li> </ul>	SDG 8, 10			
Custom indicator	Not applicable	Number of beneficiaries of projects and social initiatives in the field of education initiated and/or supported in a given year by the bank and/or the bank's Foundation	<ul style="list-style-type: none"> <li>Santander Foundation</li> </ul>	SDG 4, 8, 11		ESG Social	
FS 14	Sector supplement	Actions taken to ensure access to financial services for people from disadvantaged groups	<ul style="list-style-type: none"> <li>Inclusive banking/Inclusion</li> </ul>	SDG 8, 10	PRB 3		

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<b>II. MATERIAL TOPICS</b>							
<b>8. Reporting topic: Aligning the portfolio to the goals of the Net Zero 2050 strategy</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Approach to managing environmental impact and climate protection / Global Strategy Net Zero</li> <li>Eco-friendly products and services</li> <li>Green financing</li> </ul>	SDG 13, 17	PRB 2	ESG Environmental ESG Governance	
GRI 305-3	GRI 305. Emissions 2016	Other indirect greenhouse gas emissions	<ul style="list-style-type: none"> <li>Environmental impact of operations</li> </ul>			ESG Environmental	EC/TCFD
<b>9. Reporting topic: Green finance</b>							
GRI 3-3	GRI 3. General Disclosures 2021	Management of material topics (identified as material in the materiality matrix)	<ul style="list-style-type: none"> <li>Green Bank – Environment/</li> <li>Approach to managing environmental impact and climate protection</li> <li>Green financing</li> </ul>	SDG 3, 8, 12, 13	PRB 1, 2	ESG Environmental	EC/TCFD
Custom indicator	Not applicable	Main eco-friendly products and services offered to customers, including offerings that influence climate change solutions	<ul style="list-style-type: none"> <li>Eco-friendly products and services</li> <li>Green financing</li> </ul>	SDG 3, 8, 12, 13	PRB 2, 3	ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	The impact of climate issues and associated risks on a company's business model, strategy and financial plans. Impact of the business model on climate	<ul style="list-style-type: none"> <li>Approach to managing environmental impact and climate protection</li> </ul>	SDG 8, 13		ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	The company's dependence on natural capital	<ul style="list-style-type: none"> <li>Environmental impact of operations</li> </ul>	SDG 8, 13		ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	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 across the value chain	<ul style="list-style-type: none"> <li>Green Bank – Environment</li> <li>Strategy / Climate opportunities (TCFD Report)</li> </ul>	SDG 8, 13	PRB 2	ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	Company climate-related policies, including climate change mitigation or adaptation policies	<ul style="list-style-type: none"> <li>Approach to managing environmental impact and climate protection</li> </ul>	SDG 3, 8, 12, 13	PRB 1, 2	ESG Environmental	EC/TCFD

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<b>II. MATERIAL TOPICS</b>							
<b>9. Reporting topic: Green finance</b>							
EC/TCFD	Not applicable	Climate-related targets, including greenhouse gas emission targets	<ul style="list-style-type: none"> <li>Environmental impact of operations</li> <li>Strategy (<i>TCFD Report</i>)</li> </ul>		PRB 2	ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	Energy-related policy targets	<ul style="list-style-type: none"> <li>Strategy / Towards a climate-neutral bank</li> </ul>			ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	Management oversight of climate-related risks and opportunities	<ul style="list-style-type: none"> <li>Approach to managing environmental impact and climate protection/ Environmental and climate risks at Santander Bank Polska</li> <li>Corporate governance</li> </ul>	SDG 3, 8, 12, 13	PRB 1,2	ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	The role of management in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> <li>Strategy / Scenario analysis</li> </ul>	SDG 8, 13	PRB 1, 2	ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	The processes used to identify and assess climate-related risks, the main risks, and how these risks are managed	<ul style="list-style-type: none"> <li>Sustainable supply chain</li> </ul>	SDG 8, 13		ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	The main climate risks across the value chain in the short, medium and long-term perspective. Risk maps that take climate-related issues into account	<ul style="list-style-type: none"> <li>Strategy / Results of the analysis of the impact of risks on the bank</li> <li>Risk management</li> </ul>	SDG 8, 13		ESG Environmental	EC/TCFD
EC/TCFD	Not applicable	Integrating the assessment of climate-related risks and opportunities into relevant Investment, Credit and Insurance Strategies	<ul style="list-style-type: none"> <li>Eco-friendly products and services</li> <li>Green financing</li> </ul>	SDG 8, 13		ESG Environmental	EC/TCFD
<b>Direct impact on the environment</b>							
GRI 301-1	GRI 301. Raw materials 2016	Materials used by weight or volume	<ul style="list-style-type: none"> <li>Environmental impact of operations</li> </ul>			ESG Environmental	EC/TCFD
GRI 302-1	GRI 302. Energy 2016	Energy consumption within the organization	<ul style="list-style-type: none"> <li>Environmental impact of operations</li> </ul>			ESG Environmental	EC/TCFD
GRI 305-1	GRI 305. Emissions 2016	Total direct greenhouse gas emissions	<ul style="list-style-type: none"> <li>Environmental impact of operations</li> </ul>			ESG Environmental	EC/TCFD
GRI 305-2	GRI 305. Emissions 2016	Total indirect greenhouse gas emissions by weight	<ul style="list-style-type: none"> <li>Environmental impact of operations</li> </ul>			ESG Environmental	EC/TCFD

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<b>Digitalisation and innovation</b>							
Custom indicator	Not applicable	Number of customers using mobile and online banking	• Business model and value creation model				
Custom indicator	Not applicable	Number of interactions in remote channels	• Business model and value creation model				
<b>Work conditions</b>							
GRI 401-1	GRI 401. Employment 2016	Total number and percentage of new employees and total number of employees who left the organization during the reporting period	• Social performance/ Employee turnover	SDG 5, 8			
GRI 202-1	GRI 202. Economic performance 2016	Ratios of standard entry level wage by gender compared to local minimum wage	• Remuneration and benefits	SDG 5, 8			
GRI 401-2	GRI 401. Employment 2016	Additional benefits (perks) provided to full-time employees	• Remuneration and benefits	SDG 5, 8			
<b>Employee safety and wellbeing</b>							
GRI 403-2	GRI 403. Occupational health and safety 2018	Hazard identification, risk assessment and incident investigation	• Occupational health and safety				
GRI 403-6	GRI 403. Occupational health and safety 2018	Health promotion	• Occupational health and safety				
GRI 403-9	GRI 403. Occupational health and safety 2018	Type and rate of work-related injuries	• Social performance/ Occupational health and safety / Table Work accidents (incidents) in 2021 by gender	SDG 3, 8		ESG Social	
<b>Employee development</b>							
GRI 404-1	GRI 404. Training and education 2016	Number of training days per year per employee by employment structure	• Training and development		SDG 5, 8		ESG Social
GRI 404-2	GRI 404. Training and education 2016		• Training and development		SDG 5, 8	PRB 5	ESG Social
GRI 404-3	GRI 404. Training and education 2016	Percentage of employees subject to regular performance evaluation and career development reviews, by gender and employment category	• Social performance/ Performance evaluation table		SDG 5, 8		ESG Social

### List of indicators covered in the report

Indicator number	GRI standard	Indicator name	Report section	(SDGs) <sup>1</sup>	PRB <sup>2</sup>	ESG <sup>3</sup>	EC/TCFD <sup>4</sup>
<b>Workplace diversity</b>							
GRI 405-1	GRI 405. Diversity and equal opportunities 2016	Diversity of supervisory bodies and staff (Composition of supervisory bodies and staff by gender, age, minorities, and other diversity indicators).	<ul style="list-style-type: none"> <li>Workplace diversity/ Composition of the Bank's Management Board by age category and diversity – table</li> </ul>	SDG 5, 8		ESG Governance	
GRI 405-2	GRI 405. Diversity and equal opportunities 2016	Ratio of male to female base salary by position held	<ul style="list-style-type: none"> <li>Social performance/ Remuneration table</li> </ul>	SDG 5, 8			
GRI 406-1	GRI 406. Anti-discrimination 2016	Total number of discrimination cases	<ul style="list-style-type: none"> <li>Workplace diversity/ Anti-discrimination</li> </ul>	SDG 5, 8		ESG Social	
GRI 308-1	GRI 308. Environmental assessment of suppliers 2016	Percentage of new suppliers assessed according to environmental criteria	<ul style="list-style-type: none"> <li>Sustainable supply chain</li> <li>Sustainable supply chain/ Key indicators reflecting the performance of purchasing policies</li> </ul>	SDG 5		ESG Social ESG Environmental	EC/TCFD
GRI 414-1	GRI 414. Social assessment of suppliers 2016	Percentage of new suppliers assessed against social criteria	<ul style="list-style-type: none"> <li>Sustainable supply chain</li> <li>Sustainable supply chain/ Key indicators reflecting the performance of purchasing policies</li> </ul>	SDG 5, 8		ESG Social	
<b>Social engagement</b>							
Custom indicator	Not applicable	Scale of corporate volunteering	<ul style="list-style-type: none"> <li>Corporate volunteering</li> </ul>	SDG 11		ESG Social	
Custom indicator	Not applicable	Number of beneficiaries of corporate volunteering activities / year	<ul style="list-style-type: none"> <li>Corporate volunteering</li> </ul>	SDG 11		ESG Social	
Custom indicator	Not applicable	Total amount allocated to community engagement activities	<ul style="list-style-type: none"> <li>Corporate volunteering</li> </ul>	SDG 11		ESG Social	

<sup>[1]</sup> Reference to UN Sustainable Development Goals 2015 – 2030

<sup>[2]</sup> Reference to UNEP Finance Principles for Responsible Banking

<sup>[3]</sup> Reference to ESG factors (Environment S – Social G – Governance)

<sup>[4]</sup> Reference to the European Commission Guidelines on reporting climate related information (including the Guidelines of the Task Force on Climate-related Financial Disclosures / TCFD)

### List of indicators according to the 'ESG Reporting Guidelines. A guide for WSE listed companies

Indicator	Name	Report section
E-P1	Greenhouse gas emissions	Environmental impact of operations
E-P2	Energy consumption	Environmental impact of operations
E-P3	Climate-related risks and benefits	Green Bank – Environment Approach to managing environmental impact and climate protection
E-S2	Emissions management	Environmental impact of operations
E-S3	Water consumption	Environmental impact of operations
E-S5	Impact on biodiversity	Santander Bank Polska S.A.'s operations have a negligible impact on biodiversity. Our Responsible Banking Strategy identifies other environmental impact issues as priorities.
E-S6	Pollution and waste	Environmental impact of operations
S-P1	Diversity in supervisory bodies	Governance structure
S-P2	Equal pay index	Remuneration and benefits/ Equal pay
S-P3	Staff turnover	Social performance/Employee turnover
S-P4	Freedom of association and collective bargaining	Employment structure
S-S1	Occupational health and safety	Occupational health and safety
S-P5	Human rights policy	Human rights policy
S-P6	Human rights due diligence procedures	Human rights policy
G-P1	Structure of management bodies	Governance structure
G-P2	Code of ethics	Ethics
G-P3	Anti-corruption policy	Anti-corruption
G-P4	Whistleblowing mechanism	Ethics/Whistleblowing
G-S1	Data protection policy	Customer-centricity/ Cybersecurity



# Audit assurance

[GRI: 2-5]

## Report on the performance of an independent assurance service providing limited assurance

### For the Management Board of Santander Bank Polska S.A.

#### Scope of service

We have been engaged by the Management Board of Santander Bank Polska S.A. ("The Bank") to perform an independent assurance service with limited assurance to assess the compliance of the indicators selected by the bank and listed in Appendix 1 to this Report (hereinafter: "indicators to be verified") presented in the Santander Bank Polska S.A. ESG Report for the period from 1 January 2021 to 31 December 2021. (Hereinafter: "ESG Report") with the GRI Standards guidelines developed by the Global Reporting Initiative (hereinafter: "GRI Standards guidelines"), Communication from

the European Commission regarding Guidelines on non-financial reporting: Supplement on reporting climate-related information (hereinafter: "EC guidelines") and Recommendations of Task Force on Climate-related Financial Disclosures (2017) (hereinafter: "TCFD guidelines") in order to implement the Bank's policy to externally certify the compliance of selected parts of the ESG Report with the GRI Standards, EC guidelines and TCFD guidelines in accordance with GRI Standards Guideline No. 102-56;

#### Responsibility of the Management Board

The Bank's management is responsible for the preparation and fair presentation of the verifiable indicators presented in the ESG Report in accordance with the GRI Standards guidelines, EC guidelines and

TCFD guidelines. This responsibility also includes designing, implementing and maintaining an internal control system that enables the preparation and presentation of the verifiable indicators free from material misstatement due to fraud or error

#### Auditor's Responsibility

Our task was to carry out an assurance service providing limited assurance and to present a conclusion on the work done. We performed the service in accordance with the provisions of International Standard on Assurance Engagements 3000

'Assurance Engagements other than an Audit or Review of Historical Financial Information' issued by the International Auditing and Assurance Standards Board (IAASB) and with regard to verification of greenhouse gas emissions disclosures, with

KPMG Advisory spółka z ograniczoną odpowiedzialnością sp. k.

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1

#### Translation of Polish version of the Report

provisions of International Standard on Assurance Engagements 3410 "Assurance Engagements on Greenhouse Gas Statements" issued by IAASB. This standard requires us to plan and execute procedures in such a way as to obtain limited assurance that the verifiable indicators included in the ESG Report have been presented, in all material respects, in accordance with the GRI Standards guideline, EC guidelines and TCFD guidelines.

As a firm, we apply the Principles for Internal Quality Control in an Auditing Entity as set out in the IAASB's International Standard on Quality Control 1, which requires us to implement and maintain a comprehensive

#### Procedures performed

The choice of procedures depends on our judgement and understanding of the subject matter of the service, including our assessment of the risk of material misstatement of the indicators to be verified. In conducting our assessment of this risk, we consider the internal control associated with the preparation of the ESG Report and the presentation of the indicators to be verified in order to plan the appropriate procedures, rather than to express an opinion on its effectiveness.

Our procedures also included an assessment of whether the subject matter of the service is appropriate, and the criteria adopted appropriate to the circumstances. The range of procedures performed during a service providing limited assurance is more limited than in a service providing reasonable assurance. Therefore, the level of assurance obtained with a service providing limited assurance is lower than the level of assurance that would have been obtained had a service providing reasonable assurance been carried out.

The procedures performed concerned the indicators subject to verification presented in the ESG Report and did not cover the other information presented in the ESG Report.

Our procedures included, in particular:

- Obtain, through interviews, an understanding of the internal control system enabling the preparation of the ESG Report and the presentation of the indicators to be verified in it,

quality control system with documented policies and procedures for compliance with ethical principles, professional standards and applicable regulations and laws. We comply with the independence and ethics requirements of the Code of Ethics for Professional Accountants issued by the Council of International Ethical Standards for Accountants, which is based on the fundamental principles of integrity, objectivity, professional competence, and due diligence, maintaining the secrecy of information and professional conduct.

- Obtain, through interviews, an understanding of the source data collection methods and assumptions used to prepare the indicators to be verified.
- Checking the completeness of the information and assessing the adequacy of the content of the indicators to be verified with the GRI Standards guidelines, EC guidelines and TCFD guidelines.
- Compare the information contained in the indicators to be verified with the Bank's internal documentation.
- Reconciliation of GRI indicators 102-1, 102-3, 102-5, 102-7, 102-18 and 102-45 to the Bank's financial statements or management reports approved by the General Shareholders' Meeting for the financial year ending 31 December 2021 and for the financial year ending 31 December 2021, and/or to the Bank's accounting records.
- Reconciliation of GRI 102-2, 102-4, 102-6, 102-7, 102-8, 102-9, 102-10, 102-11, 102-12, 102-13, 102-14, 102-10, 102-40, 102-41, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47, 102-48, 102-49, 102-50, 102-51, 102-52, 102-53, 205-3, 103-1, 103-2, 406-1 and 410-1 to documents, reports or other sources of information presented by the Bank.
- Reconciliation to source data presented by the Bank and verification of the mathematical correctness of the calculation of indicators of a quantitative

2

#### Translation of Polish version of the Report

nature (i.e.: GRI 102-8, 401-1, 404-1, 404-3, 405-1 and 405-2).

- Reconciliation to source data provided by the Bank of climate-related targets,

including greenhouse gas emission targets and energy-related values.

- Reconciliation to source data provided by the Bank of the main climate risks in the short, medium and long term.

#### Conclusion

The basis for the formulation of our proposal is the issues described in this Report and our proposal should therefore be read with these issues in mind.

We consider that the evidence we have obtained is sufficient and adequate to form the basis of our application.

On the basis of the procedures carried out, we found nothing to lead us to believe that the indicators to be verified presented in the ESG Report were not presented, in all material respects, in accordance with the GRI Standards guidelines, EC guidelines and TCFD guidelines.

On behalf of  
**KPMG Advisory spółka z ograniczoną odpowiedzialnością sp. k.**

Andrzej Galkowski  
Representative

Signed on the Polish version of the report

Warsaw, 27 July 2022

3

#### Translation of Polish version of the Report

#### Appendix 1 - List of indicators to be verified

Lp.	Wskaźnik GRI 2016	Wskaźnik GRI 2021	Nazwa wskaźnika
1	102-1	2-1	Name of organisation
2	102-2	2-6	Areas of activity, brands, products and services
3	102-3	2-1	Location of organisation's headquarters
4	102-4	2-1	Locations where the organisation operates
5	102-5	2-1	Form of ownership and legal structure of the organisation
6	102-6	2-6	Markets served
7	102-7	2-6	Scale of operations
8	102-8	2-7	Information about the organisation's employees and staff
9	102-9	2-6	Description of the supply chain
10	102-10	2-6	Significant changes during the reporting period concerning the organisation or the supply chain
11	102-11	2-23	Description of precautionary approach
12	102-12	N/A	External initiatives
13	102-13	2-28	Membership in organisations
14	102-14	2-22	Statement from top management
15	102-16	2-23	The organisation's values, principles, code and standards of behaviour and ethics
16	102-18	2-9	Governance structure of the organisation
17	102-40	2-29	List of stakeholder groups
18	102-41	2-30	Collective agreements
19	102-42	2-29	Basis for stakeholder identification and selection
20	102-43	2-29	Approaches to stakeholder engagement
21	102-44	N/A	Key issues and concerns raised by stakeholders
22	102-45	2-2	Business units included in the consolidated financial statements
23	102-46	3-1	Process for defining report content
24	102-47	3-2	Material aspects identified during the report definition process
25	102-48	2-4	Revisions to information published in previous reports
26	102-49	3-2	Significant changes from the previous report

4

## Translation of Polish version of the Report

Lp.	Wskaźnik GRI 2016	Wskaźnik GRI 2021	Nazwa wskaźnika
27	102-50	2-3	Reporting period
28	102-51	N/A	Date of publication of last report
29	102-52	2-3	Reporting cycle
30	102-53	2-3	Contact person for questions regarding the report
31	102-55	N/A	GRI Index
32	102-56	2-5	External verification of the report
33	103-1	3-3	Explanation of materiality of material aspects identified during report definition process
34	103-2	3-3	Description of the organisation's governance concept and components (e.g. complaint management mechanism)
35	205-3	N/A	Confirmed cases of corruption and actions taken in response to them
36	401-1	N/A	Newly recruited staff and staff turnover
37	404-1	N/A	Average number of training hours per year per employee
38	404-3	N/A	Percentage of employees subject to regular performance appraisals and career development reviews
39	405-1	N/A	Diversity of supervisory bodies and employees
40	405-2	N/A	Ratio of basic salary of men to basic salary of women
41	406-1	N/A	Total number of incidents of discrimination and corrective action taken on this issue
42	419-1	N/A	Lack of compliance with laws and regulations in the social and economic sphere

No.	Indicator	Business model disclosures
1	KE/TCFD	The impact of climate issues and related risks on the company's business model, strategy and financial plans. Impact of business model on climate.
2	KE/TCFD	The company's dependence on natural capital
3	KE/TCFD	Incorporating climate-related risk assessment and opportunities into relevant investment, credit and insurance strategies
4	KE/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 across the value chain
5	KE/TCFD	Major pro-environmental products and services offered to customers, including offerings affecting climate change solutions
<b>Disclosures regarding due diligence policies and processes</b>		
6	KE/TCFD	Corporate climate-related policies, including climate change mitigation or adaptation policies
7	KE/TCFD	The oversight of climate-related risks and opportunities by the Management Board

5

## Translation of Polish version of the Report

8	KE/TCFD	Board's role in assessing and managing climate-related risks and opportunities
9	KE/TCFD	Climate-related targets, including greenhouse gas emission targets
<b>Disclosures on main risks and their management</b>		
10	KE/TCFD	Processes used to identify and assess climate-related risks, the main risks, and how these risks are managed
11	KE/TCFD	Major climate-related risks across the value chain in the short, medium and long term. Risk maps that address climate-related issues

6

# 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

## **Contact center**

Centre for contacts with customers (Multichannel Communication Centre)

## **CRM**

Customer Relationship Management

## **CSR**

Corporate Sustainability and Responsibility

## **EBOR**

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**

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

## **Banco Santander Group**

Main shareholder of Santander Bank Polska S.A. One of the largest financial groups in the world, headquartered in Spain, operating in many European and global markets. Also referred to as the Banco Santander Group or the Santander Group.

## **Santander Bank Polska Group**

Santander Bank Polska Group (also referred to as the Group in this report) consists of Santander Bank Polska S.A. and its subsidiaries. The Group conducts its operations in Poland.

## **Santander Group**

Main shareholder of Santander Bank Polska S.A. One of the largest financial groups in the world, headquartered in Spain, operating in many European and global markets. Also referred to as the Banco Santander Group or the Santander Group.

## **Stakeholders**

Parties who have influence on the organisation or are under the organisation's influence

## **IVR**

Interactive Voice Response system used in telephone customer service

## **LEED**

Leadership in Energy and Environmental Design

## **MCC**

Multichannel Communication Centre

## **Misselling**

Irresponsible and unethical selling of financial products

## **SME**

Small and Medium-Size Enterprises

## **NPS**

Net Promoter Score – an indicator for measuring customer loyalty and customer propensity to recommend a brand

**PFR**

Polish Development Fund

**PSL**

Polish Sign Language. Remote video service in PSL is provided by the bank's Contact Centre employees.

**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.

**Santander Bank Polska S.A.**

Parent company of the Santander Bank Polska Group

**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.

**SFDR**

Sustainable Finance Disclosure Regulation, Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector

**Anti-Crisis Shield**

Financial Shield of the Polish Development Fund for Companies and Employees, i.e. the Anti-Crisis Shield assistance program designed to protect the labour market and provide companies with financial liquidity in times of pandemic.

**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.

**ZBP**

Polish Bank Association.

# Contact

[GRI: 2-1]

**If you have questions or suggestions concerning this report,  
please do not hesitate to contact us.**

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