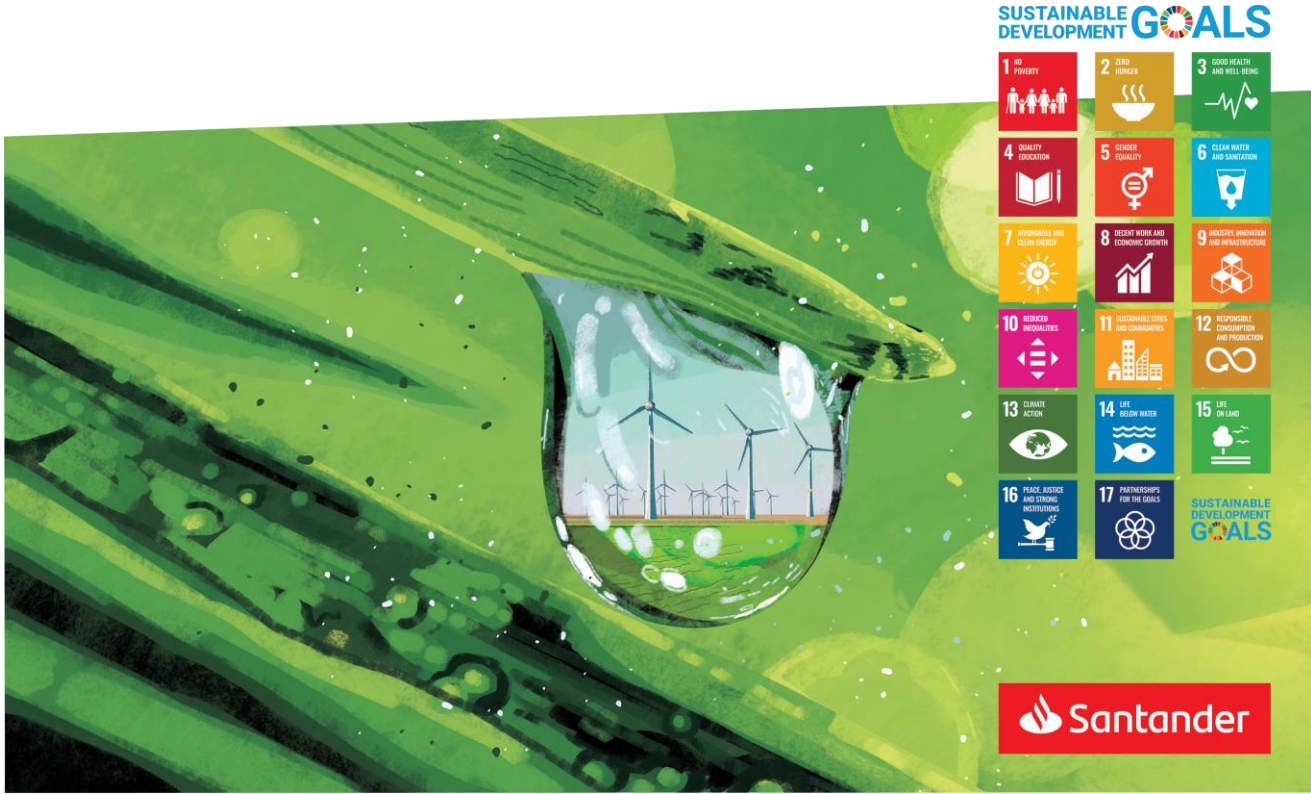


Santander Bank Polska S.A.

Sustainability Issuance Framework



December 2021

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Santander Bank Polska Sustainability Strategy

Sustainability, caring for climate and environmental protection are elements of Santander Bank Polska's business strategy. They are among the most important pillars of the Responsible Banking strategy announced in 2019. The strategy sets out the bank's activities for the coming years and identifies climate and environmental protection as key issues. In practical terms, this means offering sustainable, "green" products and solutions, as well as educational activities aimed at customers, employees and local communities. As part of our Responsible Banking strategy, we also focus on building a strong organisational culture based on diversity. Our key objectives in this area include reducing the gender pay gap and increasing the number of women in managerial positions.

Our Responsible Banking strategy is based on accountability towards all stakeholders with whom we interact - our employees, customers and shareholders. Articulating the terms of cooperation in an understandable way. Providing transparent information about prices and the scope of our services. Maintaining a personalized approach. Showing integrity and respect. Simple, Personal, Fair - these three words sum up the way we want to do business in the Santander Group.

Being one of the largest banks in Poland, Santander Bank Polska is aware of its role in the transformation of the Polish economy and of the significance of its actions, policies and financing for this process.

The global Net Zero strategy that Santander has just announced confirms this. It assumes that the Group will achieve climate neutrality by 2050. The reduction includes both internal emissions, such as those caused by electricity consumption, business travel and car fleet operations, but also emissions that result from our financing - lending, advisory and investment services we provide to clients from all segments.

In the pursuit of this objective, Santander Bank Polska has announced that as of 2030 it will cease financing energy companies with more than 10% of their revenues from coal-fired power generation. Additionally, by 2030 the bank will eliminate all its exposure to thermal coal producers.

At the same time, one of the priorities the bank has set for itself is to support customers in the green transition. This is why it is so important for the bank to develop and support zero-emission projects or those that lead to zero emissions.

Over the last two years, Santander Bank Polska has offered its clients such products as the ESG-linked loan, sustainable bonds and IRS based on ESG indicators. The bank is also adapting its credit policy to expectations by increasing its commitment to RES investments.

As one of the leading banks in Poland, part of an international group, we also feel a responsibility to society as a whole to decide how we will use our financial potential to contribute to overcoming the biggest challenges facing Poland and the world. We can and we want to play an important role in making economic growth inclusive and sustainable.

For more information on the bank's activities, see the ESG Report available at <https://en.esg.santander.pl/>

Sustainability Issuance Framework Overview

In line with Santander Bank Polska sustainability strategy of responsible banking, Santander Bank Polska is committed to be oriented towards creating long-term value and managing social and environmental risks, in particular such as climate change, resource scarcity and the breaches of social rights.

Consistently generating profitability is necessary, but not enough for businesses to be sustainable in the long-run. The Bank understands that sustainability is key to generating value for all stakeholders and, to that end, it is committed to managing these risks.

Under this premise, Santander Bank Polska has established this Sustainability Issuance Framework under which intends to issue Green, Social or Sustainability Bonds or Green, Social or Sustainability Bank Securities (*Bankowe Papiery Wartościowe*) (the 'Issuance') to finance and/or refinance Eligible Assets (as defined the section *Use of Proceeds* of in this Framework).

This Framework draws upon internationally acknowledged industry guidelines and principles such as ICMA Green, Social and Sustainability Bond Guidelines (described below) and as much as possible with the current version of the proposed EU Taxonomy for sustainable activities.¹

The ICMA² Green Bond Principles (2021), (GBP), Social Bond Principles (2021) (SBP) and Sustainability Bond Guidelines (2021) (SBG) are a set of voluntary guidelines that recommend transparency, disclosure and promote integrity in the development of the green, social and sustainability bond market, by clarifying the approach for issuing a green, social or sustainability bond.

In alignment with the disclosure recommendations of the ICMA GBP, SBP and SBG, Santander Bank Polska Sustainability Issuance Framework (the 'Framework') is presented through the following key pillars:

- Use of Proceeds
- Process for Project Evaluation and Selection
- Management of Proceeds
- Reporting
- External Review

For each Issuance issued under this Framework, Santander Bank Polska asserts that it will adopt (i) Use of Proceeds; (ii) Project Evaluation and Selection; (iii) Management of Proceeds; (iv) Reporting; and (v) External Verification, as set out in this Framework.

Future update of this Framework may be implemented to be in line with developments in the market. In any case, future updates will only serve to improve the transparency and detail presented in this Framework, and will, as part of this commitment, undergo a refreshed External Review.

Use of Proceeds

Santander Bank Polska intends to allocate the proceeds of any Issuance issued under this Framework to finance and/or refinance, in whole or in part, new or existing Eligible Assets from any of the Eligible Categories as defined below.

This Framework will utilise all business units within the Santander Bank Polska Group (Santander Bank Polska and/or its subsidiaries) and therefore will cover assets in form of financial products offered by Santander Bank Polska Group's entities, including (but not limited to): (i) Lending assets (e.g. corporate, project finance, SME, retail and consumer lending), (ii) Debt capital markets instruments (e.g. bonds), or (iii) Leasing products.

In order to confirm that the Eligible Assets do not have material negative environmental and/or social impacts, Santander Bank Polska will ensure that all the Eligible Assets are compliance within the existent Santander Bank Polska General Sustainability Policy³ and in the application of the Equator Principles. The Eligible Assets will be excluded if it is related to any prohibited activity as indicated in the Santander Bank Polska General Sustainability Policy.




Santander Bank Polska commits in case of refinancing of Eligible Assets, a lookback period of maximum 36 months from the Issuance date.

¹ https://ec.europa.eu/info/business-economy-euro/banking-and-finance/sustainable-finance/eu-taxonomy-sustainable-activities_en






² International Capital Market Association

³ https://www.santander.pl/regulation_file_server/time20210406154743/download?id=162369&lang=en_US






Eligible Green Assets

Eligibility Category	Eligibility Criteria	SDG Goal
<p>Renewable Energy</p>	<p>Construction, extension, repair, acquisition, operation ⁴, transport and maintenance of infrastructure (and land) for generation of:</p> <p>Solar energy</p> <ul style="list-style-type: none"> All small-scale and rooftop Solar Photovoltaic (PV) energy production ; Large-scale PV and concentrated solar heat & power (CSP with 85% or more of the electricity production from solar energy sources) energy production provided a complete environmental and social impact assessment has been carried out (identified risk must be reasonably mitigated) <p>Wind energy production (on-shore and off-shore) provided a complete environmental and social impact assessment has been carried out (identified risk must be reasonably mitigated)</p> <p>Hydropower energy production with a power density above 5W/m2 or lifecycle emissions below 100gCO2e/kWh provided a complete environmental and social impact assessment has been carried out (identified risk must be reasonably mitigated)</p> <p>Hydrogen production is carried out either through electrolysis powered by renewables or using 100% sustainably sourced biomass/ biogas / renewable natural gas (or landfill gas)</p> <p>Bioenergy – Waste to energy is eligible if:</p> <ul style="list-style-type: none"> Feedstock is waste biomass or second generation fuel (such as animal manure, agricultural residue) Agricultural biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 2 to 5, of Directive (EU) 2018/2001. Forest biomass used in the activity complies with the criteria laid down in Article 29, paragraphs 6 and 7, of that Directive For other types of municipal waste, it is eligible provided recyclables are segregated. Where the biogas is produced in landfills, it is eligible when these are in closed or decommissioned landfills with gas capture systems with efficiency of 75% or more. <p>Transmission and distribution of electrical energy</p> <ul style="list-style-type: none"> For transmission and distribution of electrical energy, those activities of construction and repair of infrastructures for renewable energies or energies with less than 100gCO2/KWh are eligible; Those activities that improve existing electrical systems to increase efficient use of electricity. Examples could include smart grid technologies (projects with the purpose of connecting renewable sources, improving efficiency, enabling demand side response, decreasing losses or extending access to electricity such as smart meters, IT systems supporting network control, demand side response and distributed generation dispatching), distributed generation, peak demand management <p>Energy Storage</p> <ul style="list-style-type: none"> All electrochemical, mechanical of renewable energy storage activities are eligible if meet Eligibility Criteria for Renewable Energy; 	  

⁴ Eligible are only operating expenditures with a look-back period limited to three years

	<ul style="list-style-type: none"> Construction of hydrogen storage assets is eligible - there must be a complete environmental and social impact assessment (identified risk must be reasonably mitigated); Operation of hydrogen storage assets is eligible if the infrastructure is used to store eligible hydrogen (i.e. power-to hydrogen systems are eligible if the process is through water electrolysis powered by renewables). 	
Energy Efficiency	Information and Communications Technology <ul style="list-style-type: none"> Development, manufacture and/or installation of products and technologies and software applications aimed at reducing power consumption through demand management, and non-motorized or electrified building components that increase the energy efficiency of buildings eligible, that have received third-party environmental or energy performance certification, such as ENERGY STAR or Electronic Product Environmental Assessment Tool (EPEAT Gold or above). Construction, renovation, extension and acquisition of data centres, aimed at data processing, hosting and related activities are eligible if it complies with the "European Code of Conduct for Data Centre Energy Efficiency" and Power usage effectiveness (PUE) is below 1.5. 	 
Pollution Prevention and Control	Reduction in GHG and air emissions <p>Development of equipment required for monitoring and testing air emissions and pollution as well as projects aiming to reduce GHG and air emissions or to minimize or re-use waste heat.</p> <p>For clarity, projects which rely directly on fossil fuels and fossil fuel-based power generation projects are excluded.</p>	
Clean Transportation	Ground Transport - manufacture, acquisition or renovation/retrofit/improvements, including related equipment ⁵ : <p>Public transport and rail transport, such as buses, trains, trams, subway:</p> <ul style="list-style-type: none"> Electric public transport and rail transport; Hybrid electric public transport, rail transport with emissions less than 50 gCO₂ passenger per kilometre may be eligible until 2025 and freight transport with emissions less than 25 gCO₂ tonne per kilometre may be eligible until 2025; For avoidance of doubt, rail dedicated to the transport of fossil fuels and its blends is not eligible Development or improvement of railway transport to facilitate a modal shift from road to rail <p>Vehicles, such as electrified, hydrogen, other low carbon passenger cars, trucks and other specialised industry & agriculture vehicles (such as forklifts, tractors, combine harvester, loaders, excavators and backhoe loaders):</p> <ul style="list-style-type: none"> Electric vehicles; Hybrid vehicles with emissions less than 50 gCO₂ passenger per kilometre may be eligible until 2025; thereafter they will not be eligible under this Framework For avoidance of doubt, specialised industry & agriculture vehicles dedicated to the transport of fossil fuels and its blends as well as controversial activities such as weapons, alcohol, tobacco are not eligible Vehicles using hydrogen as fuel 	 





⁵ Specialized parts should be directly linked to green transportation applications to be eligible. If intended production facility is not wholly dedicated to green transportation assets (e.g. production of both combustion and hybrid etc.), pro-rata approach needs to be followed for the eligibility of green assets




	<p>Transport Infrastructure</p> <ul style="list-style-type: none"> ▪ Infrastructure required for zero direct emissions transport (e.g. electric charging points, grid connection upgrades, hydrogen filling stations or electric highways); ▪ Infrastructure for active mobility (walking, cycling). Examples could include pavements, cycle lanes, sharrow, side path, pedestrian zones; ▪ Electrified and/or non-electrified rail infrastructure if an existing plan for electrification or use of alternatively powered trains is in place, aligned with thresholds defined above for public transport, rail transport and vehicles. The period of the above mentioned plan shall not exceed five years from the relevant Issuance date; ▪ Infrastructure that is predominantly used for low-carbon transport if the fleet that uses the infrastructure meets the thresholds for direct emissions as defined above for public transport, rail transport and vehicles. 	
<p>Sustainable Water and Wastewater Management</p>	<p>Waste management and remediation activities - waste collection, sorting and treatment activities are classified as eligible if:</p> <ul style="list-style-type: none"> ▪ The final objective is the recycling⁶ or reuse of the waste; ▪ Mechanical recycling (conversion through reuse or recycling of non-hazardous waste into another raw material for use, mainly energy) are eligible if conversion ratios of more than 50% are obtained. Waste-to-energy plant only eligible when plastics, metals and other recyclables are segregated from the feedstock. ▪ Water supply and sewage ▪ End-to-end water supply systems with an average system energy consumption (including abstraction, treatment and distribution) of 0.5 kWh per cubic metre of authorised water supply billed/not billed or less; ▪ Systems that reduce average system energy consumption by at least 20% (including abstraction, treatment and distribution; measured in kWh per cubic metre of authorised billed/non-billed water supply); ▪ Systems that reduce the gap between the actual leakage of the water supply network and a given target value of low leakage by at least 20%. The unit of measurement is the Infrastructure Leakage Index (ILI), the target value of low leakage is an ILI of 1.5. 	 
<p>Green Buildings</p>	<p>Construction, renovation and acquisition of Green Buildings</p> <ul style="list-style-type: none"> ▪ New construction, refurbishment of existing buildings or acquisition/ownership of buildings, with or whose purpose is obtaining a certification of efficiency of the real estate LEED (Gold or above), BREEAM (Excellent or above), or other equivalent internationally recognised green building certification schemes such as EDGE, PassivHaus, DGNB (Gold or above) ▪ Retrofit of existing buildings that achieve a minimum 30% reduction in Primary Energy Demand ▪ New or existing buildings belonging to top 15% low carbon buildings in Poland ▪ New buildings that meet the categorization of "Nearly Zero Emissions Building" (NZEB) with the Primary Energy Demand (PED) at least 10% lower than the threshold set for the NZEB standard in Poland) <p>Energy efficiency equipment in buildings</p> <ul style="list-style-type: none"> ▪ The replacement of existing windows with new energy efficient windows; 	  

⁶ For projects aimed at recycling electronic waste, there must be an E&S risk mitigation assessment to avoid health impact and leakages of toxic substances into surrounding environment. Vehicles collection should meet Clean Transportation criteria defined in this Framework.




	<ul style="list-style-type: none"> ▪ The replacement of existing external doors with new energy efficient doors; ▪ Installation and replacement of household appliances rated in the top available class according to the EU Energy Label for each type of appliance. The electrical appliances must have the European label equal to A or above (after implementation of new scale, to the best available equivalent of new version of the EU Energy Label, comparing to the current scale of the EU Energy Label) ▪ For heating systems, systems supplied by renewable energy (e.g. renewable electricity supply, solar floor heating) <p>Renewable energy infrastructure in buildings</p> <ul style="list-style-type: none"> ▪ Photovoltaic solar modules; ▪ Solar hot water panels; ▪ Ground source heat pumps using a refrigerant with GWP <10; ▪ Wind turbines; ▪ Transpired solar collectors; ▪ Thermal or electrical energy storage units. <p>Instruments and devices for improvement of energy performance of buildings - installation, maintenance and repair of the following items will be considered eligible:</p> <ul style="list-style-type: none"> ▪ Zoned thermostats, smart thermostat systems and sensing equipment, including. motion and day light control; ▪ Building automation and control systems, building energy management systems (BMS), lighting control systems and energy management systems (EMS); ▪ Smart meters for heat, cool and electricity; ▪ Facade and roofing elements with a solar shading or solar control function, including those that support the growing of vegetation.
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Eligible Social Assets

Eligibility Category	Eligibility Criteria	SDG Goal
<p>Affordable basic infrastructure</p>	<p>Transport</p> <ul style="list-style-type: none"> ▪ Construction, renovation and extension of roads and road-related infrastructures (including bridges and tunnels) aimed at increasing the connectivity in underdeveloped rural areas ▪ Construction of railways and subways to connect underdeveloped areas and populations with socio-economic development opportunities ▪ Above projects be connected with a goal to improve rural connectivity and to improve passenger and commercial transport <p><i>Target population: Underserved, owing to a lack of quality access to essential goods and services</i></p> <ul style="list-style-type: none"> ▪ Refurbishment in transportation and infrastructures specifically designed to support movement of people with disabilities (e.g. accessibility improvements in public transit networks) <p><i>Target population: People with disabilities</i></p> <p>Energy</p> <ul style="list-style-type: none"> ▪ Construction, renovation and extension of renewable energy power production (or energy power production with less than 100gCO2/KWh) and distribution lines and related buildings and structures that are integral part of these systems, in unserved areas to reduce exclusions, notably in rural areas 	   

	<ul style="list-style-type: none"> All fossil fuel projects are excluded <p><i>Target population: Underserved, owing to a lack of quality access to essential goods and services (e.g. rural populations)</i></p> <p>Water and Waste Management</p> <ul style="list-style-type: none"> Construction, renovation and extension of infrastructure in relation to water collection, treatment and distribution of drinking water and related buildings and structures that are integral part of these systems, in unserved areas to reduce exclusions, notably in rural areas Construction, renovation and extension of infrastructure related to sewerage, wastewater treatment (water from fossil fuel operations is not eligible) and collection including wastewater transport and related buildings and structures that are integral part of these systems, in unserved areas to reduce exclusions, notably in rural areas Construction, renovation and extension of infrastructure related to collection, sorting disposal, treatment and recycling of hazardous and non-hazardous waste including resources recovery and dismantling of wrecks, in unserved areas to reduce exclusions, notably in rural areas <p><i>Target population: Underserved, owing to a lack of quality access to essential goods and services</i></p> <p>Information and Communications Technology</p> <ul style="list-style-type: none"> Construction, renovation and extension of telecommunication (especially financing of fibre optic network, 5G networks and high capacity network deployment), distribution lines and related buildings and structures that are integral part of these systems, unconnected or underserved populations located in “white areas” to reduce digital exclusion, notably in rural areas <p><i>Target population: Underserved, owing to a lack of quality access to essential goods and services</i></p>	
<p>Access to essential services</p>	<p>Public services are eligible only if related to free access for everyone regardless of ability to pay.</p> <p>Private centres are eligible if non-profit or if it guarantees access to vulnerable populations (regardless of their ability to pay).</p> <p>Education</p> <ul style="list-style-type: none"> Construction, renovation, extension and acquisition of public education centres and facilitation of educational services: Kindergartens, primary and secondary education schools, university buildings and other technical centres Construction, renovation, extension and acquisition of public sports and cultural education centres and facilitation of educational services: (arts, dance, sports, drama, music, etc.)⁷ Construction, renovation, extension and acquisition of public centres for other education activities and facilitation of educational services including: Academic tutoring, Learning centres offering remedial courses, Professional examination review courses, Language instruction and conversational skills instruction, Computer training <p><i>Target population: General public</i></p> <ul style="list-style-type: none"> Educational loans for students provided that the term of the loan offers some kind of financial advantage 	   

⁷ This section does not include: (i) Activities designed to satisfy the cultural, entertainment and recreational interests of general population, including live performances, operation of museums, gambling and sports and leisure activities, among others; (ii) Operation of sports facilities and activities of sports teams or clubs participating primarily in sporting events.

	<p><i>Target population: students</i></p> <p>Human health activities</p> <ul style="list-style-type: none"> Manufacture of: (i) Basic pharmaceutical products and pharmaceutical preparations (including vaccines) are eligible only for Covid-19, (ii) Medical equipment and other supplies (such as irradiation, electromedical and electrotherapeutic equipment and medical and dental instruments) are eligible only if provided to public healthcare centres. Construction, renovation, extension, acquisition and provision of health services in public⁹ hospitals, healthcare centres and specialized medicine centres. This also includes amongst others: laboratories, physiotherapy centres, diagnostic centres, family planning centres, dental centres, speech therapy centres and field hospitals <p><i>Target population: General public</i></p> <ul style="list-style-type: none"> Construction, renovation, extension, acquisition and provision, of public⁹ health services in specialised residential care/social work facilities: (i) Specialised residential care facilities (e.g. residential centres for nursing care, learning disabilities, mental health condition, substance abuse treatment, elderly, people with disabilities and other residential care activities for vulnerable people such as children, homeless, orphanages, etc.), (ii) Social work facilities without accommodation (facilities for the elderly and disabled, child day-care activities and other social work activities without accommodation such as social work, counselling, activities for disaster victims, vocational and rehabilitation activities for unemployed persons, etc.) <p><i>Target population: People with disabilities; Aging populations and vulnerable youth; Other vulnerable groups: children without families, homeless people and people with substance abuse problems; Migrants and/or displaced persons</i></p>	
<p>Affordable housing</p>	<p>This activity is considered social when the credit provided by the Santander Bank Polska enable access to housing for underserved population in form of:</p> <ul style="list-style-type: none"> Mortgages to underserved buyers; House improvement loans to underserved home owners. <p><i>Target population: Population living in inadequate housing with income less than 80% of average median income for the area based on public data provided by GUS (Statistics Poland)</i></p>	 
<p>Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises,</p>	<p>Financial and Insurance Activities</p> <ul style="list-style-type: none"> Granting of loans or other asset financial products to small-medium sized enterprises (SME⁸) and entrepreneurs included in Target population Investments to expand access transactional banking products and services to the Target population <p><i>Target population: SMEs & Entrepreneurs⁹ that: (i) Are in economically underperforming regions¹⁰, regions affected by natural/health disasters, (ii)</i></p>	 

⁸ Small-medium sized enterprise (SME) are defined in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty

⁹ Santander Bank Polska will exclude financing of a range of business, such as, but not limited to weapons, gambling, alcohol, tobacco activities, and companies with significant involvement in controversies or incidents in social aspects such as human rights, labour rights, health and safety at work or projects with relevant negative impact on communities.

¹⁰ Economically underperforming regions are defined as areas with unemployment higher than the national average in Poland or regions with GDP per capita lower than the Poland's national GDP per capita. To identify these areas Santander Bank Polska will use public data provided by GUS (Statistics Poland).

including through the potential effect of SME financing and microfinance	<i>Microentrepreneurs¹¹, (iii) Rural population focusing on agriculture production and agriculture value chain (iv) Entrepreneurial Women</i>
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Definitions related to Target Population

Target Population	Definition
General Public	<ul style="list-style-type: none"> General population as long as access to the service/activity is affordable
Living below the poverty line	<ul style="list-style-type: none"> Population whose income level is below 50% of the median income per household adjusted
Excluded and/or marginalized populations and /or communities	<ul style="list-style-type: none"> Individuals who, based on ethnic, religious or linguistic grounds, are unable to participate fully in economic, social, political and cultural life, as well as the process leading to and sustaining such a state
People with disabilities	<ul style="list-style-type: none"> People with temporary or permanent disability who, as a result, may experience poorer health outcomes, have less access to healthcare, education and work opportunities, and are more likely to live in poverty than those without a disability
Migrants and /or displaced persons	<ul style="list-style-type: none"> People who have been forced to leave their homes or who have voluntarily left their country of origin including refugees, stateless people and asylum seeker
Undereducated	<ul style="list-style-type: none"> People who have not completed education in all the regulated educational levels or want to access a level of education that they previously did not have
Underserved, owing to a lack of quality access to essential goods and services	<ul style="list-style-type: none"> People without access to basic infrastructures because they are in an area without a first infrastructure (e.g. rural/isolated populations). People who are unbanked (those in households without a checking or savings account who may rely on AFS) or otherwise have limited access to mainstream financial services
Unemployed	<ul style="list-style-type: none"> Share of population of working age who were not in employment, carried out activities to seek employment during a specified recent period and were currently available to take up employment given a job
Women and/or sexual and gender minorities	<ul style="list-style-type: none"> Women: who are susceptible under certain circumstances of experiencing inequality based on their gender Sexual minorities: are commonly defined as groups whose sexual identity, orientation, or practices differ from the majority of the surrounding society
Aging populations and vulnerable youth	<ul style="list-style-type: none"> Aging populations are elder people with difficulties or limited access to the infrastructure or activity service Young people are understood as a vulnerable group because they have vulnerable economic situation
Other vulnerable groups, including as a result of natural disasters	<ul style="list-style-type: none"> Any group susceptible of suffering discrimination based on its characteristics and socio-economic status for examples: students, self-employed, small business owners, freelancers, startups and entrepreneurs, children without families, homeless people, people with substance abuse problems
Entrepreneurial Women	<ul style="list-style-type: none"> Companies \geq 51% owned by woman/women

¹¹ Microentrepreneurs are defined in line with the Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty

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- Companies \geq 20% owned by woman/women; AND (i) has \geq 1 woman as CEO/COO/President/Vice President; and (ii) has \geq 30% of the board of directors composed of women, where a board exists
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Project Selection and Evaluation Process

In order to ensure a diligent and robust selection and evaluation process that leads to the identification of Eligible Assets that are compliant with the Eligibility Criteria defined in this Framework, Santander Bank Polska has established a Sustainability Issuance Working group that consists of representatives (senior directors, managers and experts) from the following areas:

- Capital Investments and Capital Management Office
- Investor Relations
- Corporate Social Responsibility
- Risk
- Legal
- Business units: SME, Business & Corporate Banking, Corporate & Investment Banking, Leasing, Factoring, Retail
- Any other representatives from other key areas will be able to be invited to particular Sustainability Issuance Working group meetings as necessary

The Sustainability Issuance Working group will meet on a regular basis (at least annually) and will be responsible in particular for:

- Supervision, review and acceptance of all new proposed Eligible Assets to determine compliance with the Sustainability Issuance Framework criteria
- Monitoring of existing Eligible Assets that are used for allocated use of proceeds to ensure continued compliance with the Sustainability Issuance Framework criteria throughout the life of the Issuance they are allocated towards
- Management of any future updates to the Framework, including expansion to the list of the Green and Social Issuance Eligible Categories and amendments to reflect the most recent market and regulatory developments on a best effort basis, and oversees its implementation
- Supervision under preparation of allocation reports and impact reports

The Process for Project Evaluation and Selection takes place as follows:

- The Sustainability Issuance Working group will ask directly of the identified business units listed above for a list of potential Eligible Assets each half year, or relevant business units will propose their own list of potential Eligible Assets to the Sustainability Issuance Working group as they are identified throughout the year
- The collated list of potential Eligible Assets is reviewed by the Sustainability Issuance Working group with the Eligibility Criteria described in this Framework each half year
- Once Eligible Assets are positively reviewed and accepted as eligible per the Framework criteria, they will form part of the Eligible Assets Portfolio
- As a particular Issuance is issued the Capital Investments and Capital Management Office will allocate the proceeds from particular Issuance to selected Eligible Assets that amount to that Issuance and will record this allocation in the internal information systems used by the relevant business unit (ultimate owner of particular Eligible Asset).
- Additionally, the Sustainability Issuance Working group will keep a register of all the Issuances issued from under this Framework and for the cumulative volume of outstanding Issuances, the allocated Eligible Assets to ensure there remains at all times, an complete and accurate record of the Issuance Eligible Asset allocation (including allocation amount and confirmation of Eligible Asset status) in one place.

Santander Bank Polska will pay special attention to compliance of Eligible Assets with internal regulations, official domestic and international environmental and social standards and local laws and regulations on a best effort basis.

Management of Proceeds

To ensure that proceeds are allocated in accordance with this Sustainability Issuance Framework, Capital Investments and Capital Management Office department will appropriately track the allocation of the proceeds to the portfolio of Eligible Assets with use of its information systems in connection with relevant business unit (ultimate owner of particular Eligible Asset).

Santander Bank Polska intends to allocate an amount equivalent to the Proceeds from Issuances to achieve a level of allocation to the portfolio of Eligible Assets which matches or exceeds the balance of Proceeds from its outstanding Issuances issued under this Framework. All Eligible Assets will be selected in accordance with the Eligibility Criteria and evaluation and selection process presented above.

The proceeds of Issuances issued under this Framework will be managed in a portfolio approach.

Pending the full allocation to the Eligible Assets, Santander Bank Polska will hold and / or invest the balance of proceeds not yet allocated, at its own discretion, in its treasury liquidity portfolio, in cash or other short term and liquid instruments.

During the life of the Issuances, and upon becoming aware, if a Eligible Assets ceases to fulfil the Eligibility Criteria, Santander Bank Polska will remove the Eligible Assets and replace it, when necessary, as soon as reasonably practicable.

Reporting

Allocation Report

On at least an annual basis, Santander Bank Polska will provide and make public a report to update investors on the allocation and impact reporting of the Proceeds of Issuances issued under Sustainability Issuance Framework to Eligible Assets.

Allocation Reporting

Allocation reports may provide information such as:

- The total amount of outstanding Issuances issued under Sustainability Issuance Framework
- The total amount of proceeds allocated to relevant Eligible Assets (including Eligible Assets Categories)
- The balance of unallocated proceeds
- The split between new financing and refinancing

Allocation Report with all related documents will be available on Santander Bank Polska website (Investor Relations section).

Impact Reporting

Impact reports of the Eligible Assets may provide information such as:

- Impact created from the Eligible Asset allocation – for indicative impact metrics for each category, please see the table below
- by category from a social and environmental perspective, subject to the availability of information and baseline data and based on methodologies that will be publicly available.

Impact report will be made publicly available on the Santander Bank Polska website (Investor Relations section).

Example Indicators for Eligible Green Categories:

Eligibility Category	Potential Impact Metrics
Renewable Energy	Renewable Energy Production <ul style="list-style-type: none"> ▪ Installed renewable energy capacity (MW) ▪ Estimated annual emissions avoided in tonnes of CO₂ equivalent Transmission and distribution of electrical energy <ul style="list-style-type: none"> ▪ Value of financed projects related to Transmission and distribution of electrical energy Energy Storage <ul style="list-style-type: none"> ▪ Number of Energy Storage financed
Energy Efficiency	Information and Communications Technology <ul style="list-style-type: none"> ▪ Estimated annual emissions avoided in tonnes of CO₂ equivalent ▪ Energy saved through upgrades of infrastructure

Pollution Prevention and Control	Reduction in GHG and air emissions <ul style="list-style-type: none"> Estimated annual emissions avoided in tonnes of CO2 equivalent
Clean Transportation	Ground Transport <ul style="list-style-type: none"> Number of Ground Transport financed Transport Infrastructure <ul style="list-style-type: none"> Estimated annual emissions avoided in tonnes of CO2 equivalent Energy saved through upgrades of infrastructure
Sustainable Water and Wastewater Management	Waste management and remediation activities <ul style="list-style-type: none"> Annual absolute (gross) water use before and after the project in m3 /a, reduction in water use in % Water supply and sewage <ul style="list-style-type: none"> Annual absolute (gross) water use before and after the project in m3 /a, reduction in water use in % Reparation activities <ul style="list-style-type: none"> Annual absolute (gross) water use before and after the project in m3 /a, reduction in water use in %
Green Buildings	Construction, renovation and acquisition of Green Buildings <ul style="list-style-type: none"> Estimated annual emissions avoided in tonnes of CO2 equivalent Type of scheme, certification level Energy efficiency equipment in buildings <ul style="list-style-type: none"> Energy saved through investments Estimated annual emissions avoided in tonnes of CO2 equivalent Renewable energy infrastructure in buildings <ul style="list-style-type: none"> Installed renewable energy capacity (MW) Renewable energy produced per year (if applicable) Estimated annual emissions avoided in tonnes of CO2 equivalent Instruments and devices for improvement of energy performance of buildings <ul style="list-style-type: none"> Energy saved through improvements Estimated annual emissions avoided in tonnes of CO2 equivalent

Example Indicators for Eligible Social Categories:

Eligibility Category	Potential Impact Metrics
Affordable basic infrastructure	Transport <ul style="list-style-type: none"> Number of people reached with the roads and road infrastructure Number of people reached with the railway and subway infrastructure Number of people from the target populations reached with the infrastructure Energy <ul style="list-style-type: none"> Number of people reached with the power infrastructure related activity Water and Waste Management <ul style="list-style-type: none"> Number of people reached with the water infrastructure related activity Number of people reached with the wastewater infrastructure activity Number of people reached with the waste infrastructure related activity Information and Communications Technology

	<ul style="list-style-type: none"> Number of people who is going to receive an internet connection for the first time
Access to essential services	<p>Education</p> <ul style="list-style-type: none"> Number of beneficiaries reached with the activity Number of students who have been recipient of the loan Number of beneficiaries who have been recipient of the loan <p>Human health activities</p> <ul style="list-style-type: none"> Number of people who use these products Number of people benefitting from the healthcare facilities Number of people benefitting from care/social work services
Affordable housing	<ul style="list-style-type: none"> Number of people who have been recipient of the finance/microfinance
Employment generation, and programs designed to prevent and/or alleviate unemployment stemming from socioeconomic crises, including through the potential effect of SME financing and microfinance	<p>Financial and Insurance Activities</p> <ul style="list-style-type: none"> Number of people who have been recipient of the finance/microfinance

External Review

Second Party Opinion

Santander Bank Polska will request a second party opinion for its Sustainability Issuance Framework by an independent party. If at any time, for any reason the Sustainability Issuance Framework is updated, Santander Bank Polska will ask for an updated Second Party Opinion; this may or may not be from the original provider. The Second Party Opinion will be publicly available on the Santander Bank Polska website (Investor Relations section).

Verification

Santander Bank Polska will request on an annual basis, starting one year after issuance and until maturity, a limited assurance report of the allocation of the Use of Proceeds of Issuances issued under this Framework to the allocated Eligible Assets. The limited assurance report will be provided by an external auditor and will be publicly available on the Santander Bank Polska website (Investor Relations section).

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