

Questions asked by a shareholder during the Annual General Meeting of Santander Bank Polska S.A. on June 22, 2020, and the answers given by the Management Board.

1. Christine Lagarde – President of the European Central Bank recently referred to the high concentration of fossil fuel assets and infrastructure in credit and investment portfolios of banks registered and operating in the EU. She also emphasized the need for climate stress tests. That is, non-standard stress tests that assume a similar scenario as the pandemic, but caused by revaluation of high-carbon assets, as we have seen in the case of price changes on the gas and oil markets. Did the Management Board or the Supervisory Board of Santander Bank Polska carry out climatic stress tests of the loan portfolio and the investment portfolio in 2019 and if so, please provide information on the percentage share of high-carbon sectors in those two portfolios of the bank.
2. Since the bank aims to achieve climate neutrality of its portfolio by 2050, as well as compliance with the Paris Agreement, I have a question. How much did the SCOPE3 emissions financed by Santander Bank Polska decrease in 2019 compared to the corresponding value in 2018? Will the bank report the emissions level linked to its credit and investment portfolios, as well as the difference y/y to allow shareholders to assess progress in implementing the bank's strategy to achieve climate neutrality in 2050 every year?
3. Does the declaration to terminate contracts for financing of coal producers in 2030 cover mining only or does it also include coal-fuelled power generation? - *The question was waved by the Chairman of the AGM due to inconsistency with the regulations governing commercial companies, as it did not refer to 2019.*

Response:

Michał Gajewski – President of the Management Board: *As I said at our previous meeting, environmental and climate issues are extremely important not only for Santander Bank Polska, but also for the entire Santander Group. Santander Bank Polska is committed to reporting non-financial data. We have done so for many years. We are currently GRI-compliant in terms of SCOPE 1 and 2. We also have an impact on reducing emissions included in SCOPE 3; however, work on reporting SCOPE 3 is still underway. This is a huge challenge because the reporting depends also on the data obtained from our customers who are just preparing for those requirements. We intend to fully implement reporting in this respect over the next two years required by the EU. Also, as declared last year, we have completely abandoned the financing of new thermal coal mines and new power units based on that raw material. Our exposure to customers with coal companies in their portfolios has decreased by over 30%. By 2030, we plan to completely reduce the bank's exposure to coal producers (we are talking about the expiration of all contracts that we have concluded historically). From 2019, all new financing agreements with companies from the energy sector contain clauses under which the financing may not be earmarked for coal-energy-related investment. In 2019, we were the first in Poland to introduce ESG-linked loans, green financing instruments. We are also present beyond the energy sector. We have prepared the first corporate green bonds in the media sector, where the main goal was to reduce CO2 emissions.*

Due to the high granularity level of the first question, the Management Board decided to provide a supplementary answer pursuant to article 428 § 5 of the Code of Commercial Companies. The answer will be made public in accordance with the relevant legal provisions.