

RESPONSIBLE BANKING AND SUSTAINABILITY POLICY

Santander Bank Polska Group

1	INTRODUCTION.....	3
2	DEFINITION.....	3
3	SCOPE OF APPLICATION	4
4	PRINCIPLES	4
5	LINES OF ACTION	5
	<i>5.1. Actions on environmental matters.....</i>	<i>5</i>
	<i>5.2. Actions on social matters.....</i>	<i>7</i>
6	KEY PROCESSES	8
	<i>6.1. Identification of material issues</i>	<i>8</i>
	<i>6.2. Human rights due diligence implementation</i>	<i>8</i>
	<i>6.3. Communication and engagement channels</i>	<i>8</i>
	<i>6.4. Training and skills development.....</i>	<i>10</i>
7	GOVERNANCE	10
8	OWNERSHIP, INTERPRETATION, ENTRY INTO FORCE AND REGULAR REVIEW	11
	<i>8.1. Ownership.....</i>	<i>11</i>
	<i>8.2. Interpretation.....</i>	<i>11</i>
	<i>8.3. Validity date and periodic review</i>	<i>11</i>
9	VERSION CONTROL	Błąd! Nie zdefiniowano zakładki.

1 INTRODUCTION

This document defines the approach of Santander Bank Polska S.A. ("Santander" or the "Bank") and the Santander Bank Polska Group (the "Group") to Responsible Banking and Sustainability. It includes the principles, lines of action, key processes, and governance of social, environmental and governance¹ issues, associated to our activity with employees, customers, suppliers, shareholders and investors, and communities.

It is consistent with the best practice described in international conventions and protocols, codes of conduct and international guidelines applicable in this matter (see Appendix 1).

This policy is complemented by the Responsible Banking Model, and other policies², whose scope is systematically reviewed to ensure compliance with international best practices.

2 DEFINITION

Responsible Banking and Sustainability at the Santander Bank Polska Group aim to create long-term value for all its stakeholders. To do this, the impacts, risks and opportunities associated with our activity are identified and managed, promoting the positive impacts and opportunities, and mitigating the negative impacts and risks.

The Bank establishes its ambition in sustainability areas, which are also integrated in its strategy. These ambitions are as follows:

In the environment field: working on progress towards our net zero ambition by 2050, which include works on developing our transition plan, portfolio tracking and care for the environment. We're progressing in our three-pillar strategy by: supporting our customers in their transition goals; embedding climate in risk management; aiming to align our activity with the Paris Agreement Goals. In this sense, we are also progressing on the understanding of impacts and dependencies of our activity with nature and biodiversity.

In the social field: supporting growth through financial inclusion and financial health, socially responsible investment and financing, support for education, employability and entrepreneurship, digital inclusion and development of an inclusive culture that promotes meritocracy; all by supporting and respecting human rights.

In the governance field: embedding behaviours, processes and policies that allow us to act ethically

¹ Including fiscal responsibility, respect for human rights, prevention of corruption and other illegal conduct.

² **Main policies:** General Code of Conduct; Corporate Culture Policy; Environmental, Social and Climate Change Risk Management, Policy for the Financing of Sensitive Sectors and this Responsible Banking and Sustainability Policy. In addition, we have **other policies supporting** the strategy of sustainability: Risk management model of conduct with customers; Code of Conduct in the Securities Markets; Policy of 5 Principles of Cybersecurity; Policy on Cooperation with Suppliers and Outsourcing; Tax Policy; Policy on Conflicts of Interest Prevention; Defense Sector Policy; Health, Safety and Wellbeing Policy; Anti-Money Laundering and Countering the Financing of Terrorism Policy; Anti-Bribery and Corruption Policy; Policy for Handling Complaints, Queries and Root Cause Analysis; Training Policy; Remuneration Policy; Policy of commercialisation of product and services; Customer Protection Policy; Donation Policy; Reputational Risk Management Policy; Whistleblowing Channels Policy; Policy on financing of political parties. Selected regulations are available on [Santander ESG Report 2024](#).

and responsibly, listening to our stakeholders and treating them in a Simple, Personal and Fair way, all based on robust governance and prudent risk management. Actions in this field are articulated through various regulatory documents of the Bank².

3 SCOPE OF APPLICATION

This policy is directly applicable to the corporation, and is considered a reference document that may be used as a guide for other units in the development of the subject area in question.

The Santander Bank Polska Group entities:

- 1) Santander Leasing S.A.,
- 2) Santander Factoring sp. z o.o.,
- 3) Santander Towarzystwo Funduszy Inwestycyjnych S.A.,
- 4) Santander Consumer Bank S.A.

are expected to use it as a basis for developing their own regulations, without prejudice to any adaptation that may be required for compliance with regulations, recommendations or requirements of supervisory authorities, among other reasons.

4 PRINCIPLES

The following principles, as set out in the Responsible Banking Corporate Framework, dictate the Group's minimum standards regarding all Responsible Banking and Sustainability activities. These principles must be followed at all times:

- **Customer orientation.** the Group establishes responsible relationships with customers that promote sustainable practices, supporting long-term growth.
- **Contribution to global challenges.** the Group promotes the contribution of its activity to the challenges and needs of the people and societies we serve in accordance with international standards.
- **Coordinated approach of Responsible Banking and Sustainability at the Group.** The management and execution of the Sustainability agenda requires full coordination between the Bank and its subsidiaries. The Group's entities have common tools and methodologies adapted to their business context.
- **Senior Management Implication.** The Management Board and the Supervisory Board are responsible for the supervision and approval of the Group's sustainability strategy, and integrating sustainability criteria into the Group's strategy (in the short, medium and/or long

term), commercial and financial plans, and within the risk management framework.

- **Involvement of all employees.** the Group promotes the involvement of all employees in promoting sustainable and inclusive growth.
- **Engagement with stakeholders.** Active listening, improved collaboration, and commitment with stakeholders to help society prosper, collaborating and facilitating capacity building in sustainability issues.
- **Measurement and transparency.** The Group has established key performance indicators and objectives aligned with our strategy in relation to social, environmental, and social issues. We apply transparency practices in the disclosure of Santander actions in the field of responsible banking and sustainability.

5 LINES OF ACTION

The Group carries out social and environmental actions that are supported by a good governance and are focused on creating long-term value, that goes beyond its legal obligations and that affect both its own operations and of its banking and financial activity.

5.1. Actions on environmental matters

The Group recognizes society's right to enjoy a clean and healthy environment and takes action to minimize the environmental impact of its operations and comply with applicable environmental legal requirements, as well as others voluntarily assumed.

Through banking and financial activity:

The Group works to embed environmental aspects across the entire organization. For this purpose, the group considers frameworks³ and international reference standards of reference at all times with the objective of:

- Identify environmental impacts, risks, and opportunities during the analysis process of financing and investment activities.
- Contribute to the protection of the environment by, among others, supporting the expansion of the use of renewable energy and low-carbon technologies, as well as other solutions that facilitate the energy transition.

³ Such as the Paris Agreement and the Global Biodiversity Framework.

- Analyse the impact of climate change, identifying the needs the transition to a low-carbon economy can present, offering, where possible, financial products and services that support sustainability.
- Analyse environmental risks and their impact on financial activity, for their gradual integration into corporate policies, management processes and systems, including the compliance with regulatory requirements.
- Gradually building portfolios supporting energy transformation and resilient economy.
- Communicate in a transparent way the progress on environmental sustainability, informing the decision making of our stakeholders and fostering environmental awareness.

Through internal environmental management

To facilitate the effectiveness of the management of its direct environmental impact, the Group works on:

- Promoting and improving management systems based on internationally accepted regulatory standards (ISO standards)
- Measuring and disclosing its carbon footprint, as well as establishing a plan for its reduction including its supply chain, relying, among others, on the following levers:
 - The use of renewable energies, including a self-consumption model.
 - The reduction of direct emissions through sustainable employee mobility and reducing the use of fossil fuels in vehicles and buildings.
 - Energy efficiency in buildings, data processing centres and public service offices.
- Promoting the protection of the environment by applying the principle of pollution prevention with the aim of minimizing, reducing, and ultimately compensating possible negative impacts.
- Promoting the control and responsible consumption of resources, as well as the proper management of waste, minimizing, where possible, its generation.
- Managing and developing the ISO 14001:2015 environmental management system, which includes adequate documentation and procedures, and monitoring indicators linked to the system.
- Promote the integration of continuous improvement in the system and environmental performance by establishing environmental objectives.

To facilitate compliance with the aforementioned actions, Santander employees are trained to promote a sense of environmental responsibility in their actions, the dissemination of good

practices, and involvement and participation in both the environmental management system and the actions that are developed.

5.2. Actions on social matters

The Group works to support and respect the human rights of its employees, customers, suppliers, shareholders and investors, and/or communities, in accordance with the main international treaties and regulations in force. These actions cover our operations and value chain, guided by the United Nations Guiding Principles on Business and Human Rights, the Universal Declaration of Human Rights and International Labour Organization (ILO) Standards, among others⁴:

- Identify social impacts, risks, and opportunities during the analysis process of the financing and investment activities.
- Build long-term trusting relationships with customers, including vulnerable customers, adapting to their needs and improving their satisfaction, offering only products and/or services that fit their circumstances and needs and facilitating access to products and services they can understand, thus contributing to the development and economic stability of the communities in which we operate.
- Offer decent employment that promotes family and work conciliation that attracts and engages the best professionals, promoting meritocracy, equal opportunities in access to work, professional promotion, and fair and equitable compensation, counteracting discrimination and practices that threaten the dignity of people, rejecting any form of forced labour and child exploitation, respecting the freedom of association and negotiation, protecting the safety and health of professionals.
- Establish environmental and social criteria in the evaluation of suppliers risk and including contract clauses that promote compliance and ethical treatment.
- Analyse social risks on financial activity and compliance with regulatory requirements, which means a continuous improvement of the identification and management of social risks in the Group's financial and investment operations.
- Contribute to the eradication of corruption in all its forms, including extortion and bribery, to be a reference in the fight against money laundering, fraud, corruption, terrorism, and other serious crimes.
- Support society through (1) higher education as an engine of growth, as well as promoting employability and entrepreneurship; (2) financial education to equip the communities where we operate with tools and knowledge to facilitate their financial decision-making; (3) programs to support vulnerable people; (4) programs to support culture, institutional activity and support specific local needs; (5) participation of employees in volunteering initiatives of the Bank's

⁴ See Appendix 1

Foundation.

6 KEY PROCESSES

The following are the main processes related to responsible banking and sustainability, whose detail is normed in the Responsible Banking Model:

6.1. Identification of material issues

The double materiality exercise that is elaborated periodically, is the process by which the Bank identifies the sustainability issues that present positive and negative material impacts, as well as risks and opportunities (IROs) on the environment, social, and governance field, considering the entire value chain, that is, “upstream”, “downstream” and own operations. This exercise is the basis of our sustainability strategy and disclosures.

The materiality analysis is carried out based on the same methodology and in a coordinated way between the group and its subsidiaries, allowing feedback between the results of the exercises. The exercise uses available information, including the results of adverse impact identification exercises, such as due diligence in social, environmental and governance dimensions. The reference time horizon is short to medium term (~1-5 years).

The double materiality analysis, the material impacts, risks and opportunities, as well as strategic priorities and annual objectives in the field of sustainability are approved by the ESG Committee which assists the Management Board.

6.2. Human rights due diligence implementation

This process allows the Group to identify, prevent, mitigate, and respond to potential human rights impacts related to its banking and financial activity, which could affect the processes associated to clients, employees, suppliers, and local communities, such as:

- The analysis and management process of risks associated to the financing and investment activities in a consistent manner with international reference standards. It includes the impacts that represent barriers to the use or access of financial products and services.
- The establishment of supplier selection, management and evaluation criteria that include compliance with human rights.

6.3. Communication and engagement channels

The Group maintains an active and constant dialog with the main stakeholders: employees, customers, suppliers, shareholders and investors, and communities who are also consulted within double materiality and human rights due diligence exercises.

Working with our stakeholders is important to understand their expectations, inform them of our

priorities, and identify opportunities and areas for improvement that are integrated into key processes of the bank.

- **Employees.** There are three main listening mechanisms:
 - Engagement survey: it is a channel to listen to employees to measure the level of commitment and collect their feedback. The data are managed by an independent third party confidentially and providing the data in aggregate form to the bank to preserve the anonymity of people and their responses.
 - Whistleblowing channel: It is a confidential channel, allowing for anonymity, whose objective is that stakeholders, including employees, can report breaches of law, internal regulations (incl. the General Code of Conduct) and ethical standards.
 - Dialogue with employees' legal representatives: on top of the above mechanisms, we believe that employees' legal representatives play a key role as a spokesperson for our workforce. That's why we encourage and maintain permanent, fluid, and direct dialogue, engagement and negotiation with them through trade unions.
- **Customers.** The listening process varies depending on the type of customer:
 - Retail customers: through regular Net Promoter Score (NPS) surveys following customer interactions. We also run a regular customer experience benchmark to help us identify our competitive positioning. Both exercises aim to spot areas for improvement that we pull together in action plans with unit's management committee oversight.
 - Corporate customers: within the framework of the banker-client commercial relationship, needs or areas of improvement are identified and moved for management or adaptation of the commercial strategy.
- **Suppliers.** We want our value chain to be more sustainable while increasing the Group's resilience to environmental and social risks.
- **Shareholders and investors.** We engage with our shareholders and investors to strengthen ties and offer a value-added proposition that sets us apart. We use surveys, events, direct contact and other channels, including digital ones, to enable close dialogue that helps this group understand the business better and communicate with senior management.
- **Communities.** The aim of the dialogue is to understand the needs and challenges that the communities where we operate face, gathering information from various actors:
 - Individuals: we use mass surveys where we collect information about the perception of

our actions in the communities in which we operate.

- NGOs (non-governmental organizations): the Group engages in two-way communication with the relevant civil organizations in our markets.
- In the context of our environmental, social and climate change risk management policy (ESCC), as within the context of the Equator Principles, we assess the environmental and/or social risks that operations subject to this policy may have in the communities, including the rights of indigenous communities.

6.4. Training and skills development

The Bank promotes training on sustainability for all employees with the aim of achieving the necessary competence to carry out the responsibilities assigned to them, in alignment with the regulatory requirements.

The training has been defined around three levels of experience:

- A first transversal and common level for all employees with materials available on digital platforms and that support the principles, lines of action and key processes contained in this document.
- A second level aimed at all functions related to the sustainability agenda that includes specific programs for each business and function.
- A third level composed of specific certifications to meet the needs of each business.

7 GOVERNANCE

To provide oversight on the impacts, risks and opportunities related to responsible banking and sustainability, as well as the principles, lines of action and key processes identified in this policy, the Bank relies on:

- The ESG Committee, which supports the Management Board of the Bank in fulfilling their management responsibilities with regards to sustainability and responsible business strategy.
- The ESG Forum, which supports the ESG Committee through coordinating the ongoing implementation of activities related to the development and implementation of ESG solutions in the Bank.
- The Audit and Compliance Committee which, is the governing body for monitoring and evaluating the financial and non-financial reporting process, as well as internal control systems.
- The Risk Management Committee which supports and advises the Management Board in the definition and evaluation of risk policies affecting the Group, and in determining current and future risk appetite, including proposing the necessary modifications in view of the internal or external circumstances affecting the Group, both financial and non-financial risks.
- The subsidiary entities, in accordance with the principle of proportionality, have established

governance bodies necessary for the management and monitoring of the issues of Sustainability and ESG.

Skills and knowledge in Sustainability and ESG, will be considered a factor in the composition of governing bodies, as appropriate.

8 OWNERSHIP, INTERPRETATION, ENTRY INTO FORCE AND REGULAR REVIEW

8.1. Ownership

The development of this policy is the responsibility of the Sustainability and ESG Team.

The policy holder is the Management Board and prior to its approval, the policy has been reviewed by the ESG Committee.

8.2. Interpretation

The interpretation of this policy is the responsibility of the Sustainability and ESG Team. It will be the responsibility of the Sustainability and ESG Team to inform the corresponding units in the Bank's Group subsidiaries of any revision or modification of this Policy for its correct adoption. This function will also be responsible for making the proper follow-up of said adoption.

8.3. Validity date and periodic review

This policy will be effective from the date of its adoption by the Management Board. Its content will be subject to periodic, yearly review, making the changes or modifications that are deemed appropriate.

This policy is published for general knowledge on the corporate intranet and the website [Policies related to climate change mitigation and adaptation \(E1-2\) - Santander ESG Report 2024](#).

APPENDIX I: MAIN CONVENTIONS THIS POLICY IS BASED ON

- Equator Principles (International Finance Corporation guidelines)
- United Nations: Universal Declaration of Human Rights
- United Nations Global Compact
- United Nations Environment Programme Finance Initiative (UNEP FI) : Principles for Responsible Banking (UNEP FI)
- United Nations Sustainable Development Goals
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES)
- Convention on Wetlands of International Importance (RAMSAR)
- List of critical natural habitats of the International Union for Conservation of Nature (IUCN)
- United Nations 2014 List of Protected Areas
- UNESCO World Heritage List
- Code of Conduct of the European Commission for European enterprises operating in developing countries
- United Nations Guiding Principles on Business and Human Rights
- OECD Guidelines for Multinational Enterprises
- Fundamental conventions of the International Labour Organization (ILO)
- Agreements reached in COP21 ON Paris 2015 about climate change
- International Finance Group against the trafficking of wildlife
- Free, Prior and Informed Consent (FPIC)
- Roundtable on Sustainable Palm Oil (RSPO)
- Roundtable on Sustainable Soy (RTRS)
- Programme for the Endorsement of Forest Certification (PEFC)
- Forest Stewardship Council (FSC)