

Appendix no. 1 of Management Board's Resolution no 202/2023 of 18 October 2023

# **RESPONSIBLE BANKING AND SUSTAINABILITY POLICY**

**Santander Bank Polska Group**

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## 1 INTRODUCTION

This policy outlines 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 and sets out the principles, commitments, objectives and strategy with regard to shareholders, employees, customers, suppliers, social issues, the environment, diversity, tax responsibility, respect for human rights and the prevention of corruption and other illegal conduct.

It draws inspiration from best practices described in international conventions and protocols, codes of conduct, and international guidelines on sustainability (see Appendix 1).

This policy delineates Corporate Framework for Responsible Banking approved by the Management Board, the Responsible Banking Model and by other policies and guidelines<sup>1</sup>, the scope of which is systematically reviewed to ensure compliance with international best practices.

## 2 DEFINITION

A business needs to generate profitability, but it must be sustainable over time. The Santander Bank Polska Group understands that Responsible Banking and Sustainability is based on creating long-term value for all its stakeholders and is committed to developing opportunities and managing the risks involved.

Fulfilling our mission to contribute to the progress of people and companies, we grow as a business and help society to face the main global challenges by setting our ambition in the ESG areas:

In the environment: Achieving our goal of reaching net-zero carbon emissions by 2050, with decarbonization targets, support for our customers’ transition to a more sustainable economy and carbon-neutral operations.

In society: Fostering inclusive growth with education and financial empowerment; support for learning, business and employment; and diverse and talented teams.

In good governance: Introducing behaviours, processes and policies that will ensure we always act responsibly by listening to our stakeholders and treating them in a Simple, Personal and Fair way, with robust governance and prudent risk management.

## 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.,

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<sup>1</sup>Main policies: General Code of Conduct; Corporate Culture Policy; Environmental, Social and Climate Change Risk Management Policy; Sensitive Sectors Policy; and this Sustainability Policy.

We also have other policies that support our responsible banking strategy, such as: Conduct Risk with Customers Management Model; Code of conduct in the securities markets; Cybersecurity policy; Third party approval policy; Tax policy; Conflicts of interest policy; Political party financing policy; Policy on contributions to social purpose; Global Health and Wellbeing policy; and Global mobility policy. Selected documents are available on the Bank’s [ESG Report website](#).

Main guides: Sustainable Finance Classification System (available on [Santander.pl](#)), Financial Education, Transition Classification System, and Materiality.

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 RESPONSIBLE BANKING AND SUSTAINABILITY PRINCIPLES**

The following principles comprised in the Responsible Banking Framework reflect the minimum expectations of the Santander Bank Polska Group regarding the Responsible Banking activities and Sustainability. These principles must be applied at all times.

- **Alignment with ESG challenges.** Santander will promote the alignment of the Responsible Banking and Sustainability Agenda with the challenges and needs of people and society to help and meet their needs in accordance with the best international standards.
- **Common responsible banking and sustainability approach within the Santander Bank Polska Group (One Santander).** ESG requires full coordination between the Bank and Subsidiaries in order to ensure the effective implementation of the management and control of the ESG criteria following a common approach set by the Group direction. Group's entities should act in a homogeneous manner, with common tools and methodologies that ensure the performance of activities and their control under the same standards.
- **Involvement of Senior Management.** The Management Board is responsible for supervising and approving the strategy and will promote the embedding of ESG criteria in the overall business strategy (in the short, medium and/or long term), and in the risk management framework. As a result, ESG matters will be duly included, as appropriate, in the agenda of the existing governance bodies. Likewise, the Santander Bank Polska Group's entities will consider the knowledge, skills and experience of its members in Responsible Banking for the composition of the Board of Directors and its committees.
- **Involvement of Employees.** Santander encourages all employees to do their part in supporting sustainable and inclusive growth.
- **Customer-oriented.** Establishment of responsible customer relations that encourage sustainable practices and facilitate business activities that create prosperity for the current and future generations.
- **Commitment towards stakeholders.** Active listening is necessary to improve cooperation with, and commitment to, stakeholders to help society prosper.
- **Measurement and transparency.** Establishment of key performance indicators and public commitments aligned with our strategy and the measurement of their progress and impact. Specifically, the identification and management of positive and negative impacts that our operations, products and services may have on society and the environment. Ensure transparency in the disclosure of the Santander Bank Polska Group's performance in the Responsible Banking field and its contribution to society.

#### **5 COMMITMENTS ON RESPONSIBLE BANKING AND SUSTAINABILITY**

The environmental, social and governance commitments that the Group has voluntarily taken on to create long-term value exceed its legal obligation to stakeholders and affect both the direct and indirect of its banking activity.

### **5.1. Employee relations at the Santander Bank Polska Group**

Our employees are, above all, the key to ensuring business Responsible Banking and sustainability. The Santander Bank Polska Group strives to attract, retain and engage the best professionals who will give customers the best service. the Group's *General code of conduct* sets out the ethical principles and rules of conduct that employees must follow.

#### **Prevention of discrimination and practices that offend people's dignity**

The Santander Bank Polska Group is committed to maintaining a decent work environment for its employees. Equal opportunity in work and career development, and non-discrimination on the basis of gender, race, age, visible and invisible disabilities, personal and professional experience, education, religion, values and beliefs, sexual orientation, personality. The Group is committed to keeping the workplace free of harassment, abuse, intimidation and violence.

#### **Opposition to any form of forced labour and child exploitation**

The Santander Bank Polska Group will not resort to any form of forced or coerced labour. The Group stands against child labour and will abide by the more stringent of the International Labour Organization (ILO) Convention and the national minimum working age.

#### **Respect for freedom of association and collective bargaining**

The Santander Bank Polska Group recognizes the fundamental right of workers to form or join trade unions and other representative bodies; freedom of speech; union action; collective bargaining; and the protection of workers' representatives, in accordance with the country's labour laws.

#### **Employees' safety and health**

The Santander Bank Polska Group values its employees' safety and health at the workplace and makes better working conditions a priority. The Group will abide by country's labour laws and take whichever measures are needed to safeguard safety and health at the workplace.

#### **Decent employment**

The Santander Bank Polska Group gives employees decent compensation, commensurate with their education, experience, duties and functions, in accordance with legislation and socio-economic conditions. It also guarantees its employees the right to rest as defined by law in the country.

#### **Reconciling work and family life**

The Santander Bank Polska Group is committed to providing its employees with flexible working practices to reconcile their working life with other interests and responsibilities. The aim is to create a work environment that adapts to the personal and family circumstances of each employee, without losing the demands and focus on results.

#### **Ensuring security**

The Santander Bank Polska Group will ensure that all aspects of security measures are developed in such a way as to guarantee compliance with our ESG commitments. The professionals who carry out these functions must accredit their suitability for the position and receive the appropriate training.

The Santander Bank Polska Group safeguards the right of its employees to the protection of their personal data and privacy.

## **5.2. Relations with customers and vendors**

### **Fair treatment of customers**

The Santander Bank Polska Group commits to building up customers' long-term trust, earning their loyalty, answering their needs and improving their level of satisfaction.

Employees will follow Santander's *General code of conduct* and *Conduct Risk with Customers Management Model* to focus on offering customers only products and services that will suit their circumstances and needs; help them understand terms and conditions, benefits, risks and costs of Group's product proposition.

In promoting respect for our social commitments as human rights in relation to customers, The Santander Bank Polska Group has made public commitments such as the Equator Principles, as well as the application of its policies that include measures around the exercise of due diligence to prevent, mitigate and manage environmental and social impacts throughout the customer's life cycle that are eligible under regulations.

### **Fair treatment of suppliers**

The Santander Bank Polska Group maintains ethical and transparent dealings with vendors in line with its Third-party certification policy, according to which it must hire vendors based on responsible banking principles.

The Santander Bank Polska Group will encourage respect for its ESG commitments throughout its supply chain and, in particular, will encourage the commitments contained in this policy to be extended to its suppliers and their employees, always respecting their management autonomy and following the practices and procedures contained in the Group's procurement regulations.

### **Environmental protection**

The Santander Bank Polska Group understands communities' right to a clean and safe environment. It will take action to minimize the impact of its operations on the environment by:

- Assuming obligation to analyse and identify negative environmental impacts during the screening process of financing and investment activities in a manner consistent with international benchmarking standards.
- Committing to progressively aligning our portfolios to reflect and finance the low-carbon, climate-resilient economy needed to limit global warming.
- Managing the environmental impact of our facilities by driving management systems based on international regulatory standards and continuous improvement, and by controlling key consumption, waste and emissions.

## **5.3. Community relations**

### **Elimination of corruption**

As a signatory to the United Nations Global Compact, the Santander Bank Polska Group will work to fight extortion, bribery and all other forms of corruption.

Banco Santander is a founder member of the Wolfsberg Group, whose principles and guidelines are a major benchmark in the fight against money laundering, corruption, terrorism and other serious crimes.

### **Social Commitment**

The Santander Bank Polska Group holds education to be a driver of growth, progress and well-being. Education is a primary focus of its community outreach. Through agreements with universities, Santander will support academic excellence; experiences abroad for instructors, students and researchers; research; innovation; and entrepreneurship.

In keeping with the Group's Conduct Risk with Customers Management Model, Santander will support general financial literacy to broaden people's financial skills, with resources and concepts that will help them make decisions, in line with the Group's Consumer Protection principles.

Santander will orientate community investment programmes particularly towards childhood education, entrepreneurship, job creation and social well-being.

Santander will make social investment decisions with a view to ending poverty, supporting underserved groups and promoting social inclusion.

Santander will also encourage employees to take part in volunteering projects.

### **5.4. Dialogue with shareholders**

The creation of long-term value and maximum transparency of information are fundamental pillars of The Santander Bank Polska Groups relationship with its shareholder base. To this end, Santander:

- Guarantees equal treatment among its shareholders.
- Offers complete, clear and truthful information to all its shareholders through the various communication channels available to the Group.

### **5.5. Channels of dialogue and participation with stakeholders**

In order to gather all relevant opinions, The Santander Bank Polska Group will maintain channels of dialogue and consultation with its main stakeholders: employees, customers, shareholders, investors, suppliers, authorities, regulators, supervisors and NGOs.

## **6 CORE SUSTAINABILITY AND RESPONSIBLE BANKING PROCESSES**

The processes related to Responsible Banking and Sustainability are set out in the Responsible Banking model, the main processes are shown below:

### **6.1. Identification of important responsible banking and sustainability topics**

We regularly conduct a materiality analyses to identify the most important social, environmental and governance issues to our stakeholders.

Santander apply a common double materiality approach in terms of (1) financial (as ESG issues affect financial results) and (2) the environment and society (as ESG action affects society and the environment).

This materiality is a reference to set the responsible banking agenda, which indicates the environmental, social and governance initiatives the Group prioritizes.

## **6.2. ESG criteria embedding**

ESG criteria embedding into policies of the Santander Bank Polska Group: Inconsistent or contradictory action must be avoided. All Group's policies must designate clear and consistent roles and duties to respond to responsible banking and sustainability matters properly.

Environmental, social and Climate Change Risk Analysis: Take proactive and ongoing steps to identify how existing and proposed activities may cause or contribute to negative social and environmental impacts, as well as how the company's operations may be directly related to such impacts. The scale of the review will depend on the size of the company. The Group has approved the Environmental, Social and Climate Change Risk Management: activities that require special attention and prohibited activities Policy which sets out which activities are prohibited and which activities require special attention from an environmental, social and climate change point of view for the Oil & Gas, Power Generation and Transportation, Mining and Metallurgy sectors, as well as those arising from soft commodity businesses.

ESG criteria embedding into oversight and auditing: Oversight and auditing processes should remain consistent with the Santander Bank Polska Group's responsible banking strategy and objectives.

ESG criteria embedding into communications: The form and timing of communications must demonstrate the Santander Bank Polska Group's adverse ESG impact, be accessible to their intended audience and provide a concerned party with enough information to assess if the Group's response to it is appropriate.

## **6.3. Skills training and development in responsible banking and sustainability**

Santander considers ESG training important for all employees to acquire the skills needed to perform the duties they are assigned.

### **Training is based on three levels of experience**

The first level concerns all divisions, is common to all employees and includes materials that can be accessed on global platforms.

The second level concerns functions associated with the Santander Bank Polska Group's responsible banking and sustainability agenda, and includes special programmes for each business unit and area.

The third level includes special certifications to cover each business unit's needs.

To make informed decisions, the Group should run special initiatives on its corporate website, administer ESG evaluations of vendors and run custom training programmes that will develop ESG skills among its customers and along its value chain.

## **7 GOVERNANCE**

To analyse the opportunities, risks and challenges of Responsible Banking and Sustainability issues, including climate change and human rights, Grupo Santander has the following governance bodies:

- The Responsible Banking and Corporate Culture Committee, which assists the board with responsible business strategy and in Responsible Banking and Sustainability matters concerning the Santander Bank Polska Group.
- The ESG Forum, which gives support to the committee, proposes and oversees sustainability strategy, and is in charge of implementing the Santander Bank Polska Group's responsible banking agenda. The forum is formed by senior executives.

According to the principle of proportionality, each entity of the Santander Bank Polska Group has its own governing bodies to manage and keep track of sustainability matters. Appointed representatives of the Group's entities will participate in quarterly meetings on ESG works status.

The subsidiary entities, in accordance with the principle of proportionality, will establish the governing bodies (units, committees, forums or individuals) necessary for the management and monitoring of sustainability issues. Appointed representatives of subsidiaries will participate in quarterly ESG status meetings convened by the Santander Bank Polska's Sustainability and ESG Team.

Where appropriate, skills in, and knowledge of, responsible banking and sustainability, climate change will be a determining factor for forming governing bodies.

## 8 DOCUMENT OWNERSHIP & OVERSIGHT

### 8.1. Ownership

The Sustainability and ESG Team is accountable 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.

### 8.2. Interpretation

The Sustainability and ESG Team is accountable for interpreting this policy.

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. 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 is published for general knowledge on the corporate intranet and on the website <https://esg.santander.pl/2022/en/governance/corporate-governance-strategy-and-policies/>.

## 9 CHANGE CONTROL

Document version	Changed by	Change description	Approver	Approval date
1.0	Responsible banking	Document generation	Management Board of Santander Bank Polska S.A.	24 July 2019
2.0	Responsible banking	Updated to include Climate Change and Environmental Management Policy key aspects, following the Group's Policy guidelines (amendment to the Management Board Resolution no 127/2019)	Management Board of Santander Bank Polska S.A.	4 August 2020
3.0	Beata Kubida, Sustainability and ESG Team	Update of the Sustainability Policy to reflect the modifications in the energy sector, mining & metals sector and soft commodities sector policies that have merged into the Environmental, Social and Climate	Management Board of Santander Bank Polska S.A.	June 2022

		Change Risk Management Policy, and to announce the setup of the ESG Forum (amendment to the Management Board Resolution no 130/2020)		
4.0	Beata Kubida, Sustainability and ESG Team	Update to simplify the policy merging the human rights and sustainability policies into a single document that will strengthen the bank's commitments with stakeholders and effectively explain the processes for applying environmental, social and governance standards according to Responsible Banking Model.	Management Board of Santander Bank Polska S.A.	October 2023

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## APPENDIX I: THIS POLICY IS BASED ON THESE CONVENTIONS

- 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;
- 2015 Paris Climate Accords;
- The Good Governance Code of Spain's CNMV; and
- International Finance Group against the trafficking of wildlife