

# **GENERAL SUSTAINABILITY POLICY**

## **General Policy**

**Santander Bank Polska Group  
(the “Group”)**

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## **1 INTRODUCTION**

### **1.1 Purpose and context**

This document defines the sustainability approach of Santander Bank Polska S.A. (the “Bank” and the Santander Bank Polska Group (the “Group” or the “Bank’s Group”), within the context of Responsible Banking, 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, the Bank has voluntarily taken on certain ethical, social and environmental commitments that go beyond its legal obligations toward its stakeholders. The Group understands that these commitments will address both the direct impact of its operations, and the indirect impact of its banking activity.

### **1.2 Sustainability Governance at the Santander Bank Polska Group**

In order to analyse the opportunities, risks and challenges from matters related to sustainability, including climate change, Santander has the following forums:

- The Responsible Banking and Organisational Culture Committee of Santander Bank Polska that assists the Bank’s Management Board in fulfilling its oversight responsibilities with respect to the responsible business strategy and sustainability issues of the Bank and the Santander Bank Polska Group.
- A specific forum, the Inclusive & Sustainable Banking Steering Group, that supports the Committee’s works and proposes and monitors the sustainability strategy. This steering group is composed of senior managers.

The management and monitoring of sustainability issues at Santander Bank Polska is the responsibility of the unit in charge of Responsible Banking and CSR

Skills and knowledge in the area of sustainability, including climate change, will be considered as a factor for the composition of the governance bodies, as appropriate.

## **2 DEFINITION**

This policy, which defines the general guiding principles of Santander Bank Polska regarding sustainability, is based on the best practices included in international conventions, initiatives and protocols, codes of conduct and internationally relevant guides on the subject (see Appendix I). Among them, special attention will be given to the United Nations Sustainable Development Goals (SDG), the

Paris Agreement and the Responsible Banking Principles of the United Nations Environment Programme Finance Initiative (UNEP FI).

Initiatives and principles of this policy do not affect compliance with the relevant legislation in force.

This policy is complemented by other policies in force at the Bank including: the Human Rights policy, the Corporate Culture policy, the Environmental & Social Risk sector policies and our Principles of Action in Tax Matters.

### **3 SCOPE OF APPLICATION**

This policy applies across the entire Santander Bank Polska Group and, in so far as it reflects best practices, is considered a reference document for use as a guide by other units in the development of their own measures in the area in question. The Bank's Group units are expected to use this policy as a basis for developing their own regulations, without prejudice to any adaptation that may be required depending on the nature and scale of conducted business operations and applicable regulatory requirements..

The regulations transposing this policy must be validated at corporate level before being approved by the Santander Bank Polska Group. The regulations which are valid on the date that this policy comes into force must be adapted to it.

### **4 GENERAL SUSTAINABILITY PRINCIPLES**

#### **4.1 Relationships with stakeholders**

Under this policy, the Bank sets out a number of principles and commitments, designed to create long-term value for its stakeholders.

- **Employees:**

Above all else, the Bank's continued success depends on our employees. Therefore, the Bank works to attract, retain and develop our talent to have the best professionals, always making sure they provide customers with the best service.

With regard to its employees, the Bank will observe the following principles:

- Respect for diversity, and non-discrimination because of gender, race, age or any other reason.
- Promotion of employment stability, work flexibility and work-life balance, as well as a safe and healthy workplace for employees.
- Encourage equal opportunities among its employees, aspiring to have a balanced representation between men and women in all functions and responsibilities.

- Make sure employees of the Bank behave in accordance with the applicable ethical and responsible conduct principles and rules by implementing the *General Code of Conduct*.
- Promote programmes to make employees aware of social and environmental issues, including measures for good environmental management practices, social and environmental risks and business opportunities.
- Encourage corporate volunteering to help the communities it serves prosper and increase our employees pride in belonging to the organisation.

- Customers:

Build long-term relationships of trust being established with customers, earning their loyalty, adapting to their needs and enhancing their satisfaction.

- The Bank aims to offer products and services that are simple, personalised and adapted to the needs and risk profile of its customers and provide them with accurate, sufficient and appropriate information, without giving rise to any conflict of interest.
- The Bank will offer its customers access to various products and services through a multi-channel offering so customers may use them however, whenever, and wherever they wish based on their needs.
- The Bank will also design social and environmental products and services in order to promote financial inclusion and help protect the environment and mitigate climate change.
- The Bank will monitor exceptional situations or settings that may have an effect on certain customers in order to offer them alternative solutions, in particular, among those groups in a situation of vulnerability or risk of social exclusion.
- The Bank will make decisions taking into account ethical, social and environmental matters and financial and risk criteria pursuant to this sustainability policy and other *Environmental and Social Risk Sector Policies*.
- The Bank will be particularly diligent to prevent and avoid the funding of illegal activity in compliance with the Anti-Money Laundering and Terrorist Financing Policy and by taking any additional measures deemed necessary.
- The Bank will promote specialized financial education with the objective of providing information to current and potential clients about products and financial services, as well as the expertise needed for decision-making. In addition, and as one of the main principles of consumer protection, the Bank will analyse gaps found in customers' knowledge by analyzing complaints and questions asked most frequently by customers contacting the helpline in order to update its financial education programs.

- Shareholders:

Long-term value creation and maximum information transparency are fundamental in the Bank's relationship with its shareholders.

To this end:

- The Bank will ensure equal treatment of shareholders, based on the general principle of “one share, one vote”.
  - It will offer thorough, clear and accurate information to all shareholders through various communication channels made available to them by the Bank.
- Communities:

The Bank also helps the communities it serves to prosper socially and economically through its social investments, with education being the main point of interest. The Bank understands as well the support to education as an empowering lever that contributes to alleviating many of the major problems faced by humanity, such as poverty and hunger.

- The Bank holds higher education to be the driver of growth, progress and future well-being. It is the main social investment the Bank makes and is the hallmark of its commitment towards the community. Through agreements with universities in different countries, the Bank will promote the international mobility of university groups (teachers, students and researchers), research, innovation and the development of entrepreneurship.
  - The Bank will also promote general financial education with the aim of improving citizens’ financial culture and providing them with tools and knowledge to help them in making financial decisions, in line with the bank’s Consumer Protection Policy.
  - The Bank will also pay close attention to the education of children and young people, support entrepreneurship and job creation, as well as social welfare, and promote initiatives to raise awareness about these issues and the fight against climate change.
  - The Bank will consider within its social investment decisions to contribute towards the eradication of poverty and support the most disadvantaged groups aiming to enable further social inclusion.
- Suppliers:

The Bank has ethical and transparent relationships with suppliers, as detailed in the *Supplier Policy*, which states that when considering the potential or ongoing cooperation with a supplier, the principles of responsible banking must be taken into consideration, in particular including:

- Ethics and conduct: as referring to compliance with principles of fair and honest treatment, transparency and honesty. It is also expected that suppliers have ethical policies and at least comply with applicable laws, anti-corruption measures and initiatives to ensure business integrity.
- Social aspects: such as the protection of human rights in accordance with the UN Universal Declaration of Human Rights, and in terms of health, safety requirements and diversity and inclusion in the working environment of suppliers and encouraging the observance of the UN Global Compact<sup>1</sup> principles.

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<sup>1</sup> Global Compact: voluntary initiative based on CEO commitments to implement universal sustainability principles and to take steps to support UN goals

- Environmental aspects: inviting suppliers to join the Group commitment on environmental protection and transition to a low carbon economy.

#### 4.2 Other general commitments

- Environment:

The Bank is committed to protecting the environment, especially in relation to developing solutions to the climate change challenge. To this end, the Bank undertakes to consider the environmental impact of its internal operations (e.g. energy consumption, maintenance of facilities) and of its banking and financial activity.

##### a) Internal environmental protection activities:

The Bank promotes management systems based on internationally accepted regulatory standards and driven by the continuous improvement management model (ISO standards).

The Bank monitors the consumption of resources, emissions and waste generation for most of its facilities – captured and processed through an internally developed processing system annually audited by an independent external entity. This allows to identify critical points that generate bigger environmental impacts. It makes the adoption of more effective prevention measures possible and establishes targets in order to improve environmental management in a systematic manner.

Regarding internal environmental management, the Bank has made the following commitments:

- Meet the regulatory requirements and others that are related to the Bank's activities, products and services.
- Promote continuous improvement of its management systems in order to improve environmental performance.
- Establish work guidelines and control mechanisms to ensure environmental protection and pollution prevention.
- Communicate the policy to employees and society and establish with its stakeholders communication channels related to environmental topics.

##### b) Banking and financial activity:

The Bank is responding to the challenge posed by climate change and related regulatory demands by establishing, through its Environmental and Social Risk sector policies clear prohibitions and restrictions to the financing of activities that may have a direct environmental and social impact, including the long term effects of climate change.

The Bank is also committed to meeting best practices and regulatory requirements related to the disclosure of its financial risks arising from climate change, and the actions it is taking for the identification, management and monitoring of those risks.

The climate change challenge and environmental and social risks also offer a possibility to identify new business opportunities. Through the development of products designed to promote sustainability, the Bank supports economic growth while respecting the environment.

- Dialogue with stakeholders:

In order to receive all important feedback, the Bank will maintain dialogue and consultation channels with its main stakeholders: employees, customers, shareholders, investors, suppliers, authorities, regulators, supervisors and NGOs.

## **5 FINANCE-RELATED ENVIRONMENTAL AND SOCIAL RISKS**

The Bank lends great importance to the environmental and social risks stemming from its customers' activities in sensitive sectors.

To this end, the Bank respects international best practices regarding social welfare and the environment, particularly the Equator Principles (EP).

Furthermore, the Bank has approved specific policies applicable to sensitive sectors such as the Defense Policy and the Environmental & Social Risk Sector policies that contain the criteria for analysing risks in customers' activities in the following sectors: energy, soft commodities and mining & metals.

Each policy describes prohibited or restricted activities in each particular sector. With regards to restricted activities, there will be a particular focus on those that may have a direct impact on the environment, or a long term effect on climate change.

In addition to the prohibited and restricted activities described in each sectoral policy, the Bank lays out the following general prohibited activities applicable to these sector policies:

- Prohibited Activities:

The following exclusion criteria described as prohibited activities will be applied to all activities and clients of the Bank in relation to the granting of credit, or the provision of financial consulting services, equity, asset management and insurance:



- Projects or activities in areas classified as Ramsar Sites<sup>2</sup>, World Heritage Sites or by the International Union for Conservation of Nature (IUCN)<sup>3</sup> as categories I, II, III or IV.

## **6 GOVERNANCE**

### **6.1 Ownership**

The unit in charge of Responsible Banking and CSR is responsible for drawing up this policy.

The owner of this policy is the Management Board of Santander Bank Polska. Prior to approval, the Policy was reviewed by the Responsible Banking and Organisational Culture Committee.

### **6.2 Interpretation**

The unit in charge of Responsible Banking and CSR is responsible for interpreting this policy.

### **6.3 Date of validity and periodic review**

This Policy will come into force on the date it is published. Its contents will be reviewed on a regular basis, and any changes or modifications considered appropriate will be made.

This policy was last revised in June 2020 and is published for general knowledge on the corporate intranet and on [theraport.santander.com](http://theraport.santander.com) website

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<sup>2</sup> The Convention on Wetlands, called the Ramsar Convention, is the intergovernmental treaty that provides the framework for the conservation and wise use of wetlands and their resources.

<sup>3</sup> The International Union for Conservation of Nature (IUCN) classifies protected areas according to their environmental management objectives: Category I: Nature Reserve and Wilderness Areas, Category II: National Park, Category III: Natural Monument or Feature, Category IV: Habitat/Species Management Area.

**7 APPENDIX I: MAIN CONVENTIONS ON WHICH THIS POLICY IS BASED**

- Equator Principles (International Finance Corporation guidelines);
- United Nations: Universal Declaration of Human Rights;
- UN Global Compact: United National Global Compact;
- UNEP FI: United Nations Environmental Programme for Financial Institutions;
- Principles of Responsible Banking (UNEP FI);
- United Nation Sustainable Development Goals;
- Convention on International Trade in Endangered Species of Wild Fauna and Flora (CITES);
- List of Wetlands of International Importance (RAMSAR);
- The International Union for Conservation of Nature (IUCN) list of critical natural habitats;
- The 2014 United Nations list of protected areas;
- UNESCO World Heritage list;
- The European Commission Code of Conduct for European enterprises operating in developing countries;
- The United Nations Guiding Principles on Business and Human Rights;
- OECD guidelines for multinational companies;
- The International Labour Organization's (ILO) Fundamental Conventions;
- Agreements reached at the 2015 COP21 summit on climate change in Paris;
- International Wildlife Trade Financial Taskforce