

ESG Code of Conduct for Suppliers of Santander Bank Polska

1. ESG Code of Conduct for suppliers and the bank's ESG commitments

1.1. Why are we introducing the ESG Code of Conduct for Suppliers?

We apply the ESG Code of Conduct for Suppliers of Santander Bank Polska as we support sustainable development. This also includes the bank's impact on its environment throughout the entire value chain. Through their collaboration with us, our suppliers and business partners have an impact on environmental, social, and governance (ESG) matters. For this reason, we expect them to adhere to certain standards in this regard. These standards are based on laws and regulations, international conventions, market practices and our internal policies.

1.2. What do we do as a bank to support sustainable development?

We want to be the best open financial services platform by acting responsibly and earning the trust of our people, customers, shareholders and communities. To achieve this mission, we incorporate sustainability and ESG goals and actions into our strategy. In accordance with our strategy, we consciously make ethical decisions and manage our social and environmental impacts. Through a sustainable business model, we create value for our stakeholders, who include:

- customers,
- employees,
- suppliers and business partners,
- investor communities,
- shareholders,
- regulatory bodies,
- media and the public,
- social partners,
- Santander Group,
- natural environment,
- banking organizations and associations.

Our strategy is complemented by ESG policies and procedures. When cooperating with suppliers, we commit to complying with the rules of ethics and transparency and to treating all business partners equally. At the same time, we expect them to act in accordance with this Code, respect human rights and minimise the environmental impact of their activities. This Code and its goals are consistent with international ESG standards. Key documents and legal acts to which we refer:

- United Nations Sustainable Development Goals,
- Paris Agreement,
- Objectives of the UN Global Compact initiative,
- Principles of Responsible Banking (UNEP FI),

- Universal Declaration of Human Rights,
- United Nations Guiding Principles on Business and Human Rights,
- OECD guidelines for multinational enterprises,
- The International Labour Organisation's (ILO) Fundamental Conventions,
- Equator Principles (International Finance Corporation guidelines),
- International conventions on environmental protection, including: Ramsar Convention or CITES.

You can read more about our ESG activities at <https://esg.santander.pl>.

1.3. How does the ESG Code of Conduct fit into our purchasing processes?

We want our suppliers and business partners to join us in pursuing our goals and raise their ambitions in terms of sustainable development. For this reason, we become engaged in different processes:

- We assess the level of ESG risk associated with our supplier relationships;
- We include ESG matters in the selection criteria for bids in purchasing procedures for selected purchasing categories;
- We look at the reputation risk attached to the cooperation with business partners;
- We estimate greenhouse gas emissions related to the purchase of goods and services;
- We require all counterparties that we contract with to comply with the [10 Principles of the UN Global Compact](#);
- We require all potential suppliers who join the purchasing process to adopt the ESG Code of Conduct for Suppliers – by submitting a bid, the counterparty confirms their knowledge of our requirements specified in the ESG Code of Conduct..

This Code is a set of minimum standards that we expect all our suppliers to comply with. We understand that the nature of each of our business partners' activities is different and the extent and timing of the ESG goals they pursue vary. However, we expect them to meet the minimum requirements and develop their ESG ambitions with us.

For this reason, we require all our suppliers and business partners to familiarize themselves with these requirements. We also reserve the right:

- To require that the supplier demonstrate compliance with the minimum standards contained in this Code, for example by providing policies, procedures or other appropriate documentation.
- To take action to clarify any doubts regarding compliance with the Code.

Our responsibility for the environment in which the bank operates also extends to our suppliers and business partners. That is why we also declare that we will cooperate with them in accordance with ESG requirements. In particular, we shall:

- make all payments to all our counterparties on time;
- not make suppliers excessively dependent on the bank;
- support our suppliers in building their skills and know-how in the ESG area, including by educating them in this area.

2. Our expectations towards suppliers

We expect our suppliers to operate in accordance with the environmental, social and governance standards specified below. In addition to formulating requirements, we also suggest actions that are not mandatory but are consistent with our values.

2.1. Environmental (E)

We require our suppliers to:

- strictly comply with applicable environmental protection regulations;
- reduce their negative impact on the environment by analysing, eliminating or reducing it, and where this is not possible – by remedying any damage that has occurred and managing the risks associated with such damage;
- take actions to reduce greenhouse gas emissions, including those related to the products and services they offer;
- reduce the consumption of resources (including water) and manage waste responsibly;
- reduce environmental pollution related to their activities;
- implement environmental policies or procedures.

Additionally, we encourage our suppliers to:

- implement environmental impact strategies and plans;
- set and monitor targets for reducing CO2 emissions as a way of supporting the development of a low-emission economy;
- choose environmentally friendly technologies and solutions;
- raise the ecological awareness of their employees;
- undertake initiatives aimed at protecting nature and restoring biodiversity.

2.2. Social (S)

We require our suppliers to:

- strictly adhere to labour law;
- apply the principle of “zero tolerance” towards forced or slave labour;
- comply with occupational health and safety requirements;
- guarantee their employees freedom of association and negotiation with the employer;
- prevent mobbing in the workplace;
- set working hours that allow employees to maintain a work-life balance;
- protect their customers, comply with the rules for product and service safety, and responsible sales and marketing;
- prevent any violations of human rights by their respective companies and comply with international conventions in this area;
- prevent discrimination against employees, customers and business partners on the grounds of any of their personal characteristics or personal situation.

Additionally, we encourage our suppliers to:

- apply the principles of diversity, equality and inclusion to employees and promote them at their respective companies;
- ensure equal treatment of employees of different sexes in all aspects of human resources management;
- enable employees to develop professionally;
- engage in dialogue with employees and respond to their reported needs;
- support the well-being of their employees, including their physical and mental health;
- increase the accessibility of their facilities, sales channels, products and services, etc. for employees, customers and business partners with disabilities and special needs;
- engage in social initiatives conforming to the nature of their activities and the environment in which they operate.

2.3. Governance (G)

We require our suppliers to:

- strictly comply with the regulations concerning their business activities, including the protection of personal data (GDPR) and intellectual property;
- respect ethical standards and train their employees in this area;
- counteract all forms of corruption and conflicts of interest and apply appropriate policies or procedures to this end;
- prevent their company from being used to finance crime or terrorism, and comply with applicable international sanctions,
- comply with fair competition standards;
- reliably comply with any contracts they have signed;
- protect data privacy and use appropriate cybersecurity procedures and technologies to this end;
- protect and not to disclose any confidential/ sensitive information obtained in the course of cooperation with their counterparties;
- comply with the committed payment deadlines in dealing with their counterparties;

Additionally, we encourage our suppliers to:

- adopt and strictly follow a document with formally defined principles of ethical business conduct, e.g. in the form of a code of conduct;
- apply ESG requirements to their own suppliers and business partners;
- inform the public about their impact on the environment and remedial actions in the ESG area, in accordance with the principles of reliability and open access to information;
- follow market standards and good practices concerning inclusion of ESG aspects in business governance.