



SUSTAINABILITY STATEMENT

Consolidated non-financial information statement and
sustainability information

SUSTAINABILITY AT SANTANDER IN 2024

10 highlights

Our activity helps people and businesses prosper and contributes to address global challenges

- 1 | **EUR 350.5 billion** to help people buy homes, enabling 3.7 million families to access housing. **EUR 214.2 billion** to purchase other goods.^A
- 2 | **EUR 330 billion** to help set up or grow companies (including more than 530 thousand SMEs and self-employed).^B
- 3 | **206,753 employees**. EUR 14.3 billion paid in wages and benefits.
- 4 | **EUR 11.6 billion** paid to suppliers. 89% are local and account for 88% of total procurement turnover.
- 5 | **EUR 10.9 billion** in taxes paid by the Group and **EUR 11.5 billion** in third party taxes channelled to tax authorities.
- 6 | **EUR 139 billion** in green Finance raised and facilitated since 2019, reaching our **EUR 120 billion** target 18 months early and maintaining our leadership position in the financing of renewable energy projects.
- 7 | Additionally, **our credit stock in green mortgages and auto** (EU taxo aligned) **grew 27% year over year**, supporting the alignment of our portfolios.
- 8 | We continue to make progress towards our target of **EUR 100 billion** of assets under management in SRI (Socially Responsible Investment), reaching **EUR 89 billion** in 2024.
- 9 | **4.3 million** people financially included since 2023, getting closer to our 5 million target until 2025. Our microfinance propositions in Latin America reached **1.3 million** underbanked entrepreneurs with **EUR 1.27 billion** in credit disbursed.
- 10 | **EUR 166 million** in community support, including **EUR 104 million** to promote higher education, employability and entrepreneurship.

A. Credit stock and mortgage holdings as at 31 December 2024.

B. Credit stock as at 31 December 2024. Data for Small and Medium Enterprises (SMEs) and the self-employed covers individual customers with an outstanding loan at 2024 year end.

ABOUT THIS CHAPTER

Scope

This chapter covers the core activities of Banco Santander and its subsidiaries from 1 January to 31 December 2024 (for more details, see Notes [1](#), [2](#), [3](#) and [53](#) to the consolidated financial statements and sections [3](#) and [4](#) in the 'Economic and financial review' chapter). The scope of information and changes in criteria applied with respect to the 2023 Sustainability Report, when significant, are reflected in each relevant section and generally in the '[Sustainability note 1](#)' of this chapter.

Regulation, reporting standards and other references that this chapter addresses

This chapter contains the 'Consolidated non-financial information statement and sustainability information' of Grupo Santander, in compliance with Directive (EU) 2022/2464, with regard to the presentation of information on sustainability by companies, prepared in accordance with Law 11/2018, EU guidelines 2017/C215/01 on non-financial reporting, Delegated Regulation (EU) 2023/2772 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting rules, and the Regulation on European Taxonomy (Regulation (EU) 2020/852 and Commission Delegated Regulations 2021/2139 and 2021/2178 as amended by Delegated Regulations (EU) 2022/1214, 2023/2485 and 2023/2486). This report shows the performance of Grupo Santander in those environmental, social and governance issues that have been identified as material from a double materiality perspective. Its purpose is to provide stakeholders with a fair and balanced picture of the most relevant aspects, objectives, practices and results of the 2024 exercise.

External validation

PricewaterhouseCoopers Auditores, S.L., an independent firm charged with auditing the financial statements of Banco Santander S.A., issued a verification report, with limited assurance, on the Consolidated Non-Financial Information and sustainability statement required under Act 11/2018 and the *European Sustainability Reporting Standards* (ESRS). The report's conclusion can be found in the '[Independent verification report](#)' at the end of this chapter. For more details on the preparation and levels of control of sustainability information, see the 'Sustainability information' section in the introductory pages of this consolidated management report 2024, and the 'Sustainability note [1](#) and [2](#)' in this chapter.



For more details, see '[Sustainability information in the introduction of this Annual report](#)'

CONTENTS

SUSTAINABILITY AT SANTANDER IN 2024	19	4. BUSINESS CONDUCT	100
ABOUT THIS CHAPTER	20	(Governance information)	
1. SUSTAINABILITY AT SANTANDER	22	4.1 Corporate culture	100
(General information)		4.2 Ethical conduct	101
1.1 Sustainability strategy	22	4.3 Ethical channels	104
1.2 Stakeholder engagement	24	4.4 Our suppliers	105
1.3 Materiality assessment	27		
1.4 Sustainability governance	29	SUSTAINABILITY NOTES	107
2. OUR CLIMATE TRANSITION PLAN	32	SN 1. Introduction, basis of presentation of the	107
(Environmental information)		Sustainability statement and other information	
2.1 Strategy	32	SN 2. Sustainability governance	117
2.2 Supporting our customers in their transition	35	SN 3. Materiality assessment – Detailed	121
goals		methodology	
2.3 Embedding ESG in risk management	40	SN 4. Our transition plan	129
2.4 Aiming to align our activity with the Paris	59	SN 5. EU Taxonomy	131
Agreement Goals		SN 6. Sustainable finance and investment	133
2.5 Further actions and enablers	72	classification system (SFICS)	
3. SUPPORTING EMPLOYEES, COMMUNITIES	75	SN 7. Our progress in figures	134
AND CUSTOMERS		SN 8. Additional metrics to comply with Spanish	200
(Social information)		Act 11/2018	
3.1 Our employees	75	SN 9. Alternative performance measures (APMs)	202
3.1.1 Talent and skills development	75	SN 10. Non-financial information Act 11/2018	205
3.1.2 Working conditions	77	content index	
3.1.3 Inclusive culture	80	SN 11. Commission Delegated Regulation (EU)	210
3.1.4 Employee feedback and experience	82	2023/2772 on sustainability reporting	
3.2 Communities' sustainable development	83	standards content index	
3.2.1 Supporting the economic and social	83	Independent verification report	218
development of our communities		OTHER SUSTAINABILITY INFORMATION	221
3.2.2 Responsible investment and social finance	83	1. Our progress in relation to UN (United Nations)	221
3.2.3 Environmental, social and climate change	86	Global Compact Principles	
management		2. Our contribution to United Nations Sustainability	223
3.2.4 Community Support	88	Development Goals	
3.3 Our customers	91	3. Our progress in relation to the Principles	224
3.3.1 Conduct with customers	92	for Responsible Banking UNEP FI	
3.3.2 Financial inclusion and financial health	94	4. GFANZ transition planning content index	225
3.3.3 Privacy, data protection and cybersecurity	97	5. Task Force on Climate related Financial	226
		Disclosure (TCFD) content index	
		6. Table of equivalence between CSRD and ISSB	227

1. SUSTAINABILITY AT SANTANDER

(General information)

1.1 Sustainability strategy

Grupo Santander's purpose is to help people and businesses prosper. We aim to be the best open financial services platform by acting responsibly and earning the lasting loyalty of our employees, customers, shareholders and communities.

Grupo Santander serves more than 173 million customers worldwide through our unique combination of global scale and local leadership. We are among the top 3 in lending, deposits and mutual funds in most of our core markets. Our diverse customer base includes individuals, SMEs, large corporates, high net worth clients and others, all with varying financial needs and expectations. Our simple, tailor-made products and services, coupled with our multichannel proposition, seek to meet those needs.

Santander has over 200 thousand employees and our activities are organized under five global businesses: Retail and Commercial Banking; Digital Consumer Bank; Corporate and Investment Banking; Wealth Management and Insurance; and Payments.

We deliver our multichannel customer proposition in the following core markets (some mature, some emerging) in Europe, North America and South America: Spain, Portugal, United Kingdom, Poland, United States, Mexico, Brazil, Chile and Argentina.



For more details on the value chain, see [SN 1](#).
For more details on the distribution of employees by geographical area, see [table 1. Employees by region](#) in [SN 7.3. Our progress in figures. Employees](#)

Our sustainability strategy focuses on issues that are material to Santander, i.e. those that pose the biggest risks to, and create the best opportunity for, and where we can have the biggest impact. This strategy, which is consistent with our double materiality assessment (see section [1.3 'Materiality assessment'](#)), has five pillars:

1. Help our customers in meeting their goals in their transition to a low-carbon economy while also managing climate-related risks and impacts.

2. Help our employees develop by promoting an inclusive culture and learning and providing fair working conditions.
3. Contribute to the economic, financial and social development of our communities, with a special focus on education, employability and entrepreneurship.
4. Be a trusted partner to our customers, with products and services that adapt to their needs, while applying responsible practices, supporting their financial inclusion, and protecting their information.
5. Act responsibly through a strong culture, governance and conduct.

Our sustainability strategy embeds the Group's three action lines: Think Value, Think Customer and Think Global to drive business growth and become more resilient to increasing environmental, governance and social risks.

- **Think Value:** Profitable growth makes us resilient and able to withstand shocks, invest in our employees and customer value proposition, support our communities, and create value for our shareholders.
- **Think Customer:** Be the partner of choice for our customers by offering the best products and helping them in their transition to a low-carbon economy and support their financial inclusion and financial health (including financial education).
- **Think Global:** Use our scale and local leadership to tackle global sustainability challenges.

The Group's sustainability policy is embedded in the strategies of the five global businesses, with metrics and targets that form part of our remuneration schemes.



For more details, see chapter [1.4 'Sustainability governance'](#)

Retail and Commercial Banking

Our ambition is to be a driver of growth and to provide value-added solutions for our customers.

Our sustainable value propositions uphold high standards of integrity for all customer and user segments (from individuals to SMEs, large corporates and institutions).

We also collaborate with multilateral development banks, aligning our financial activity with support for countries' sustainable and energy transition.

We measure the emissions of the relevant portfolios of commercial and residential properties in Spain and the United Kingdom (UK) or Agriculture in Brazil, identifying alignment levers towards the transition.

We also provide financial inclusion solutions and have a target to financially include five million people between 2023 and 2025. This includes helping underbanked through microfinance and access initiatives. We also run financial education activities to bolster our financial inclusion programmes.

Santander is also aiming to invest EUR 400 million in education, employability and entrepreneurship between 2023 and 2026, while increasing the number of people engaged in these programmes, including through platforms such as Santander Open Academy.

Digital Consumer Bank

Our ambition is to bolster our sustainable finance proposition by tapping into potential opportunities in both, the auto finance market where we are global leader in auto financing with more than 20 million customers, and the consumer finance market.

We are supporting the green transition through electric vehicle financing — EUR 6.8 billion in loans in the year, with a market share of over 12% in electric vehicle sales in Europe. An increased share of electric vehicles contributes to the alignment of the auto financing portfolio in Europe and to our 2030 alignment target.

Corporate and Investment Banking

Our ambition is to be a strategic partner for our customers by helping them achieve their low-carbon transition and sustainability goals.

We support our customers in pursuing their transition to a low-carbon economy and sustainable objectives by offering them value-added products and services that follow the strictest integrity standards without compromising profitability. We are focused on capturing business opportunities around (i) clean energy and ClimateTech advisory services, (ii) structured finance, and (iii) risk management solutions.

We continue to strengthen our leadership in sustainable finance, which enables us to harness opportunities to finance the green transition. Santander has been a leader in renewable energy project finance for the past decade. In 2024, we exceed our target of EUR 120 billion in green finance raised or facilitated (between 2019 and 2025) 18 months early. We also acted as adviser on several of the globe's biggest renewable energy transactions.

Through our initiatives, we help our customers draw up their transition plans and progress towards achieving our climate objectives in high-emitting sectors.

Wealth Management and Insurance

Our ambition is to foster sustainability through our leading global private banking platform and best-in-class funds and insurance product factories.

We're boosting our sustainable product proposition while moving towards our target of EUR 100 billion in assets under management in socially responsible investment (SRI) by 2025. Our products include a wide range of fixed income, equity, mixed and alternative funds, as well as themed products focused on climate, energy transition and natural capital. In addition, we have SRI life-savings portfolios and products, as well as the ability to build customized mandates around specific sustainability preferences.

Moreover, Santander Asset Management is strengthening engagement and voting initiatives through dialogue on climate change issues with portfolio companies and considering climate criteria in voting at shareholder meetings of companies under the scope of its Voting policy.

Payments

We are working on lowering the footprint of our cards by issuing more cards made of sustainable material and recycling more cards. We're also looking to offer our customers the possibility of calculating and offsetting the footprint of their transactions.

In 2024, we acquired 39 million cards (84% of the year's total) made of sustainable materials (recycled PVC or PLA).¹

Embedding our sustainability strategy

Santander's sustainability strategy forms part of the Group's strategic plan, three-year financial plans and annual budget (every year). Our Chief Executive Officer (CEO) leads the preparation of our financial plan every year. The plan includes sustainability targets and priorities that are consistent with our long-term strategy. The strategy committee, executive committee and the Group board of directors review the plan's outcome. Furthermore, all global businesses and each subsidiary has its own financial plan that we review so that it aligns with the Group plan.

The risk area conducts an analysis and challenge of the strategic plan (Risk Challenge) to identify potential threats that may compromise the achievement of the Group's objectives. The risk control committee discusses the outcome of this analysis and reports to the board's risk supervision, regulation and compliance committee. Additionally, Santander has a risk management control model to identify, assess, mitigate, monitor and report all material risks, including Environmental, Social and Governance (ESG), that we may face and that may affect our strategy or business model. We base this model on the Group's risk principles and culture; a clear governance structure; and advanced risk management tools and procedures.

Likewise, Santander regularly conducts an emerging risks exercise to identify key threats to our strategic plan under theoretical stress scenarios with low likelihood of occurrence. We aim to detect, assess and monitor risks that may have a significant impact on our business model, profitability and solvency to promote our strategy remains robust.

¹ PVC: Polyvinyl Chloride; PLA: biodegradable plastic made from renewable sources.

1.2 Stakeholder engagement

Santander remains in constant dialogue with its stakeholder groups, particularly employees, customers, shareholders and communities, who we engaged as part of our materiality assessments and human rights due diligence, as we outline in this report. Grupo Santander is committed to the principles of transparency, honesty and impartiality in its engagement with stakeholders. We believe that working with our stakeholders is key to understanding their concerns, setting priorities, and when possible, spotting opportunity and areas for improvement.

Stakeholders' views **help us develop key processes** such as drawing up our strategy, financial plans and definition of goals. Group, subsidiary and global business senior management and executive committees as well as to the Board, when presenting the conclusions of the double materiality analysis, review, debate and agree on implications. The outcome of these listening exercises has helped drive our customer-centric focus, creation of new business teams to help meet customers' needs, and the reinforcement of operational procedures on service quality, security and agility.

We adapt our stakeholder engagement objectives for each group:

- **Employees.** We run three main listening exercises:
 - **Your Voice:** a tool to collect employee feedback and measure employee engagement. An independent third party manages this feedback confidentially and provides us with aggregated information only to preserve the anonymity of employees and their responses. In 2024, a global survey took place, followed by local pulses to analyse and address specific topics.



For more details on the results and actions stemming from 'Your Voice', see section [3.1 'Our employees'](#).

- **Canal Abierto:** an anonymous and confidential channel for employees to report unethical conduct and breaches of the General code of conduct. This channel also receives reports from third parties, such as vendors, customers and investors.



For more details, see section [4.3 'Ethical channels'](#)

- **Dialogue with employees' legal representatives:** on top of the above mechanisms, we believe that employees' legal representatives play a key role as a spokesperson for our workforce. That's why we encourage and maintain permanent, fluid and direct dialogue, engagement and negotiation with them through trade unions and works councils. We also channel discussions on industrial relations through these representatives in the markets where they exist.

In order that the relationship between the bank and employees' legal representatives remains productive and fluid, we engage with them through:

- Santander's bodies for engagement with employees' legal representatives and through formal councils and committees set up for this purpose;
- Through meetings to address specific matters, direct contact and information exchange platforms.

The Labor Relations function also facilitates mechanisms for communication between employees' legal representatives and the people they represent and those affiliated to trade unions according to the regulations and agreements that apply in each market.

- **Customers.** The listening process varies according to customer type:
 - **Retail customers:** the aim is to measure their satisfaction and experience in each of our core markets through regular Net Promoter Score (NPS) surveys following customer interactions. We also run a customer experience benchmark to help us identify our competitive positioning, with results twice a year. Both exercises aim to spot areas for improvement that we pull together in action plans with unit's management committee oversight.



For more details on our complaints handling system, see section [3.3 'Our customers'](#)

- **Wholesale customers:** we identify needs and areas for improvement as part of our customer relations and dialogue on an ad hoc basis. Bankers escalate the insights gain that either need management or provoke actions to adjust our commercial strategy.

Customer feedback is collected by customer interaction teams (customer experience and customer service team, among others) and fed back into key bank processes overseen by governance bodies and thus integrated into the 'Think Customer' pillar of the strategy.

- **Shareholders and investors.** We engage with our shareholders and investors to strengthen ties and offer a value-added proposition that sets us apart. We use surveys, events, direct contact and other channels (with digital channels gaining traction) to enable close dialogue that helps this group understand the business better and communicate with senior management.
- **Communities.** The aim is to understand the needs and challenges of the communities where we operate by gathering information from several sources:
 - **Individuals:** the customer experience function runs mass surveys to learn about how the communities we serve perceive our actions.
 - **Non-governmental organizations (NGOs):** the Sustainability and Social Action functions engage in two-way communication with the leading civil organizations in our markets.
 - Under our **Environmental, social and climate change risk (ESCC) policy** and the **Equator Principles**, we conduct analyses on the environmental and social risks that our operations might have on our communities.



For more details, see section [3.2.3 Environmental, social and climate change management'](#)

Our 2024 engagement in numbers



Employees

83% participation in our Your Voice survey^A

4,437 complaints received through ethical channels

^A 151,726 employees answered the survey based on the total number of employees eligible to participate, i.e. employees who have been with the organization for less than 3 months, long-term absentees, employees without access to the corporate intranet, and employees without access to the corporate intranet are excluded.



Customers

Over 9.9 million surveys to customers

681,636 complaints received; resolved or under management



Shareholders & Investors

9,136 responses by retail shareholders on the perception of Santander as Simple, Personal and Fair

157,632 responses by retail shareholders and institutional investors through quality surveys and studies

229 events with retail shareholders

1,269 interactions with institutional investors (**109** on ESG matters)



Communities

158 interactions with NGO enabled us to gather and address the needs of the communities where we operate and to understand the impact of our activities

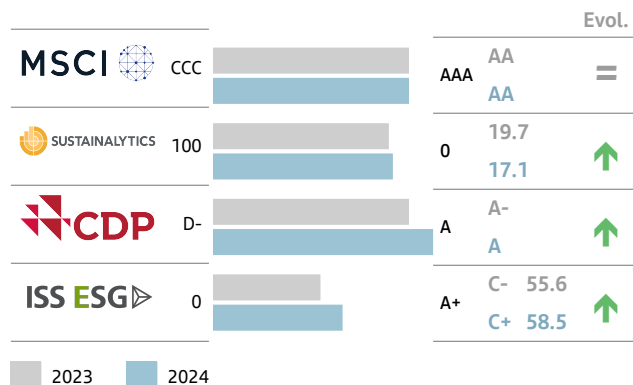
Santander also engages **with other stakeholders**, including suppliers, ESG ratings agencies, regulators and supervisors, political parties and authorities:

- **Suppliers:** we want our value chain to be more sustainable while increasing the Group's resilience to environmental and social risks. We include ESG standards in tenders for certain services and support vendors in assessments and certification procedures.



For more details, see section [4.4 Our suppliers](#)

- **ESG ratings agencies:** the aim is to convey our developments, assess our progress and spot areas for improvement. In 2024, we maintained our position in MSCI (AA) and at Carbon disclosure project (CDP) level A. We scored 17.1 points in Sustainalytics, remaining in its 'Low Risk' category, and reached the C+ category in ISS.



- **Regulators:** as part of the policy debate we engage with regulators (local and European) and international standard setters on the initiatives that are most important to the bank, our employees, our customers and the communities we serve. Santander works with the Basel Committee, the Financial Stability Board, the European Banking Authority, the European Central Bank, EU institutions, Banco de España, the Bank of England, and other key actors to set out the sustainable financing framework that boosts support for the United Nations Sustainable Development Goals and the Paris Climate Agreement targets. As part of this engagement, at the corporate level, the Group responded to 53 consultations during 2024. In addition, Brazil's presidency of the G20 and the COP30 to be held in Belém in 2025 will provide greater opportunity to work with stakeholders on common solutions to ramp up the transition in emerging and developing economies.
- **Supervisors:** we remain in open dialogue with supervisors so we can understand their priorities and expectations, and meet all pertinent regulatory requirements and recommendations.
- **Political parties:** we also interact with political parties in their role as policymakers on key topics that affect our sector, broader society and the environment².
- **Within our sector:** we work closely with industry bodies (including the Institute of International Finance, the Association for Financial Markets in Europe and the European Banking Federation) and think tanks. We work together to find common ground on issues such as the implementation of the EU Taxonomy, the framework for sustainability disclosure and reporting, and ongoing efforts to pinpoint and manage climate-related risks. We take part in these debates through consultations, workshops and other channels, and by facilitating the exchange of views between key stakeholders, in events such as the International Banking Conference and other events that Banco Santander organizes every year.

² In line with our principles of transparency, honesty and impartiality, Grupo Santander may only finance political parties on an exceptional and arm's length basis, and with approval from the Group executive committee. These standards prohibit making monetary or in-kind donations and contributions to elections. Total or partial debt cancellation for political parties and their affiliates is strictly prohibited. While Grupo Santander may negotiate the terms of any political party debt, the interest rate charged must never fall below the market rate.

Main sustainability initiatives where Santander is a member or participant

Linked to General Sustainability Frameworks and partnerships



**United Nations
Global Compact**

→ **United Nations Global Compact:** We have been part of the Global Compact network since 2022 and a member of the gender equality programme since 2020. We also took part in the 'sustainable suppliers' programme.



→ Santander has been a member of the **United Nations Environment Programme Finance Initiative (UNEP FI)** since 1992 and a founding member of the **Principles for Responsible Banking** since its launch in 2019. A Santander representative co-chairs the global management committee and in 2024 took part in a review of the 2030 principles. We are also signatory, through Santander Asset Management and since 2008, in the Principles for Responsible Investment (PRI), which offer a menu of possible actions for incorporating ESG issues into investment practice.



→ **World Business Council for Sustainable Development (WBCSD):** Having become a WBCSD member in 2015, in 2024 we took part in the Banking for Impact on Climate in Agriculture (B4ICA) initiative, the CFO Network, LEAP project, and other programmes.



→ **Equator Principles.** Voluntary framework for financial institutions to identify, assess and manage environmental and social risks when financing projects. We have been a signatory since 2009.



→ **International Capital Market Association (ICMA).** ICMA Principles champion global green, social and sustainability bond (and related) markets to finance progress towards environmental and social sustainability. The Principles were established in 2014 and Santander has been a member since then.

Linked to Sustainability Disclosure



→ **International Sustainability Standards Board (ISSB).** Santander joined the IFRS Corporate Champions initiative at the end of 2024, with the aim of strengthening the positioning of the ISSB standards as the global standard for sustainability reporting.



→ **Task Force on Climate-Related Financial Disclosures (TCFD).** The TCFD, which we support since 2017, has developed a framework to help public companies and other organizations more effectively disclose climate-related risks and opportunities through their existing reporting processes.

Linked to Advocacy Forums



→ **Instituto Internacional de Finanzas (IIF):** Grupo Santander's Executive Chair is the current IIF Chair and has sat on its board since 2014. The bank participates in several sustainability-related working groups, including the Sustainable Finance Policy Expert Group and the Sustainable Finance Data, Disclosure and Classification Expert Group.



→ **European Banking Federation (EBF):** Santander is a member of several working groups, such as the ESG risk group, which a Santander director chairs; the Sustainable Finance Steering Committee; and the Chief Sustainability Officers Roundtable.



→ **Association for Financial Markets in Europe (AFME).** Santander is part of AFME's Sustainable Finance SteerCo. AFME works with members, policymakers and other stakeholders on a wide range of important priorities including sustainability disclosures, taxonomies, sustainable financing products, sustainability due diligence and carbon markets. Santander is part of AFME's Sustainable Finance SteerCo.

Additionally, in each of the sections, specific initiatives or collaborations for each topic are mentioned.



For more details on climate-related initiatives and working groups in which we participate, see section 2.5.1 'Strategy for engagement with other key stakeholders' in the Transition Plan.

1.3 Materiality assessment

Double materiality assessment underpins our sustainability strategy. For more details, see section 1.1 'Sustainability strategy'. In 2023, we shifted our focus slightly to meet the new requirements of the EU Corporate Sustainability Reporting Directive. This report shows the culmination of our work to comply with this Directive.

The analysis developed in 2024 **redefines**, in line with the regulation, **the sustainability matters that pose risks to, and**

create opportunity for, Santander; and where we can have an **impact on the environment and broader society.**

We identified 32 impacts, risks and opportunities (IROs) that form part of the **five sustainability matters that are material to Grupo Santander**: E1) Climate change, S1) Own workforce, S3) Affected communities, S4) Consumers and end users, and G1) Business conduct. The table below breaks down the impacts (positive and negative), risks and opportunities of each matter.

Sustainability matters (ESRS)	Impact		Financial	
	+	–	Risk	Opportunity
* E1: Climate Change				
E2: Pollution				
E3: Water and marine resources				
E4: Biodiversity and ecosystems				
E5: Resource use & circular economy				
* S1: Own workforce				
S2: Workers in the value chain				
* S3: Affected Communities				
* S4: Consumers & end-users				
* G1: Business conduct				

★ Material Thresholds:

■ Critical
 ■ Significant
 ■ Informative
 ■ Minimal

As a **global, retail and commercial bank**, the material IROs relate mainly to the **retail and commercial business** (business conduct, customer practices and safeguarding privacy) and to **our scale** (contributing to global challenges such as climate change and financial inclusion, and managing our 200,000-plus employees).

We conduct this assessment for the **entire Group, including our own operations and our value chain**, using the **available information and tools; and by engaging our key stakeholders**. We also conducted a materiality assessment in all our subsidiaries, the findings of which provided feedback on the Group's materiality, while the Group's materiality informed local materiality.

The results reflect a short to medium-term time horizon (~1-5 years) for which most of the information is available. However, a qualitative analysis suggests that if we used a long-term horizon, there would be no changes to the results and IROs that are material.

The materiality assessment is connected to **key risk management processes across the Group**. It provides input for the top and

emerging risks exercise and is connected to other **internal risk exercises**.



For more details, see section [2.3 'Embedding ESG in risk management'](#)

The responsible banking, sustainability and cultural committee approved the bank's double materiality assessment, material impacts, risks and opportunities, and sustainability strategy.

Below are details of the material IROs under each sustainability matter. In this Sustainability statement, we outline how we manage each one through policies, actions, metrics and targets (as required by the Corporate Sustainability Reporting Directive-CSRD) in several sections under this chapter.



For more details, see [SN 3. 'Materiality assessment methodology'](#)

E1 Climate change

- I+** Contribution to protecting the environment by driving an increase in the use of renewable energy and other low-carbon technologies.
- I+** Contribution to reducing the Group's scope 1 and 2 greenhouse gas emissions.
- I-** Adverse impact on climate and the environment due to the bank's financing of, or investment in, certain non-sustainable assets and activities.
- O** Growth in the financing of renewable energy and other energy transition solutions.
- O** Revenue growth by providing our customers with sustainable solutions in such sectors as construction, mobility or agriculture.
- R** Reputational risk based on the perception of bank' progress with climate-related policies and objectives.

S1 Own workforce

- I+** Promote the health, well-being and security of our employees in a safe and inclusive workplace; facilitate a positive work-life balance through flexible working when possible.
- I+** Promote a workforce that reflects the society we live in and encourages collaboration and the same opportunities for all our employees, irrespective of personal characteristics and in compliance with the law.
- I+** Promote continuous career development and personal growth through learning and development programmes.
- I+** Promote the general well-being of employees and provide appropriate remuneration under equal conditions based on merit and market rates.
- I-** Harm employees through unlawful discriminatory conduct, inadequate working conditions, harassment or corruption.
- R** Potential risk of conflict with employees based on excessive working hours, corruption or the infringement of their rights.

S3 Affected communities

- I+** Drive economic growth and job creation in the regions where we operate and provide credit to people and businesses.
- I+** Contribution to sustainable development through financing and investment that promotes sustainable performance in companies, addresses societal challenges, mitigates a specific issue, or pursues better societal outcomes.
- I+** Contribution to education, employability and entrepreneurship, as well as to community development through support programmes.
- I-** Finance activities (in any customer segment) that breach the bank's policies and jeopardize the well-being of present and future generations.
- I-** Potentially negative impact on the environment or society by failing to sufficiently involve appropriate stakeholders or use suitable customer identification and management mechanisms when providing finance to a customer or project.

S4 Consumers and end users

- I+** Positive impact on customers due to the bank's offer of products and services that adapt to their needs and expectations and promote financial inclusion and health.
- I+** Education on, and awareness of, cyber security to understand potential threats and ways to repel them.
- I-** Negative impact on the customer if they do not have access to complaints channels or if, after making a complaint, the bank fails to take the necessary action.
- I-** Negative impact on the customer if the bank fails to provide sufficient information on the product or service they are signing up for.
- I-** Potential infringement of customers', employees' or shareholders' rights due to a lack of appropriate technical or organizational measures to protect their personal data according to law and the practices set by the Group.
- I-** Negative impact on the customer by failing to guarantee access to, or the use of, products and services that may present certain obstacles or weak spots.
- R** Potential losses due to fines or a reduction in the number of customers because of a failure to detect or respond effectively to breaches of privacy.
- R** Potential losses due to claims or a reduction in the number of customers because of substandard customer practices throughout their life cycle.

G1 Business conduct

- I+** Act responsibly and consider investors' interests and the impact on employees, broader society and the environment; pay taxes to support the distribution of wealth.
- I+** Protect the confidentiality of users of the bank's ethical channel and have an effective reporting system in place that follows robust principles and procedures.
- I+** Promote responsible practices among vendors; engage with them, assess their ESG performance and give them recommendations and tools to improve.
- I-** Negative impact on the environment or broader society by failing to implement measures to resolve incidents through complaints or reporting channels or due to a lack of continuous improvement actions.
- I-** Harm broader society through bribery or corruption.
- R** Potential risk from failing to ensure the operational resilience of the value chain by assessing vendors' solvency, reputation and compliance with the law.
- R** Risk stemming from improper conduct that makes illicit funds or assets appear legitimate and, therefore, facilitates illegal activity or to benefit from it.

Key: **I+** Positive impact **I-** Negative impact **R** Risk **O** Opportunity

There are five sustainability topics that we consider non-material, given none of the impacts, risks and opportunities connected to them reach the materiality threshold: pollution, water and marine resources, biodiversity and ecosystems, resource and circular economy, and workers in the value chain.

However, we address aspects of nature and biodiversity that are most closely related to climate objectives within our transition plan.



For more information, see section [2.3.5 'Our approach to nature and biodiversity'](#).

1.4 Sustainability governance

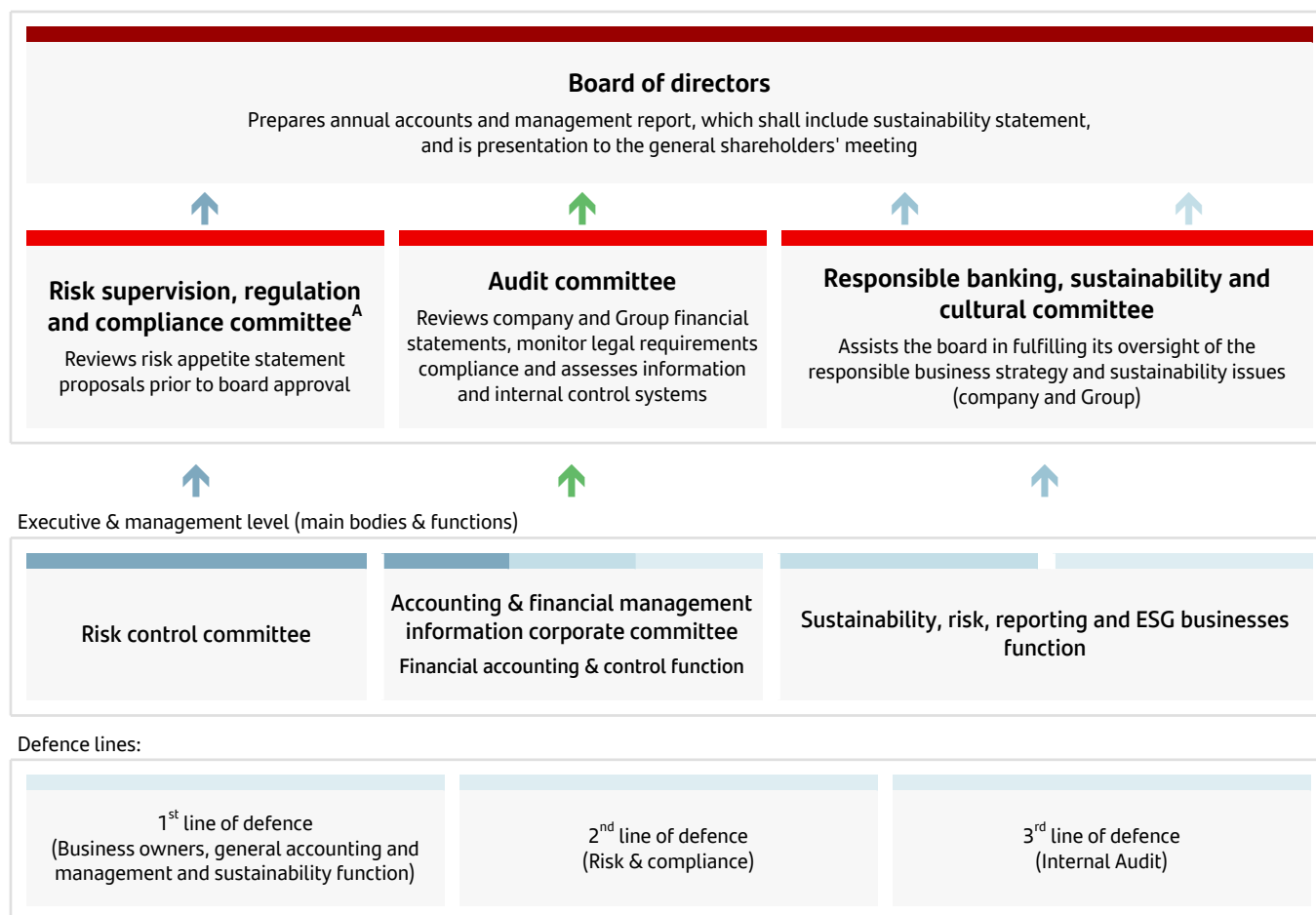
We manage and review progress with sustainability at the highest level of the business. The board of directors is responsible, among other things, for approving the sustainability agenda and setting the sustainability strategy.

The responsible banking, sustainability and cultural committee proposes and oversees the development and implementation of the Group's sustainability strategy and policies, in support of the board of directors.

Other board committees also analyse specific sustainability topics. The audit committee is responsible for supervising and reviewing

the financial and non-financial information process, as well as the **internal control systems**, to meet the most demanding international standards and complies with the guidelines established by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

The overseeing of material sustainability issues, as well as the main lines of action for their management, are periodically reviewed through the bodies shown below, which together form the governance of the function:



■ Overall responsibility ■ Supervisory oversight ↑ Reporting ↑ Risk ↑ Impact ↑ Opportunities

A. The BRC works with the RBSCC (Responsible Banking, Sustainability and Cultural Committee) to review ESG-related conduct risk, data protection risk, customer vulnerability, reputational issues, risk policies and how business units adopted these policies.



For more details on sustainability governance, see note 'SN 2. Sustainability governance'.

1.4.1 Integration of sustainability-related performance in incentive schemes

Grupo Santander's remuneration policy reflects our strategic and long-term sustainability objectives. Variable pay is based on pre-determined, specific and quantifiable financial, sustainability-based and value-creation targets.



For more details, see section 6.1 'Remuneration policy' in the Corporate Governance chapter.

Our long-term incentives (LTI) scheme applies to our top 36 Groups' executives, including the Executive Chair and the CEO.

Sustainability has formed part of the last three LTI schemes, with a 20% weighting. The proposal for 2025-2027 will be subject to vote at the Annual General Meeting in 2025.



For more details, see section 6.3 'Remuneration of directors for executive duties' in the Corporate Governance chapter.

Short-term variable remuneration has a qualitative and quantitative component. Under the qualitative component, sustainability has had a ±5% weighting in the Group, global businesses and subsidiaries since 2020. Short-term incentives apply to our top 236 Groups' executives and global and subsidiary corporate centre employees.

In 2024, 8% of the variable remuneration received by the Chairwoman and the CEO has been linked to sustainability, while 2% of their total remuneration has been linked to climate actions.

The responsible banking, sustainability and cultural committee, remuneration committee, and board of directors approve these ESG incentive schemes.

The proposed parameters to assess ESG performance aim to reward progress with our main ESG metrics and embedding ESG in our management, as shown below:

Inclusive Culture	Progress with inclusive culture and other initiatives such as accessibility.
Financial inclusion	Progress with financial inclusion targets and other key initiatives in the social agenda (financial education, community investment, etc.).
Sustainable finance	Progress with sustainable finance and socially responsible investment.
Climate	Progress with our transition plan and the key levers to fulfil our net zero ambition.
Governance and cross-cutting matters	Conducting our double materiality assessment, implementing sustainability policies, and enhancing data efficiency and quality.

1.4.2 Human rights due diligence

We strive to foster that our operations uphold and protect the human rights of our stakeholders in the countries where we operate.

The CSRD requires the findings of human rights due diligence exercises to inform the double materiality assessment.

Human rights are integrated into management and governance based on the process type, focusing on monitoring adverse impacts and implementing measures, such as:

- looking after our employees' health and promoting decent employment, the preservation of freedom of association and collective bargaining and the prohibition of slavery and child labour.



For more details, see section [3.1 'Our employees'](#)

- protecting our customers' human rights through responsible business practices and the protection of their data.



For more details, see section [3.3 'Our customers'](#)

- assessing the human rights impact on transactions with customers through environmental, social and climate change (ESCC) analysis.



For more details, see section [2. 'Our climate transition plan'](#)

- embedding environmental and social aspects, including human rights, in our supply chain management.



For more details, see section [4. 'Business conduct'](#)

Our board-approved Responsible banking and sustainability policy includes our pledge to uphold human rights.

Canal Abierto is a key tool to identify, manage and resolve potential human rights-related incidents or violations to protect our customers, employees, suppliers and the communities we serve.



For more details, see section [4.3 'Ethical channels'](#)

In 2024, we conducted a comprehensive human rights due diligence exercise to: (i) assess the effectiveness of current due diligence policies; (ii) identify and assess actual and potential adverse impacts based on their severity and probability; and (iii) assess the suitability of our communications channels and control measures to prevent, mitigate and remedy adverse impacts.

This exercise followed international frameworks and directives and best market practice³ and covered all of our global businesses' units and activities.

The findings of the human rights due diligence exercise are embedded into the strategy and governance, informing the double materiality assessment. Additionally, we engaged stakeholders as part of our analysis of these findings.



For further detail regarding the 'Materiality assessment methodology', see [Sustainability Note 3](#)

For more details on our human rights due diligence, visit the website santander.com/en/our-approach/policies

³ For instance: the Universal Declaration of Human Rights, the International Labour Organisation Declaration on Fundamental Principles and Rights at Work, the United Nations Guiding Principles on Business and Human Rights, the OECD (Organization for Economic Cooperation and Development) Due Diligence Guidance for Responsible Business Conduct, and others.

2. OUR CLIMATE TRANSITION PLAN

(Environmental information)

2.1 Strategy

2.1.1 Our approach

Santander considers climate a material topic, having identified impacts, risks and opportunities in the double materiality assessment. Per legal requirements, below we disclose our transition plan, based on three pillars. The purpose of each pillar is to support our customers and the communities we serve in their transition objectives; assess our customers' climate-related risks to manage the impact on their business and on our operations; and make progress with the alignment of our portfolios:

1

**Supporting our customers in
their transition goals**



Supporting our customers in pursuing their transition to a sustainable economy. Having achieved our target of raising or facilitating EUR 120 bn in green finance between 2019 and 2025 18 months early, we're making headway with our next milestone of achieving EUR 220 bn by 2030. We are offering our customers guidance, advice and specific business solutions; and a wide range of products to invest in according to their sustainability preferences, with the target of reaching EUR 100 bn assets under management (AuM) in Socially Responsible Investments (SRI) by 2025.

2

**Embedding climate
in risk management**



Embedding climate and environmental aspects in risk management implies adopting a risk-based approach to those factors, focusing on the most material sectors. We consider the risks stemming from climate and environmental factors in the overall risk management cycle, including a materiality assessment that informs the double materiality assessment and our sustainability strategy.

3

**Aiming to align our activity with
the Paris Agreement Goals**



Aiming to align our portfolio with the Paris Agreement goals to help limit global warming. We are setting sector portfolio alignment targets for 2030 in high-emissions portfolios. The progress on these targets is expected to reflect the progress of the economies we serve. We currently have seven targets in five sectors and alignment targets for our asset management activity.

Meanwhile, we continue to reduce our impact on the environment by implementing efficiency measures in our own operations and sourcing all our electricity from renewable sources by 2025.

To achieve this, we engage with our different stakeholders:

- Customers and investors: developing products/services adapted to their needs; participating in a collaborative network of institutions to create financing opportunities; and developing assessment tools to better manage performance and monitor progress towards their transition goals.
- Key climate actors: participating in local and international organizations, alliances and working groups to progress with global goals.
- Authorities: participating in debates regarding the climate agenda with regulators, policy makers and supervisors on the developments that are most relevant to the bank, its employees, customers and the communities in which we operate.
- Communities: supporting a number of local initiatives to tackle climate change, protect biodiversity, and generate positive social impact.

2.1.2 Our ambition

We continue working towards our ambition of net zero carbon emissions by 2050 by progressively setting specific actions to make headway with our three-pillar strategy.

Incentive policies and frameworks are key to driving the energy transition. The challenge goes beyond increasing the flow of

capital from the regulated financial sector to funding the energy transition. We need to scale transition activity and the demand for solutions, which will require better risk-profitability profiles. Achieving climate objectives depends largely on the macroeconomic landscape and public policy.

2.1.3 Our objectives

	2019	2020	2021	2022	2023	2024	2025/2030 target
Green finance raised and facilitated (accumulated EUR bn) ^A	19.0	33.8	65.7	94.5	115.3	139.4	120 bn by 2025 220 bn by 2030
AuM in Socially Responsible Investments (accumulated EUR bn)			27.1	53.2	67.7	88.8	100 bn by 2025
Thermal coal -related power & mining phase out (EUR bn)			7.0	5.9	4.9	4.8	0 by 2030
Emissions intensity of power generation portfolio ^B	0.21	0.17	0.19	0.16	0.15		0.11 tCO ₂ e/MWh in 2030
Absolute emissions of oil & gas portfolio ^B	23.84	22.58	27.43	20.94	20.27		16.98 mtCO ₂ e in 2030
Emissions intensity of aviation portfolio ^B	92.47	93.05	97.21	81.09	82.99		61.71 grCO ₂ e/RPK in 2030
Emissions intensity of steel portfolio ^B	1.58	1.40	1.36	1.24	1.38		1.07 tCO ₂ e/tS in 2030
Emissions intensity of auto-manufacturing portfolio ^B		149	138	133	134		103 gCO ₂ /vkm in 2030
Emissions intensity of auto-lending portfolio ^{B,C}				137	133		75-89 gCO ₂ e/vkm in 2030
Electricity from renewable sources ^D	50%	57%	75%	88%	97%	96%	100% by 2025

In 2024:

→ we continued progressing with aligning key portfolios, including adding the disclosure of emissions for our mortgages portfolio in Spain and our commercial real estate portfolio in Spain and the UK;

→ we continued managing our own operations emissions from scopes 1 and 2, setting new reductions plans and offsetting remaining ones; and we kept our offices and buildings in our core markets free of single-use plastics to meet our target.

A. Includes Grupo Santander's contribution to green finance: project finance; green bonds; export finance and advisory services to help customers transition to a low-carbon economy.















B. The figures displayed are the latest available given limited data availability from customers to assess financed emissions. We used Banco Santander's internal calculation methodology, which is based on the Partnership for Carbon Accounting Financials (PCAF).

C. Consumer lending for the purchase of passenger cars in Europe.

D. In countries where we can verify electricity from renewable sources at Banco Santander properties. It considers the 10 core markets where we operate. For more details of the scope of targets, see section 2.1.4.

2.1.4 Key milestones

We continue to work towards our ambition of net zero carbon emissions by 2050 by progressively setting specific actions to align our portfolios:

 <p>Net zero ambition and first alignment targets (thermal coal, power generation and Santander Asset Management-SAM)</p>	 <p>Alignment targets disclosed for oil & gas, steel and aviation</p>	 <p>In 2024 we achieved our 2025 target to raise or facilitate EUR 120 billion in green finance 18 months early</p>  <p>Alignment targets disclosed for automotive sectors (manufacturing and lending)</p>	 <p>Financed emissions disclosed for residential mortgages (Spain) and commercial real state (Spain and UK)</p>  <p>Use 100% of electricity from renewable sources^A in all Santander buildings</p>	 <p>SAM target to halve net emissions for 50% of in-scope AuM^B</p>  <p>Alignment targets for power generation, oil & gas, steel, aviation, auto manufacturing and auto lending</p>
2021	2022	2024	2025	2030
 <p>Cut unnecessary single-use plastics</p>	 <p>Development of first Sustainable Finance Classification System, including transition finance criteria</p>	 <p>Financed emissions disclosed for residential Mortgages (UK) and Agriculture (Brazil)</p>	 <p>EUR 100 billion in Socially Responsible Investment AuM</p>	 <p>Raise or facilitate EUR 220 billion in green finance from 2019</p>  <p>Thermal coal-related power & mining phase out</p>

A. In countries where we can verify electricity from renewable sources at Banco Santander properties. Target considers the 10 core markets in which we operate.

B. Assets in scope are 54% of SAM's total assets, which currently have a set Net Zero methodology. This objective might be revised upwards at least every five years, depending on data availability

2.2 Supporting our customers in their transition goals

In this section we cover how Santander manages the following IRO:

- I+** Contribution to protecting the environment by driving an increase in the use of renewable energy and other low-carbon technologies
- O** Growth in the financing of renewable energy and other energy transition solutions
- O** Revenue growth by providing our customers with sustainable solutions in such sectors as construction, mobility or agriculture.

To achieve our net-zero ambition, our main lever as a bank is supporting our customers in their efforts to transition to a low-carbon economy.

As a large financial institution, we have an opportunity to support our customers in their ambition to transition to low carbon business models. To this end, we continue enhancing our sustainable finance and advisory proposition, and financing in our global businesses.

To achieve this, we are:

1. growing the green finance business, which entails drawing up a green finance strategy for the Group's businesses and delivering a strong value proposition for our customers;
2. building the infrastructure that support green finance across the Group. This means implementing the sustainable finance and investment classification system (SFICS); strengthening the controls to assess and manage greenwashing risk; and executing the data strategy to measure and monitor green finance results; and
3. deploying well-trained commercial teams to capture opportunity.

In Corporate & Investment Banking (CIB), we have already reached EUR 139 billion in green finance raised and facilitated since 2019, achieving our EUR 120 billion target 18 months early and are working towards reaching EUR 220 billion by 2030.

Climate opportunities

Working with customers to support their transition objectives and carbon reduction emissions goals is key to progressing towards a low-carbon economy. To do this we identify business opportunities for transition financing assessing key sectors, working closely with our clients and with the knowledge of our sustainability experts. These opportunities inform our materiality assessment.

In addition, the Group calculates the ratio of green assets aligned with the European Taxonomy. In 2024, it amounts to 3.28% (vs. 2.6% in 2023). The volume of assets as at December 2024 aligned with the European taxonomy for mortgages is EUR 28.1 bn and auto is EUR 8.8 bn. For more details, see SN 5. European Taxonomy.

Also, from investment through our assets management business SAM, the top three climate-related opportunities are:

- new climate solutions involving products and services that boost diversification, competitive advantage and revenue;
- lower-emission energy sources that benefit from less exposure to Greenhouse Gases (GHG) emissions, lower costs, policy incentives; and
- efficient production and distribution of resources to lower operational costs and raise both production capacity and the value of fixed assets.

Transition finance and just transition

The regulatory framework must support growth, which is key to a stable and orderly transition.

We want to help achieve sustainable development and pledge to play an active role in supporting the green transition. It is vital that the transition is just and inclusive, taking into account regional and sector specificities to avoid isolating communities and stranding assets.

We aim to embed and promote the just transition through our engagement approach, our risk management policies and processes, and our sustainable and investment products. We consider this approach when devising our policies and reviewing our SFICS (Sustainable Finance and Investment Classification System), which covers activities aimed at addressing or mitigating social and environmental issues; bringing focus on specific matters such as protecting the Amazon biome (given our operations in Brazil) and helping local communities; and supporting initiatives like the Just Transition Alliance, led by the Grantham Research Institute at the London School of Economics.

2.2.1 Corporate and investment banking (CIB)

CIB has raised and mobilized globally EUR 139.4 billion in green finance between 2019 and December 2024. This target focuses on green use of proceeds, such as renewable energy, across products where well-recognized public information is available.

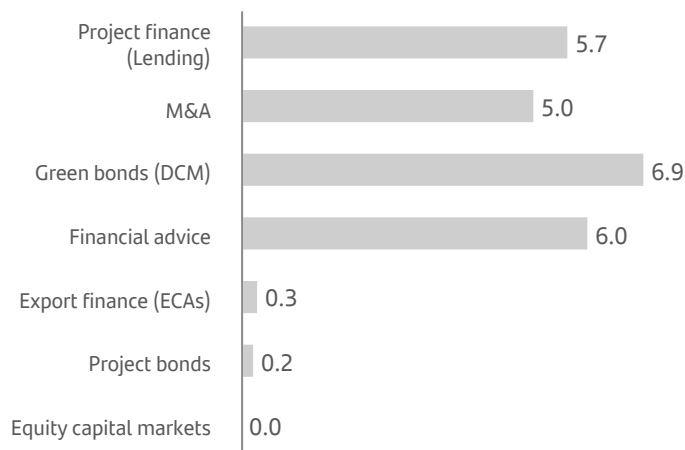
GREEN FINANCE VOLUMES FROM 2019 TO 2024

Raised or facilitated. EUR bn.

	139.4	220
2019		2030

2024 GREEN FINANCE VOLUMES SPLIT BY PRODUCT

Raised or facilitated. EUR bn.



DCM (Debt capital markets); M&A (Mergers and Acquisitions)

Information obtained from public sources, such as Infralogic, TXF, Bloomberg or Mergermarket league tables. All roles undertaken by Banco Santander in the same project are accounted for. Other sustainable finance components, such as financial inclusion and entrepreneurship, are excluded. Green Finance raised and facilitated is not a synonym of EU Taxonomy. Information from League Tables extracted by January 15th, 2025, latest.

Our sustainable finance proposition includes expertise in renewable energies, as demonstrated by our long-standing global leadership in this field. We also provide a range of sustainable finance structuring solutions and advice across multiple products and geographies. Our client climate tiering approach is designed to aid in the identification of customer-level priority areas and provide transition benchmarking to support our customers in financing their transition. Our corporate finance advisory proposition, led by our global team of experts in green and transition technologies, enables us to provide bespoke strategic and corporate finance advice on opportunities to accelerate the adoption of low-carbon technologies to meet their sustainability ambitions. For more details, see below select case studies that demonstrate how we support our customers in the energy transition.

During 2024, Santander remained active in corporate finance transactions in the renewable energy sector across different technologies and geographies. In Europe, CIB supported Enel in a landmark transaction which is among the largest deals closed in the region: the sale of a 49% stake in a 2GW portfolio of operational solar PV assets in Spain to Masdar. Santander also supported Canadian Solar in the sale of a minority stake in its global development platform Recurrent Energy to BlackRock in March 2024 with a project pipeline totalling 26GW of solar PV and 56 GWh of Battery Energy Storage Systems.

Santander also acted as Financial Adviser to Sonnedix to raise a EUR 2.5 billion debt package to refinance 1.1 GW portfolio of renewable energy assets in Spain, Italy, and France, with the ability to expand the facility with new assets across Europe and the UK. The financing package provided an innovative blend of project finance-like debt structuring with more corporate-style documentation flexibility.

Santander acted as Sole Financial Advisor and LC (Letter of Credit) Provider in 3.16 billion brazilian reais (BRL) long term financing to the renewable energy Babilonia Central project in Brazil. The project, controlled by a joint-venture between ArcelorMittal Brasil

(55%) and Casa dos Ventos (45%), will have a capacity of 554 MW of renewable energy to be used by ArcelorMittal to align its steel operations in Brasil (estimated 40% of its electricity needs by 2030).

In electric mobility, Santander acted as financial advisor, sole underwriter, and green loan coordinator in the concession of a EUR 225 million green loan to Zunder to help their expansion plan that aims to deploy more than 3,000 ultra-fast charging stations across Europe.

In Debt Capital Markets, Santander helped place several landmark sustainability labelled transactions, including a EUR 1 billion, six-year inaugural green bond issuance by Saint-Gobain, a global leader in light and sustainable construction; a EUR 1 billion, dual-tranche green deal for A.P. Møller-Mærsk, an integrated logistics company; and a EUR 750 million, nine-year debut sustainability-linked bond issued by Gatwick Airport, with targets related to their CO₂ emissions reduction. Santander was recognized as ESG Bond House of the Year at the 2024 Global Banking & Markets Latin America Awards, which also selected COFIDE's USD 300 million, five-year social bond as ESG Bond Deal of the Year, where Santander acted as active joint bookrunner and ESG Structurer. Notable ESG deals in Latin America also include our sole sustainability structurer and sole bookrunner role for the Republic of Guatemala, which issued a USD 800 million, 12.5-year inaugural sustainability bond; a bookrunner position for the Republic of Honduras' USD 700 million, 10-year debut sustainability bond; and our sole ESG structurer role in the first Mexican taxonomy-aligned bond issuance from Acueducto Cuchillo 2 (6.6 billion Mexican pesos senior unsecured sustainability bond).

In Export Finance, we participated as a Pathfinder, Mandated Lead Arranger and Lender in EUR 1.3 billion green financing partially covered by BPI Assurance Export for Verkoren. These funds are allocated to Verkoren's first battery gigafactory in Dunkirk, with an initial production capacity of 16GWh/year.

We also acted as a Senior Mandated Lead Arranger (SMLA) for the construction of H2GS Boden AB's fully integrated, digitalized and automated greenfield steel plant in the North of Sweden for a total debt of EUR 3.3 billion. Euler Hermes and Riksgalden, the German and Swedish ECAs (Export Credit Agencies), participated in this financing by covering part of the debt. The steel-making process will be powered by hydrogen produced from renewable energy, making it the first European large-scale steel producer based on fossil-free manufacturing. CIB won the PFI Sustainability Deal of the Year for this transaction, as well as 12 other awards, including Europe's Bank of the year.

In Trade Finance, we participated in a EUR 1.2 billion green guarantee line with coverage from Spanish export credit agency Cesce for Siemens Gamesa. The technical guarantees issued under this line will support Siemens Gamesa in its wind projects worldwide.

In Supply Chain Finance, we signed a sustainability-linked confirming program with Vestas in Brazil, the first supply chain finance program of its kind for the energy sector in the country. Santander was also awarded both Best Provider of Sustainable Finance Solutions in Trade Finance and Best Sustainable Supply Chain Finance Program by Global Finance in 2024.

Financing renewable energy

Grupo Santander has been a leader in renewable energy finance for more than 10 years. In 2024, we were among the top banks in number of transactions and deal value globally, with 82 transactions closed and a 4.54% market share according to Infralogic:

Rank	Loan Provider	Vol. (EUR million)	No. transactions	Market Share
1	Bank 1	8,009	79	4.95%
2	Banco Santander	7,346	82	4.54%
3	Bank 2	7,175	94	4.44%
4	Peer 1	5,641	80	3.49%
5	Bank 3	4,930	66	3.05%
6	Peer 2	4,126	59	2.55%
7	Peer 3	4,044	49	2.50%
8	Bank 4	3,978	41	2.46%
9	Bank 5	3,538	44	2.19%
10	Bank 6	3,411	46	2.11%

Peers are BBVA, BNP Paribas, Citi, Crédit Agricole, HSBC, ING, Itaú, Scotia Bank and UniCredit. Data extracted by January 15th, 2025, latest.

The greenfield renewable energy projects that we financed or advised on in 2024 have a total installed capacity of 10.2 GW. We also helped expand, enhance and sustain renewable energy brownfield projects that have a total installed capacity of 28.2 GW.

The greenfield renewable energy projects Santander participated as financier or advisor in 2024 can power 6.5 million households per year.

2.2.2 Retail and Commercial Banking

In 2024, Retail and Commercial Banking continued to enhance its proposition with solutions that help customers transition to a low-carbon economy, most notably in such sectors as real estate, mobility and agriculture, as well as in the circular economy (water and waste management). These solutions include sustainability-linked loans (SLL) that complement the products that help customers align production to the transition.

Managing greenwashing risk is one of the Group's priorities, particularly through compliance with operational guidelines for green finance teams and meeting supervisors' expectations on climate matters. ESG certification forums review products and transactions to validate that they are consistent with the SFICS before labelling them as green. The SFICS is an automated tool that we implemented in our core markets to provide traceability of decisions and supporting documents.

In addition, we created Green Product Inventories in our core markets where we have implemented standards and established robust control and approval procedures.

These were the core activities we performed in 2024:

- Santander España launched the "Eficiencia Energética" loan for owners associations looking to fund building renovations or boost energy efficiency. This will enable our customers to save on energy bills while helping the environment.

Moreover, through the new Recovery and Resilience Mechanism line of credit, we promote and boost access to sustainable finance mainly for electric vehicles, renewable energy, the circular economy and social housing development.

- Banco Santander Brasil continue to broaden its sustainable finance proposition, especially in renewable energy, agriculture and electric mobility. We worked with Holu Solar to create Energía Plus, a platform to help retail customers and SMEs install solar panels.
- We also launched FIT Energía services for retail and SME customers. FIT Energía is a platform that connects consumers with producers of renewable energy to encourage the use of cleaner and cheaper energy.
- Santander Polska continues to help SME and corporate customers obtain sustainable finance through the "My electric car" programme and a green loan backed by Bank Gospodarstwa Krajowego (BGK). We also launched the Santander New Energy platform, a tool to educate and support SMEs in boosting the efficiency of their production models.
- Santander UK signed an agreement with Scottish Power to offer customers solar panels and heat pumps. Moreover, we also entered into partnership with Octopus Energy to offer customers discount on solar panels and batteries.
- Santander Portugal joined interbank services association SIBS, which developed a platform to help SMEs centralize, report on and share sustainability data, as well as to simplify disclosures on ESG requirements.
- Santander Argentina launched Tienda GRO, an online marketplace to help retail customers finance sustainable products. We also increased the technical and financial solutions for renewable energy projects available to retail customers through our partnerships with leading solar energy providers.
- Santander Chile signed its first real estate loan (USD 25 million) based on the Edge Advanced certificate and under its partnership with the International Finance Corporation (IFC). The bank continues to promote these deals to bolster sustainable development in Chile. We also entered into an agreement with Tesla to broaden our clean mobility proposition.
- In July, Santander Uruguay and Buquebus announced the financing of the world's biggest electric ferry, which will connect Buenos Aires (Argentina) with Colonia del Sacramento (Uruguay), through a USD 107 million loan granted by the bank and partially backed (USD 67 million) by the IFC. This loan saw Santander and the IFC close the world's first electric maritime transport deal.
- In October, Banco Santander Perú financed foreign trade deals worth USD 14 million for Exportadora Frutícola del Sur (Grupo Athos), a Peru-based company that holds the Global Gap certificate.
- Santander Colombia was the main lender in Jungheinrich Colombia's (German logistics multinational) acquisition of electric fork-lift trucks. We also signed an agreement with Enel X to offer our customers solar panel solutions.

Working with multilateral institutions

Santander continues to work on aligning sales activities with the objectives and opportunities that multilateral development banks (MDBs) drive in the countries where the Group operates.

In 2024, Santander España and Portugal took part in a Green Gateway Advisory Programme coordinated by the Invest EU Advisory Hub to boost the role of banks in the transition to a low-carbon, resilient economy. The purpose of this programme, which EIB (European Investment Bank) and PwC advisors lead on, was to assess Santander's, the EIB's, and the EIF's eligibility criteria, uncover the key trends and opportunities in the sustainable finance market, and explore core MDB tools that the Group can use to drive green production among customers.

As part of a synthetic securitization with the EIB, Santander Portugal agreed a line of credit for residential and commercial real estate transactions of new buildings with almost zero emissions and renovation of existing homes according to sustainable standards. This enables us to offer significant discount on the loan spread of customers whose transactions meet EIB' sustainability standards.

2.2.3 Wealth Management & Insurance (Wealth)

Most socially responsible investment (SRI) products with ESG aspects (registered as Article 8 SFDR-Sustainable Finance Disclosure Regulation) that Santander Asset Management (SAM) manages have a sustainable investment objective ranging from 1% to 50%. Some investment products registered as Article 9 have a 100% sustainable investment objective (excluding cash and derivatives).

As part of our SRI product range, we have thematic funds that focus on renewable energy (Santander Iberia Renewable Energy), social objectives (Santander Prosperity), agriculture (Atgro), and climate (Santander GO Global Environmental Solutions, Santander Innoenergy Climate, and Santander Sostenible Bonos).

The Santander Sostenible Bonos fund, launched in 2019, was a trailblazer in Spain for investing in green bonds to finance clean energy, emissions reduction and other green initiatives. The fund also invests in social, climate change, environmental and other sustainable bonds.

In private markets, Santander Alternative Investments (SAI) offers two solutions to address climate change: Santander Iberia Renewable Energy, a private equity strategy that invests in solar and wind energy projects in Spain and Portugal; and Santander Innoenergy Climate Fund, a venture capital strategy that invests in climate technology startups that work on renewable energy, smart grids, energy efficiency, storage systems, green energy batteries, mobility and the circular economy.

SAM has an advisory mandate for LA Green, a blended finance fund to boost the SME green bond market in Latin America, mobilize large-scale capital and make a positive contribution to society and the environment.

Moreover, SAM's SRI products include solidarity funds that donate a portion of their fees to NGOs. In 2024, we boosted our proposition by making changes to two equity funds: Santander Sostenible Bonos and Santander Sostenible Renta Fija Ahorro, and two profiled funds: Santander Sostenible Crecimiento and

Santander Sostenible Evolución a solidarios. These funds donated to several NGOs to educate young people at risk of exclusion and help vulnerable women search for jobs, among other causes. Our Santander Responsabilidad Solidario fund won 'Best solidarity fund' at the Expansión-Allfunds Awards.



For more details on Socially responsible investment, see section [5.2](#) 'Responsible investment and social finance'.

2.2.4 Digital Consumer Bank (Consumer)

At Digital Consumer Bank, we have the opportunity to help our customers in their transition to more sustainable mobility and a low-carbon economy. Enhancing our sustainable finance proposition is key to achieving our climate transition targets. We split this proposition into auto and non-auto.

Auto

Santander Consumer Finance (SCF) is Europe's leading auto lender. Our ambition is to boost our sustainable finance proposition while remaining number one. Our leadership enabled us to support the green transition with EUR 6.8 billion in finance for electric vehicles and reach a market share of 12% in Europe, as well as contributing to the alignment of our auto lending portfolio and 2030 target in Europe.

EU regulation is carving out the path for the automobile industry to align through two key measures:

- Emissions targets for manufacturers in relation to new vehicles sold in a year, with progressive, more restrictive targets for passenger vehicles of 95gCO₂/km in 2020-2024 down to 49.5gCO₂/km in 2030-2034. The penalty for a failure to meet these targets will amount to EUR 95 for each CO₂ g/km of excess per vehicle sold. Most manufacturers in Europe are currently above this threshold, which could lead to penalties across the industry or the need to restrict sales of combustion-engine vehicles, but also establishing commercial policies to encourage the sale of low-emission vehicles, or the creation of pools with other brands.
- Prohibition to sell combustion-engine vehicles (unless powered by e-fuels) from 2035.

In 2024, hybrid vehicles saw the highest growth in sales in Europe, with an increase in market share of 31.4%. This suggests only a partial shift in consumers' mindset towards more sustainable mobility, with perceived barriers to electric vehicles remaining (largely due to a lack of charging infrastructure).

For the first time in several years, electric vehicle registrations fell in Europe in 2024. An end to electric vehicle subsidies in Germany triggered a 27.4% drop in sales compared to 2023. Markets where policy measures have been discontinued have seen electric vehicles become less popular, which once again highlights the link between the sale of these vehicles and government aid.

SCF continued increasing electric vehicle lending, with a market share in Europe of 12% (above the total Auto market share off 8%). This further reflects SCF's leadership in the electric vehicle market. In 2024, SCF financed 243,315 vehicles (17% of its total business) worth EUR 6.8 billion (13% of the total Auto portfolio). Electric vehicles account for 24% of SCF's new car business (number of agreements), which outlines its success in this area.

This progress has been helped by signing new financing agreements with electric vehicle manufacturers; and extending partnerships with traditional manufacturers that have set a roadmap and strategic plan to electrify their fleet (and who, therefore, are showing a solid objective to the sustainable mobility transition).

SCF has also come up with innovative, holistic financing solutions to aid customers' energy transition, such as home bundles that include charging points and solar panels.

We will continue working on building partnerships with new electric vehicle manufacturers that enter the European market as well as with startups that show vast potential in terms of new sustainable mobility ideas such as battery swapping.

Nonetheless, the effectiveness of all these measures in the medium and long term and SCF's growth in electric vehicle lending will depend on external factors that include regulation; the technological developments needed to reduce production costs and ensure access to key materials to manufacture green vehicles; the infrastructure to expand capacity and boost efficiency; and customer demand and market trends.

Non-auto

On top of Santander Consumer Finance's leadership in auto lending, it is also a reference in Europe in other consumer finance sectors, with prominent partnerships and a presence at over 75,000 points of sale throughout the continent.

This vast footprint requires a strong social and environmental objective to drive a more sustainable economy. With specific, measurable actions, SCF is working on a green finance model that promotes environmentally-friendly projects and products for responsible consumption.

Our sustainable finance value proposition for the Consumer business covers these sectors:

- Real estate: Solar panel installation, upgrade to sustainable home heating and cooling systems, and energy efficient devices.
- Sustainable mobility: Electric vehicle charging points, emission-free vehicles such as bicycles and scooters, and conversions of combustion engines to less polluting alternatives such as liquid natural gas and hydrogen.
- Other activities: Sustainable fashion, second-hand clothes, used mobile phone buybacks and the issue of cards made of sustainable materials (recycled PVC/PLA) as part of the circular economy.

Our value proposition is also complemented with financing programmes for education so that students can access the tools they need to achieve greater inclusion.

We run other initiatives such as "Hazte ECO" (SCF España) where we invite customers to join projects to protect the environment when they use their cards. SCF contributes 1% of purchases to these projects and makes twice-yearly donations to Fundación Global Nature to help restore Spain's wetlands.

The EUR 155 million in green finance disbursed by the Consumer units in 2024 is a key sign of our objective through this value proposition.

However, consumers continue to face several obstacles such as:

- Solar panels: A product with a specific shelf life (10-15 years) requires significant investment and a lengthy repayment plan, which coupled with more stable electricity prices has caused customers' appetite to wane.
- Electric bicycles: Electric bicycles are growing in popularity in Europe, especially in crowded cities, where they are a practical alternative to passenger cars. Despite being cheaper than electric vehicles, these bicycles are expensive and require significant investment (depending on the model).

The high level of investment that most sustainable initiatives require government subsidies. Lack of such subsidies and bureaucratic obstacles to aid has an impact on customer appetite.

2.2.5 Payments

In 2024, 84% of the cards we acquired (39 million) were made from sustainable materials (recycled PVC/PLA) and we have continued to make progress in providing solutions to our customers to calculate their carbon footprint based on the payments they make with their cards, as well as initiatives to offset it.

2.3 Embedding ESG in risk management

ESG factors risk management

Due to our ESG strategy, the scrutiny from stakeholders and the regulatory, reporting and disclosure requirements, we continue to work on embedding and monitoring ESG aspects in risk management. We consider ESG risk factors, especially climate-related and environmental, cross-cutting and likely to have an impact on credit, market, liquidity, operational, reputational, strategic risks, among others.

The management of these factors adopts a risk-based approach prioritizing climate and environmental aspects based on the relevance and materiality in the Group and in the current landscape. We keep improving the consideration of the elements that stem from the transition to a low-carbon economy, the physical effects of climate change and biodiversity loss, and actions to consider negative impacts on nature.

We manage social risk based on internal policies and frameworks, which draw on international principles and sector standards, and it adapts to the legal framework of the jurisdictions in which we are present.

Additionally, governance risk is analysed from a dual perspective, both the internal governance in Grupo Santander and the assessment of our customers', considering proportionality and relevance criteria.

We identify below the typologies of climate and environmental risks:

Transition risk (TR)



Market sentiment

Changes in the supply and demand of certain commodities, products and services which are considered climate risks and opportunities, pose a reputational risk among other potential issues.



Policy action

Implementing carbon pricing mechanisms to reduce greenhouse gas emissions; using energy sources with lower emissions; adopting energy efficient solutions; and promoting water efficiency measures and more sustainable land use practices.



Technology

The need to build and innovate to support the transition to an energy efficient financial system with lower CO2 emissions. This can have a significant impact on companies as new technology displaces obsolete systems and disrupts some components of the financial system as we know it.

Physical risk (PR)



Acute

Intense extreme weather events, such as wildfires, hurricanes or floods.



Chronic

Changes in rainfall patterns, extreme weather variability, average temperature rises, severe heatwaves, droughts and rising sea levels.







Beyond climate
























Natural risk

Negative impact of nature degradation (including its biodiversity and the loss of ecosystem services) on economies, financial institutions and financial systems; and/or the lack of alignment of economic players with actions to protect, restore and reduce negative impacts on nature.

We measure the potential impact of the climate and environmental factors of each risk type across several time horizons, based on the average maturity of the portfolios analysed. The following table shows the potential impacts and our progress against the climate and environmental matters in 2024, and next steps:

Risk type	Climate ¹ and environmental drivers	Time horizon analysed	Potential Impact of climate and environmental risk factors	What we're doing to manage climate and environmental risk	Next steps
Credit	     	Present day - short - medium - long term	<p>→ Extreme weather can lead to higher retail and corporate loan default and lower collateral value. It can also lead to lower incomes, harm agriculture, and increase insurance coverage and premiums. Moreover, changes in wind patterns that reduce energy production can lead to higher operating costs and hamper productivity. The degradation of nature can affect productivity in the agricultural sector and the value of collaterals. This may increase loans repayments and early disposal due to property damage in 'high risk' locations.</p> <p>→ Adverse weather conditions can cause significant financial losses, endanger communities, harm the environment and affect the value of collaterals.</p> <p>→ The failure of borrowers to adapt their business models to a low-carbon economy could heighten credit risk and, therefore, rise the risk of an income or activity reduction that may increase default or lead to a loss of business value.</p> <p>→ Market sentiment that influences demand; obsolete technology; customer preferences.</p> <p>→ Higher operating costs for carbon-intensive customers; information requirements (data gathering), especially on emissions (e.g. Scope 3) and green taxonomy disclosures; and new EU financial information directives stemming from government measures.</p>	<p>→ Conducting materiality assessments to identify physical and transition risk in our portfolios.</p> <p>→ Monitoring of climate concentration risks by sector and region in the short-, medium- and long-term.</p> <p>→ Creating vulnerability heatmaps for the analysis of climate risks in the present day, short, medium and long term via Orderly, Disorderly and Hot House World scenario analyses.</p> <p>→ Implementing mitigation measures such as policies, thresholds and insurance to combat risks and their impact.</p> <p>→ Conducting scenario analyses and measuring sensitivities to forecast changes in ratings, the probability of default (PD) and loss given default (LGD) considering physical and transition risk.</p> <p>→ Monitoring portfolios through metrics to control E&CC² risk factors in BAU processes.</p> <p>→ Measuring E&CC factors across customer and transaction analysis and embed into ratings.</p> <p>→ Monitoring risk appetite limits and alerts to manage climate-related sectors.</p>	<p>→ Monitor the progress of the subsidiaries against The Climate Race (our credit risk target operating model for climate and environmental factors) to validate the successful inclusion of E&CC factors across the end to end credit risk cycle, to allow the identification and mitigation physical and transition risk.</p> <p>→ Calculate financial impacts through internal climate models for the short, medium and long term.</p> <p>→ Continue to develop and enhance tools to monitor E&CC factors that consider physical and transition risk in each segment.</p>

Risk type	Climate ¹ and environmental drivers	Time horizon analysed	Potential Impact of climate and environmental risk factors	What we're doing to manage climate and environmental risk	Next steps
Market	  	Short term	<ul style="list-style-type: none"> → High volatility in market factors under stress scenarios. → Changes in market perception leading to wider credit spreads for business in impacted sectors. → Extreme weather conditions could raise concerns about the business plans of companies operating in the impacted sectors and widen their credit spreads. 	<ul style="list-style-type: none"> → Regular reviews of climate stress scenarios and the subsidiaries that apply them. → Stress testing using physical and transition risk scenarios. → Trading portfolio analysis of current exposure to climate-sensitive business activities. 	<ul style="list-style-type: none"> → Enhance stress testing by reviewing new scenarios to include in the exercise. → Adapt stress testing to market practices.
Liquidity	 	Short term	<ul style="list-style-type: none"> → Market impacts on the value of high quality liquid assets in Santander's liquidity buffer. → More frequent extreme weather that stifles economic growth in countries susceptible to climate change, causing sovereign debt to rise and limiting access to capital markets. → Cash outflows from companies trying to boost their reputation in the market or solve problems with climate scenarios. → Extreme weather conditions could cause financial impact on companies operating in the affected sectors impacting the funds deposited in the bank. 	<ul style="list-style-type: none"> → Qualitative and quantitative climate scenario analyses of impacts on highly liquid assets (HQLAs) and financing of exposed companies. → Analysis of higher outflows due to changes in market perception of corporations in climate-sensitive business activities. 	<ul style="list-style-type: none"> → Enhance stress testing and reviewing new scenarios to include them in the exercise. → Adapt stress testing to best market practices, including new liquidity scenarios to measure their impact.
Operational	    	Short - medium - long term	<ul style="list-style-type: none"> → Severe climate events can cause damage to our assets, including branches, data centers, headquarters and other owned or rented properties. Impacts on our own or our suppliers' premises can also affect business continuity. → Climate and environmental - related factors can also lead to operational risk losses from litigation, claims due to inadequate sales or non-compliance with ESG standards. 	<ul style="list-style-type: none"> → Conducting operational risk and self-assessment controls that include ESG-related risks to evaluate our exposure. → Conducting mandatory operational risk scenario analysis that cover extreme physical and transition risk events. → Including an ESG flag in the operational risk events database to identify events and losses from climate-related and environmental risks. → Including an assessment of climate threats in business continuity scenarios. → Conducting a materiality assessment on climate-related operational risk. → Updating documentation and delivering training relating to the embedding of ESG factors across operational risk management, as well as sharing best practices throughout the Group. 	<ul style="list-style-type: none"> → Enhance operational risk reporting on climate and environmental - related factors. → Promote cooperation within the industry to share data, scenarios and best practices on climate-related operational risk management. → Work with the Corporate Insurance team to conduct analyses on the insurability of climate-related losses.

Risk type	Climate ¹ and environmental drivers	Time horizon analysed	Potential Impact of climate and environmental risk factors	What we're doing to manage climate and environmental risk	Next steps
Reputational	    	Short - medium - long term	<p>→ Customers, investors and other stakeholders could believe that banks aren't doing enough to meet low-carbon targets, that they could be acting against their policies, or that their objectives do not meet stakeholders' expectations.</p> <p>→ Stakeholders' potential perception of inadequate financing and investment in climate and environment-related sectors, including activities linked to deforestation and/or biodiversity loss.</p> <p>→ Possible misinterpretation by customers, investors and other stakeholders of institutional disclosures or statements, actions, announcements, policies and the sustainability features of products.</p>	<p>→ Implementing preventative measures to manage reputational risk and disclose risk data so that governance bodies can make informed decisions when assessing or sanctioning sensitive transactions that involve climate and environmental risk.</p> <p>→ Regularly monitoring reputational issues and disputes (including climate and environmental matters) via working groups, involving functions such as legal, sustainability, investor relations, public policy, supervisory and regulatory affairs, risk, among others.</p> <p>→ Development and update of greenwashing risk management guides that define the roles and responsibilities of key processes, and subsequently set specific training programmes.</p> <p>→ Enhancing materiality assessments to measure climate-related and environmental reputational risk. Developing a methodology to quantify the reputational impact of climate and environmental risk.</p>	<p>→ Continue to strengthen collaboration between business and support areas as well as risk and compliance functions to embed climate and environment-related reputational risk in our operations.</p> <p>→ Continue bolstering greenwashing risk prevention, identification, management and control.</p> <p>→ Continue managing ESG events that pose material reputational risk and anticipate these events through early detection measures.</p>
Strategic	     	Short - medium - long term	<p>→ Our strategy could be affected if we fail to achieve our climate and environmental targets, including those related to the activities we fund and those related to our own operations.</p> <p>→ Regulatory divergence between climate change and ESG requirements in the markets where we operate, including a possible new regulatory cycle and slowdown in the implementation of the Paris agreement.</p>	<p>→ Challenging ESG targets in the Group's strategic planning.</p> <p>→ Monitoring the Group's ESG indicators regularly.</p> <p>→ Monitoring ESG indicators as part of our regular competitor analysis.</p> <p>→ Identification of emerging ESG risks, including analysis of the potential impact under stressed scenarios on the Group's strategic targets so that action plans can be implemented in the event such risks materialize.</p> <p>→ Monitoring of ESG aspects in initiatives presented at the corporate product governance forum (CPGF) and investors' forum.</p>	<p>→ Regularly review ESG indicators to support alignment with the Group's strategy.</p> <p>→ Monitoring of Key Performance Indicators (KPIs) related to Business Model Performance.</p> <p>→ Monitor climate and environmental threats as part of emerging risk identification.</p>

1. Though all climate drivers impact on risk factors, we have only included the key ones in this table.

2. E&CC: environmental and climate change.



Chronic



Acute



Market sentiment



Policy action



Technology



Natural risk



Risk management in SAM

SAM considers that climate-related factors can pose risks and opportunities for companies and have an impact on the long-term risk and return profile of investment portfolios. By analysing climate risk, we can better understand the assets we invest in, identify the issuers best positioned to overcome future challenges, seize new opportunities and create value for businesses and broader society.

The climate-related risks that SAM's ESG analysis model considers are:

- regulatory risks related to greenhouse gas (GHG) emissions, such as higher prices;
- the risk of new, more efficient low-carbon technology alternatives that may render existing technologies obsolete; and
- market risks stemming from increased costs and shifting consumer demand, which could result in stranded assets; higher operating costs; lower demand for products and services; and the higher cost of, and limited access to, capital.

2.3.1 Resilience of our strategy and business model to climate change

Managing climate and environmental risk factors is key to continue strengthening the resilience of the Group's strategy and business model for climate change.

To enhance such resilience, we embed climate and environmental risk factors in each stage of the risk management cycle through which we analyse our own facilities and customer's financing process. The risks derived from these factors is also included in our policies, procedures, tools, metrics, governance and culture.

Embedding climate and environmental factors in our risk management includes the identification, planning, assessment, monitoring, mitigation and reporting, across different climate scenarios and time horizons defined, see further detail in the next section.

Additionally, the risk function works to strengthen our strategy via the following processes:

- We carry out an analysis and challenge of the strategic plan (Risk Challenge) to identify potential threats that may compromise the achievement of the Group's objectives.
- We have a risk management control model to identify, assess, mitigate, monitor and report all material risks, including ESG, that could materialize and affect our strategy and/or business model.
- Santander regularly conducts an emerging risks exercise to identify key threats to our strategic plan under theoretical stress scenarios with low likelihood of occurrence.

In this sense, we aim to identify, assess and monitor physical, transition and regulatory risks that may have an impact on our business model, profitability or solvency, improving the resilience of our strategy.

The monitoring of the material issues related to the ESG risks identified in the described processes, as well as the main lines of action for their management, are periodically reviewed through the corresponding risk governance bodies which participate in the definition of the business model and the Group's strategy in this matter.

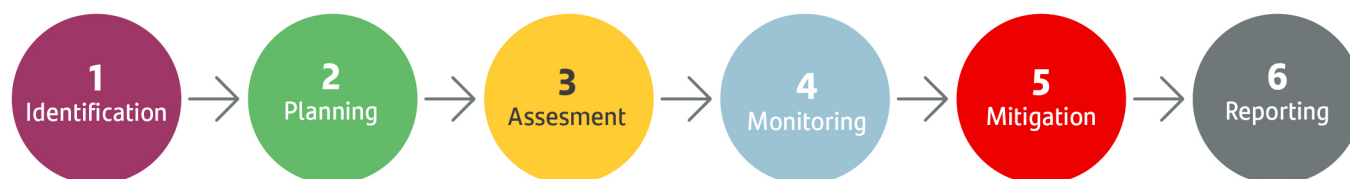
Santander understands how climate-related and environmental risks affect our business environment across the short, medium and long term to inform their business strategy process. The way that we strategically respond to changes and uncertainties in our business environment stemming from climate-related and environmental risks will impact the resilience of the business model over time. We are explicitly considering climate-related and environmental changes in macroeconomic and regulatory environment and the competitive landscape, in particular, and reflected in Santander's business strategy processes, and demonstrated by documented management body meetings and discussions.

2.3.2 Risk management cycle

At Grupo Santander, we manage climate and environmental factors with a special focus on those that are most material for the different risk types.

Below we describe how we integrate these factors into the risk management cycle.

Risk management cycle



1. Identification

We conduct regular risk identification exercises to assess events that could threaten the Group's strategic plan. These exercises consider ESG risk factors — including mainly climate factors — with additional consideration of other factors such as greenwashing, environmental risks that go beyond climate (nature and biodiversity), social risks, among others.

Risk identification helps us understand the internal and external threats posed by the environment and climate change to our business model, profitability, solvency and strategy.

Moreover, our internal risk taxonomy, heatmaps and materiality assessments form the basis for identifying and classifying the material environmental and climate-related risks in our portfolios.

2. Planning

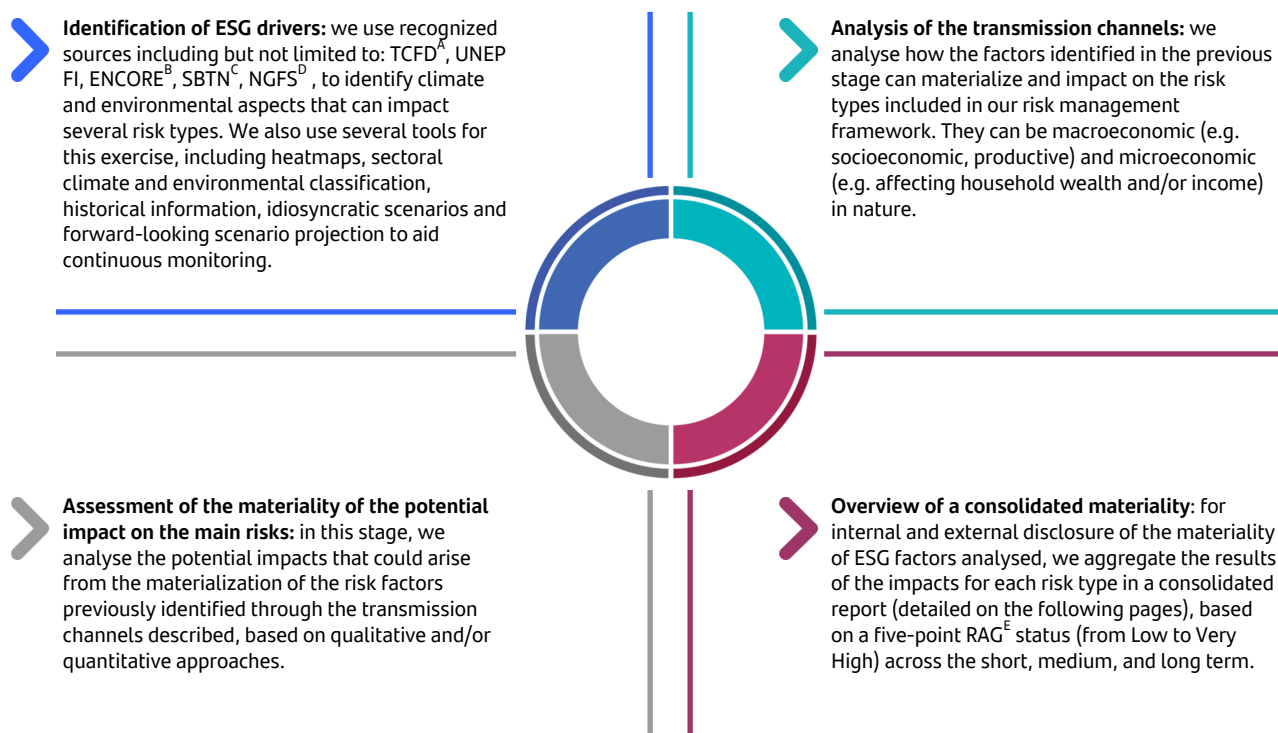
We include risk management into the strategic planning process that has different time horizons, in addition to the ad-hoc analysis at each moment:

- One year for the short term (this is the standard time horizon for the short term in the Group).
- One to five years for the medium term (financial planning).
- More than five years for the long term (strategic plan).

3. Assessment

We consider ESG aspects as factors that may impact existing risks across different time horizons. We assess these factors regularly according to regulatory frameworks and practices.

The assessment of the ESG factors that could be material due to their potential impact on Santander's risk profile is conducted considering the following aspects:



A. Task Force on Climate-related Financial Disclosures.

B. A materiality database of dependencies between production processes and ecosystem services.

C. Science Based Targets Network.

D. Network for Greening the Financial System.

E. Red, amber and green.

The following table shows the consolidated results of the materiality assessment by risk type and time horizon as of year-end 2024:

	Transition Risk			Physical Risk		
	ST	MT	LT	ST	MT	LT
Credit risk^A						
CIB	●	●	●	●	●	●
Corporate & SME	●	●	●	●	●	●
Individuals	●	●	●	●	●	●
Auto Consumer	●	●	●	●	●	●
Operational risk^B	●	●	●	●	●	●
Market risk	●	●	●	●	●	●
Liquidity risk	●	●	●	●	●	●
Reputational risk	●	●	●	●	●	●

● Low ● Moderately low ● Medium ● High ● Very high

Short term (ST): 2025 | Medium term (MT): >2030 | Long term (LT): >2050

A. Assessment as of September 2024.

B. Assessment as of November 2024

In 2024, we continued to develop and enhance our materiality assessment approach in order to strengthen the resilience of our strategy. We have incorporated regulatory aspects, industry best practices, further homogenization, and synergy among different risk types in terms of sources, thresholds and scenarios.

The above table shows the final outcome of several procedures by risk type. These procedures use various tools and methodologies to assess the potential impact of climate factors. We use the above-mentioned risk factor materiality assessment to underpin climate risk identification and assessment as part of our double materiality procedure.



For more details, see section 1.3. 'Materiality Assessment'.

The materiality assessment's rationale for each risk type is as follows:

→ 3.1 Credit risk:

We conduct a materiality assessment every quarter to identify, assess and monitor the Group's climate-related and environmental credit risks by sector and geography. This assessment involves a review of the present day and other time horizons based on climate scenarios.

We use in-house scenario analysis techniques and climate stress test models to calculate and monitor climate impacts on key credit risk metrics, such as the probability of default (PD) and loss given default (LGD), across several time horizons, scenarios and at all geography, sector and unit levels.

We complete this assessment with three further initiatives, among others:

- Customer assessment for the corporate portfolios that analyze the key aspects of transition, physical, social and environmental risk. This assessment is conducted locally.
- Deep dives into key portfolios such as the collaterals in real estate and auto loans.

- Geographical assessment of physical risk (acute and chronic) that uses information from expert models across different scenarios and time horizons.

The findings of our materiality assessments are key to defining our strategy, risk appetite, the identification of emerging risks and even for other stress test exercises (such as the ICAAP-Capital adequacy assessment process).

Materiality assessment enhancements in 2024

In 2024, we enhanced our credit materiality assessment to reflect the latest industry and regulatory developments by:

- Enhancing geographic granularity of physical risk (acute and chronic) information in our European portfolio, from Nomenclature of territorial units for statistics at level 3 (NUTS3) to postcode in our core markets of Poland, Portugal, Spain and the United Kingdom;
- The development of a new real estate module in Klima tool, which includes physical and transition risks;
- Improved how we manage and assess collateral through the efficiency performance certificates (EPC) by obtaining data, developing estimation models and drawing up plans to gather such information during customer onboarding processes.
- Implemented concentration metrics to monitor physical and transition risk management in our subsidiaries; and
- Used internal climate stress test models (included in the ICAAP) to calculate financial impacts (customer 'bottom-up' approach for the CIB portfolio and 'top-down' approach at sector and geography level for the rest of the portfolios).

Klima

We run our materiality assessments through our ESCC Credit Risk Management tool Klima, where we aggregate, manage and monitor ESCC risks at local and Group level, with focus by sector and geography. It also includes an analysis of the physical risks of several economic activities and collateral.

We continue to work on enhancing climate information, methodologies and use cases:

1. Climate materiality:

Though the findings by sector of our 2024 credit risk materiality assessment (see table below) follow a similar pattern to 2023, transition risk exposure in CIB to most vulnerable sectors decrease slightly. On the other hand, our portfolios continue to show less vulnerability to physical risk, given the concentration in low-risk locations.

Materiality assessment - Climate risk analysis and portfolio heatmap

September 2024 (pre-mitigation) - EUR billion

	TR	PR	CIB	Other segments
Power (conventional)	High	Medium		26
Power (renewables)	Moderately Low	Medium		13
Oil & Gas	High	Moderately Low		20
Mining y metals	High	Moderately Low		13
Transport	High	Moderately Low		29
Auto Consumer	Moderately Low	Moderately Low		0
Real Estate	Moderately Low	Medium		7
				386
Other climate-related sectors	Medium	Medium		3
				9
	Moderately Low	Moderately Low		18
				15
	Medium	Moderately Low		44
				25
	Medium	Medium		3
				1
Climate sectors				175
				621
Other sectors	Moderately Low	Moderately Low		65
				212
Total portfolio				241
				833

■ Low ■ Moderately Low ■ Medium ■ High ■ Very High

TR: transition risk. PR: physical risk.

CIB: REC (on and off-balance sheet lending + guarantees + derivatives PFE: Potential Future Exposure).

Other segments: Drawn amount; includes individuals, SCF, Auto US, Corporates and Institutions, and SMEs.

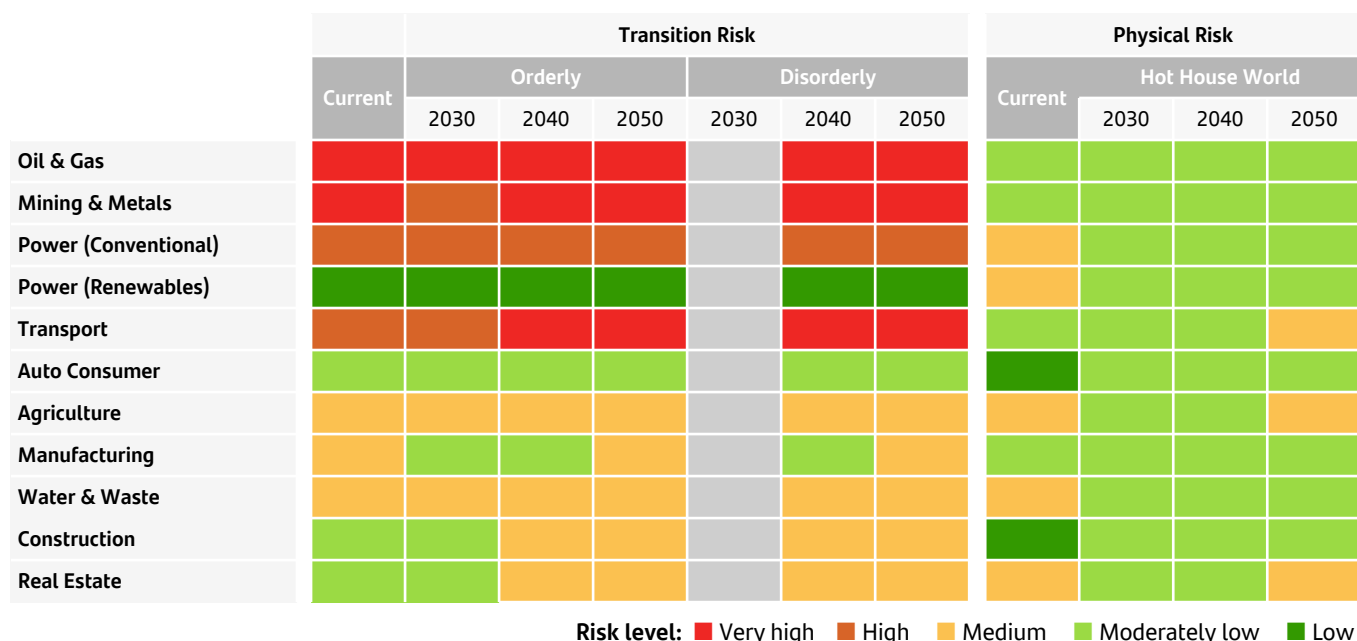
Other sectors: considered as low risk; include: CIB, Corporate and SMEs outside the risk taxonomy perimeter // Individuals and SCF: cards and other consumer credit // Private Banking (excl. mortgages).

Exposure 0 represents exposure below EUR 500 million.

2. Vulnerability heatmaps

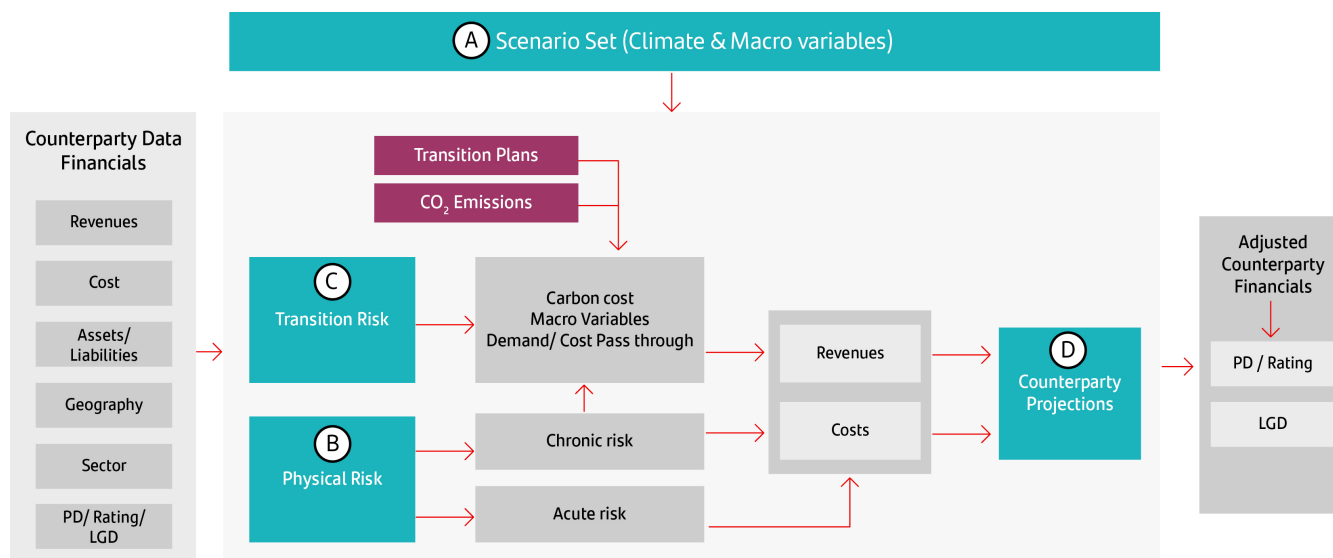
We analyze materiality assessment findings through heatmaps that show our vulnerability to climate risk. These heatmaps rate climate risks on a scale from 1 to 5 (low to very high).

These heatmaps are based on the present day and on scenario analysis methods and models that complement our qualitative methodology and provide a forward-looking and geography-based analysis of portfolios across the medium and long term, considering impacts based on their probability, relevance and duration. Although we illustrate these in the table below according to the statistical classification of economic activities in the European Community at level 1 (NACE 1, from the French 'Nomenclature statistique des Activites economiques dans la Communaute Europeenne'-Statistical classification of economic activities in the European Community) breakdown, our sector analysis in risk management goes up to NACE level 4 to monitor the composition of our portfolios, capturing most of our value chain.



3. Internal climate models

Detailed below is an overview of our internal climate model:



Our climate internal models enable us to quantify the financial impact⁴ of transition and physical risks that we monitor through changes in PD and LGD metrics. Our model estimates the direct and indirect impact of macroeconomic and climate variables, market trends and regulatory expectations. This model takes a bottom-up approach by considering each client's financial situation and technology. Where we don't have specific customer information, we use a top-down approach by sector and geographical location.

The development of internal models allows us a high degree of flexibility and capacity for analysis and adaptation to our portfolios,

including its characteristics and maturities, to new economic and regulatory requirements. The main features are briefly described below:

- A. Scenarios are based on those published by the NGFS⁵ and Representative Concentration Pathways (RCP), developed by the Intergovernmental Panel on Climate Change (IPCC), which are reference in the sector. Moreover, our Research department embeds and broadens external scenarios to more specific variables by country and sector to achieve thorough vision aligned to our portfolios.

⁴ According to Note 54 "Risk Management": Based on internal models and results from regulatory and supervisory climate stress exercises, the Group does not believe that additional environmental or climate change risk has had a substantial impact on its equity, financial situation and results in 2024

⁵ NGFS scenarios provide the common and up-to-date reference point for understanding the evolution of climate risks and trends in climate policy and technologies over different time horizons. For this reason, they are used as a basis for showing impacts on our portfolios by calculating a range of outcomes.

- B. Physical risk impact considers the financial impact of acute and chronic risks, as well as long-term changes in weather patterns to give us a wide range of events that we assess at regional level. For these financial impacts, we use data from an expert reinsurance company, considering scenarios across different time horizons. We include physical risk impact through:
- Chronic: Impact on companies' revenue due to chronic physical effects (e.g. change in productivity).
 - Acute: Increase in costs due to damages to companies' assets from extreme weather events.
- C. The impact of transition risk, relates to changes in drivers such as climate policies, technology and investor and consumer

sentiment that can affect demand, which affects customers on an individual basis. Therefore, depending on the level of information available, we carry out a bottom-up or top-down approach.

- D. Counterparty forecasts, which reflect the changes in the financial ratios included in the credit risk rating models and are based on forecasted revenues and costs under the different scenarios, including physical and transition risk impacts. The projected ratings give us the associated PD to the counterparty. Lastly, the LGD is estimated using the Frye-Jacobs relationship between PD and LGD.

NGFS scenarios

Physical and transition risks

Orderly, assumes ambitious climate policies implemented early, which gradually become stricter. Therefore, both physical and transition risks are relatively moderate.

Disorderly, climate policies are not introduced until 2030 and may differ between countries and sectors..

Hot house world (current policies), it is considering that some climate policies are implemented in some jurisdictions, but that global efforts are insufficient to stop significant global warming. Serious physical risks and irreversible changes, including rising sea levels.

RCP climate scenarios

Physical risk

RCP 2.6: stringent mitigation scenario with the aim to keep global warming below 2°C. This is associated with orderly scenarios.

RCP 4.5: intermediate scenario where emissions reach their peak in 2040 and then decrease. This is associated with disorderly scenarios.

RCP 8.5: very high GHG emissions. It is a business as usual scenario where emissions keep increasing throughout the whole century. This is associated with Hot house world scenarios.

4. Customer assessment

For corporate customers within climate sectors according to our risk taxonomy, the materiality assessment is complemented with analysis performed at local level that considers key physical, transition, social and environmental aspects.

We consider their findings in loan approvals and customer rating procedures.

Challenges and next steps:

Santander continues to work on embedding ESCC factors in our processes by upgrading our data, estimations, tools and models. In particular:

- i. Implementing models to assess the impact of climate on credit risk metrics (PD and LGD) by using scenario analyses and models, and including customers' ESCC assessments in corporate portfolios ratings.
- ii. Localizing CIB customers' production sites to obtain more accurate results in physical risk assessments.
- iii. Calculating financial impacts across the short, medium and long term through the climate stress test models already included in the ICAAP.

Auto consumer

We conduct an in-depth analysis of this portfolio given the weighting of the Consumer Auto in Santander's portfolio and its specific characteristics and regulations. We consider key risk factors such as products evolution, residual value risk, portfolio average maturity, shifts in market sentiment and technology developments adapted to different markets. Moreover, we review other characteristics such as product type, borrowers' credit risk profile, engine type (internal combustion engine, hybrid or electric vehicle).

Physical risk

To assess physical risk by geographical location, we work with a leading provider in the reinsurance industry, which enables us to measure the risk of 13 physical hazards (eight acute and five chronic). We analyse the markets where we operate, with a breakdown of over 1,250 regions (NUTS 3 or equivalent), and cover all economic activities in our Risk Taxonomy, as well as the business lines (such as mortgages and automobiles).

We assess each region (NUTS3) to measure the associated physical risks by rating them on our five-point RAG (Red, Amber and Green) scale (low to very high).

To assess the frequency and intensity of natural hazards, we use RCP scenarios across different time horizons (present day, 2030, 2040, 2050 and 2100).

Our analysis, based on a conservative approach, uses RCP 4.5 scenario and time horizons of 2030 for economic activity sectors

and 2050 for collaterals at Group level. The results are included in our materiality assessment at Group level, by region (Europe, North America and South America) and by subsidiary. The results show that while certain sectors are more exposed to physical risks, such as agriculture, conventional energy and mining, their concentration in the Group is very low (between 1% and 2%). The collateralized portfolios have the lowest impact, albeit with very high concentration of exposure in the Group.

The granular, forward-looking physical risk assessment enables us to actively manage these risks through monitoring, metrics and mitigation measures.

Finally, to measure and quantify physical risks more accurately, we increased the granularity of physical risks for the European portfolio (Poland, Portugal, Spain and the UK, as we now have information at postcode level).

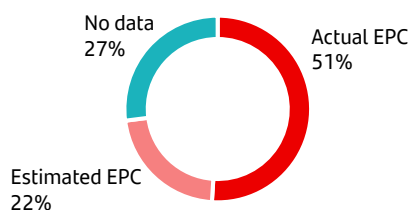
Real estate

Santander's real estate portfolio accounts for a large proportion of Santander's balance sheet, which is why we developed a specific module within the Klima tool with a detailed overview of the portfolio's transition and physical risk.

Regarding transition risk, we increased the quality and quantity of EPC data by obtaining information, developing estimation models and defining plans to gather information during the customer onboarding process. This internal model consists of a machine learning algorithm that applies a combination of variables related to the real estate guarantee (type of property, geographic location, etc.), learning from observations made from actual data available. These enhancements give our analysis a broader scope, covering the corporate and retail segments.

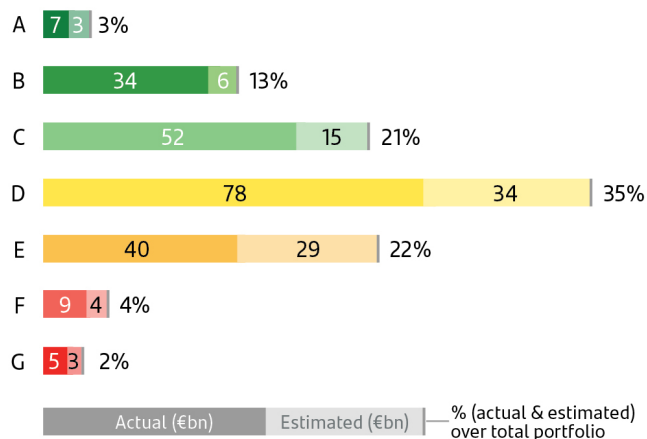
This chart shows the EPC coverage of our balance sheet and distribution of actual and estimated EPC labels based on the standards and regulation in each market where this information exists:

Residential and commercial real estate EPC data (December 2024):



Distribution of exposure to residential and commercial real estates portfolios by EPC (December 2024):

Distribution based on Portfolio with EPC information. (RAG according EPC Standards)



We made considerable progress with physical risk through a review of acute and chronic risks in several scenarios and time horizons, broken down geographically at NUTS3 level. Considering a forward-looking view across different time horizons, the percentage of exposure to high and very high physical risks is not material compared to our total portfolio.

Nonetheless, we continue working on conducting a more granular assessment in Europe, where portfolio concentration is higher.

→ 3.2 Operational risk:

We assess the potential impact of physical risk through a combination of specific location-based risk scores, data on the bank's own facilities and insurance, and internal scenario analysis for certain physical risks. We assess the potential impact of transition risk through operational risk tools and external ESG-related events.

We assess physical risk as low in the short term and moderately low in the medium and long term, mainly due to exposure to more frequent and severe weather events in the regions where we operate.

For transition risk exposure, the most affected time horizon is the medium term, owing to legal and compliance risk arising from adaptation to new regulation in each jurisdiction, an increase in the number of greenwashing-related sanctions, an increase in the volume of green business, and greater awareness of climate change among external stakeholders.

→ 3.3 Market risk:

To assess the potential impact of climate factors, we conduct regular analysis of our trading portfolios to identify the materiality of positions with potential exposure to market risk climate factors. We then compare the findings from climate stress scenarios (both physical and transition risk) to those from internal, stressed and budget scenarios. This analysis concludes that the materiality is low or moderately low depending on the time horizon, due to the low exposure to climate sensitive sectors both in the bond and equity portfolios.

→ 3.4 Liquidity risk:

To assess the potential impact of climate factors, Santander compares the findings of climate stress scenarios with liquidity stress scenarios. We have a suite of physical and transition risk scenarios (disorderly transition scenarios, extreme climate events, historical events, etc.) whose impacts on liquidity are well below current internal and regulatory stresses due to their limited effect on high quality liquid assets (HQLA) and stable retail deposits.

→ 3.5 Reputational risk:

We conducted a reputational risk materiality assessment in 2023 (and updated it in 2024) to assess the potential impact on reputation of the key climate-related and environmental levers across the short, medium and long term under several scenarios. As with our strategy, policies and management models, we consider the environment collectively. Thus, the materiality assessment includes identifying and assessing climate change and other environmental impacts.

The assessment is a complex procedure that considers several sources of information and criteria across these phases: i) definition of reputational risk levers related to physical and transition risk; ii) assessment of risks by country and by portfolio exposure in sensitive sectors; iii) climate scenarios according to the Network for Greening the Financial System (NGFS); and iv) time horizons (short, medium and long term).

The reputational risk materiality assessment findings show that transition risks would have a greater reputational impact than physical risks, as transition risks tend to relate more to

stakeholder scrutiny over time, which are the main grounds for reputational risk exposure.

It is our aim to have clear climate and environmental risk objectives, policies and procedures, and solid governance to manage them correctly. Even if extreme climate events occur, and based on the experience of several of them recently, from a reputational risk management standpoint, we believed that Santander has demonstrated its strength and robustness in this regard and its ability to react to a given event.

In 2024, we updated our reputational risk materiality assessment approach based on official reports and studies from recognized organizations. Additionally, we have continued working on further homogenization and synergy between risks in terms of information sources, thresholds, scenarios and others.

4. Monitoring

In addition to the processes described above, we carry out a continuous monitoring of ESG aspects based on:

- At Grupo Santander, we constantly monitor the risk profile and our compliance with risk appetite limits through control functions that report to the board.

Since 2021, we have been enhancing our risk appetite statement with quantitative metrics for thermal coal and mining and power related customers.

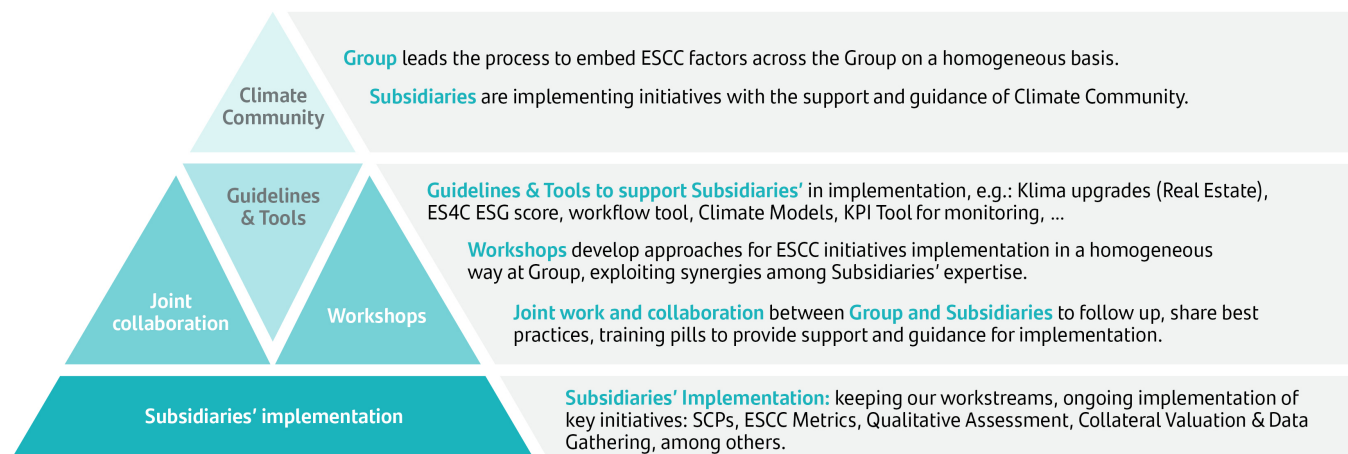
In 2024, we implemented the metrics approved in 2023 for oil and gas, steel, and aviation. We also approved two new metrics, one for the automotive sector and the other for Santander Consumer Finance's Auto business which will be implemented in 2025.

- We are in permanent contact with our customers to monitor and support their transition plans. We continue to embed ESG risk factors in credit risk granting and monitor processes through our target operating model, The Climate Race.

This model is supported by the following pillars: strategic planning, risk management, loan approval and tracking, models and systems, and culture and governance. The timeline to implement was defined for 2023 and 2024 considering the supervisory expectations and Group's strategy. During 2025, we will continue with a more granular implementation.

- Our ESG Regulatory Radar enables us to monitor updates to ESG and other regulatory frameworks, as well as the potential efforts and financial impacts that the implementation of these changes may entail.
- Moreover, the Risk, Compliance & Conduct function monitors ESG initiatives (including acquisitions and divestitures) presented to the investment forum — whose delegated authorities come from the board executive committee —, as well as from the corporate product governance forum (CPGF).

- During 2024, we continued working on our Climate Community as an additional lever for a proper integration of ESCC risk factors in the Group in a collaborative manner. This community keeps the units up to date, shares best practice, sets guidelines to support homogeneous implementation and provides a clear governance structure and allocation of responsibilities. For more details, see the following chart:



5. Mitigation

We have various **internal policies and frameworks** that integrate climate and environmental factors into our risk management processes. These elements are key to mitigating and adapting climatic and environmental factors.

Our ESCC risk management policy establishes the standards for investing, and providing financial products and services to companies and customers in oil & gas, power generation and distribution, mining and metals, and soft commodities (especially retail customers dedicated to farming and ranching in the Amazon). It dictates prohibited activities and those that require special attention for the aforementioned sectors⁶.

Our credit granting policies consider climate and environmental factors such as, among others, our internal taxonomy (SFICS), credit committees conclusions, corporate clients' ratings and collateral management.

To mitigate the risk of greenwashing, we reviewed key processes and responsibilities to facilitate the appropriate development, management and disclosure of our sustainability strategy, products and practices, while monitoring regulatory developments in this area.

We also mitigate this type of risk through **client engagement** for the most material sectors according to the climate materiality assessment.

This enables us to support customers in their transition to a more sustainable economy, offering them tailor-made solutions and generating business opportunities. Engaging with customers gives us access to data on ESG risk that we can use for internal risk management and reporting. Obtaining and cross-checking data

directly from our customers is one way to mitigate ESG risks, including greenwashing.

Additionally, we consider ESG aspects in customer assessments to determine whether they have an **impact on credit quality**.

We launched several projects so that credit analysts have all the information and tools necessary to perform this assessment.

- Sector guidelines are followed to identify the major transition and physical risks each sub-sector is exposed to and how to pinpoint them in customer engagement. We delivered training sessions in several markets to build on these guidelines.
- ESG assessment guidelines with different levels of detail depending on the risk. In some instances, we conduct an automated assessment at different levels for physical, transitional and reputational risk, with higher risk levels undergoing a more comprehensive and contextual assessment in material cases. We're implementing this assessment model for our retail banking portfolio across several markets.
- Survey library (EQAL⁷): we developed a global tool to customize and store our numerous ESG surveys and assist in their identification and review. This will enable us to compile historical ESG data and conduct more aggregated analysis based on wider criteria. EQAL is now operational in Portugal and is currently being implemented in Spain. For Brazil, the system will be customized to replace the existing tool currently in use in the country.

Lastly, we continue working on other mitigation levers:

- i. **Credit committees**, which embed environmental, social and climate change factors in transaction reviews.

⁶ To the extent required by applicable law, customers and transactions involving activities enumerated in this section will be subject to an enhanced due diligence process to determine the unique risks presented prior to decisioning.

⁷ EQAL: ESCC Questionnaires & Assessments Library.

- ii. **CIB customer ratings**, including qualitative environmental, social and climate change assessments for material sectors.
- iii. Special prices for certain products.
- iv. **Collateral management** (EPC), based on enhanced data acquisition, estimation model development, and information collection during the customer onboarding process.
- v. **Specific procedures** to analyse environmental, social and climate change risk. The board and its committees verify that decisions are made according to our ESCC and reputational risk policies. The first line of defence conducts a due diligence with special sector-based questionnaires for credit approval. The reputational risk assessment also forms part of decision-making contributing to compliance and preventing from risk of false accusations (with particular focus on greenwashing). The due diligence consists of assessing the CIB's project finance transactions according to the Equator Principles.
- vi. Lastly, we have a **multidisciplinary working** group, where, among others, **ESG issues** are considered. This group is coordinated by the reputational risk function and discusses actions needed to mitigate any matter that may have a reputational impact.



ESG classification meetings

Throughout 2024, we worked on extending our sustainable operations identification model to all global businesses, amending existing processes accordingly.

We created local and global commercialization committees and ran ESG classification meetings as the governance bodies tasked, analysing and monitoring products and transactions with an ESG component, ensuring that these bodies have experts to interpret and demonstrate ESG standards through centers of excellence as well as seeking input from business, risk and sustainability teams.

We began working to implement the updated sustainable classification model by identifying the affected processes and the changes to be made across markets.

6. Reporting

Transparent and regular reports to senior managers and stakeholders help us manage climate and environmental factors and comply with the law and supervisors' expectations.

We work so that the information available to our stakeholders is complete and consistent, conveys adequately Santander's sustainability strategy and management, and mitigates potential risks.

Our reporting on climate and environmental risk management includes our Annual Report, the ICAAP exercise, and our Pillar 3 disclosures report.

Main activities in 2024

- Advances in risk appetite, establishing new metrics and limits to support our strategy.
- Development of internal climate models that enable us to enhance how we quantify the financial impact of transition and physical risks on credit risk variables.
- Increased geographical granularity in physical risk information (acute and chronic) for the European portfolio, from NUTS3 to postcode in Spain, Portugal, UK and Poland.
- Improvements on how we manage and assess collateral through the EPC by obtaining data, developing estimation models and development plans to gather information.
- In order to mitigate the risk of greenwashing, we have reviewed the most relevant processes and responsibilities to validate the correct definition, management and disclosure of our strategy, products and practices.
- Progress in the implementation of the climate risk management model through the Climate Race initiative to integrate ESCC factors into the credit risk granting process.
- Advances in materiality assessments in terms of biodiversity through an internal methodology to assess both nature-related impacts and its dependencies.

2.3.3 Reputational risk

This section outlines how we manage this IRO, considered a climate-related transition risk:

R Reputational risk based on the perception of bank progress with climate-related policies and objectives.

Banco Santander manages reputational risk through the Reputational Risk Model, which sets out the principles to identify, manage, prevent and control reputational risk in every procedure, including related ESG factors.

We conduct the reputational risk impact assessment through key ESG procedures. These include setting objectives; taking part in

ESG working groups and governance bodies, the structuring of transactions that may be ESG sensitive and in reporting.

To evaluate the performance and effectiveness of these actions, Banco Santander has implemented a metric⁸ based on the number of very high-impact reputational risk events that have materialized and have affected various interested parties.

To manage this risk, across short, medium and long term horizons, we identify in the [table of section 2.3](#), the possible impact of the risk factors, the actions we're performing to manage them and next steps we have in mind.

2.3.4 Potential financial effects

To cover the CSRD requirements related to financial effects (E1-9), in this report we include information of the exposure affected by material physical risks. Since this is a phased-in requirement, we will expand the information in the next reports to provide full coverage of the Regulation.

To comply with the requirements, we use the information disclosed in the Pillar 3 ESG report according to the 'Implementing Technical Standards on prudential disclosures on ESG risks' defined by the EBA (European Banking Authority).

This report covers information of the banking book portfolio, including loans and advances, debt securities and equity instruments. The Group guarantees that the information included is aligned with other reports (mainly accounting reports).

Physical risk:

We report below our exposures sensitive to impacts from relevant acute and chronic physical risks (collateralized and non-collateralized).

To assess the physical risk of our portfolio, we sourced information from an external provider on acute and chronic physical risks to cover over 1,250 regions in our core markets.

To assess the physical risk of our portfolio, we implement the methodology of our external provider.

Based on the information provided, we make the following assumptions to determine the Group's sensitive exposures to the impact of physical risk:

- An activity in a region is considered as sensitive to the impact of physical risk when at least one hazard is assessed as 4 or higher on the scale provided.

- We use the RCP 4.5 scenario, which is between a scenario that considers that the Paris Agreement objectives are met (RCP 2.6) and a more specific stress exercise scenario (RCP 8.5).
- We consider time horizons that are consistent with the average maturities of our portfolios, under a conservative approach. Thus, for non-collateralized exposures, we considered a time horizon of 2030 and for collateralized portfolios, with longer time horizons, we used 2050.
- Regarding the location considered for the physical risk assessment, we analyse the location of collateral and the headquarters of our customers for non-collateralized loans at postcode level for exposures in Poland, Portugal, Spain and the UK. NUTS3 level is used for the remaining geographical locations.

According to the assumptions described, our exposure to material physical risks is EUR 54 billion as of December 2024, which accounts less than a 3% over Group's total assets.

EUR bn	Chronic	Acute	Both	Total
Total	29	20	5	54

In the Pillar 3 ESG report, the information related to physical risk is disclosed at the regional level (Europe, South America and North America), identifying higher concentration of relevant physical risks in Europe (44%).

2.3.5 Our approach to nature and biodiversity

Climate change is inextricably linked to biodiversity and nature. Climate change is one of the main drivers of nature and biodiversity loss and impacts the resilience of ecosystems, limiting their ability to regulate climate and serve as carbon sinks.

While our materiality assessment considers 'Biodiversity and ecosystems' an informative topic, we continue to oversee our

⁸ Monthly metric. Banco Santander has zero tolerance for very high impact events, including ESG-related ones. The reputational risk function puts forward events with 'very high' impact, which the compliance committee verifies. Circumstances that could lead to a 'very high' impact event are: i) events that trigger silver or gold crisis management committees; ii) regulatory requirements that uncover significant weaknesses or shortcomings: very high financial penalties (above EUR 10 million), permanent cessation of economic activity, capital aggregation, loss of banking licence, restrictions on dividend distribution, etc; iii) events with a very high impact on public opinion: with widespread and sustained negative media and TV coverage in a single market and/or in other markets for over one week or very high impact on social media; and iv) suspension of shares trading or a drop in share price of over 5% in one day on the back of the issue in question.

operations and impact on biodiversity and nature in view of our climate objectives.

Given our financial activity, and the location of our buildings and offices, mainly in urban areas, no sites located in or near biodiversity sensitive areas are identified⁹. We are conducting an analysis to determine whether any of them could be in or near biodiversity sensitive areas.

We conducted an assessment on our corporate portfolio, which considers the country in which our customers operate, to learn of the direct impact and dependency of their business on nature and biodiversity.

We followed the Task Force on Nature-related Financial Disclosures' (TNFD) LEAP¹⁰ approach. We used two tools:

- **ENCORE:** A materiality database of dependencies (physical risks) between production processes and ecosystem services. For our core markets, we complemented the database with internal localization criteria based on ENCORE's hotspot depletion maps. These criteria cover three natural capital assets: soil and sediment, water, and biodiversity.
- **UNEP FI Impact Analysis Tool:** This tool provides an in-built impact (transition risks) mapping that, combined with our internal data and context, enables us to identify the most significant impact areas of the portfolio.

The ENCORE database helps us to begin to understand how the deterioration of natural assets could cause a loss of production processes, and the financial consequences it could have.

This methodology enabled us to analyse their dependencies (physical risks¹¹) on over 20 ecosystem services in more than 10 sub-segments of our corporate lending portfolio.

Additionally, in 2024, Santander Brasil participated with various organizations in TNFD pilots to explore how to tackle nature impacts and dependencies more effectively. We used the LEAP approach and focused on the Locate phase. We gained important insight into how data gaps and a lack of methodologies tailored to highly biodiverse tropical countries limit private companies' ability to account for those factors accurately. Addressing these issues will require further work and collaboration throughout the sector to align with stakeholders' expectations.

Nature and biodiversity heatmap

Based on the above mentioned approach, we use a 'heatmap' to aggregate nature-related dependencies and show the level of threat of potential events that may affect our corporate portfolio at Group level.

We used this exercise as an input to meet disclosure requirements ESRS E2 (Pollution), ESRS E3 (Water and marine resources), ESRS E4 (Biodiversity and ecosystems) and ESRS E5 (Resource use and circular economy) in relation to ESRS 2 IRO-1. We rate our dependencies on a scale of 1 (very low dependence) to 5 (very high dependency). These are the results:

		Corporate portfolio
Pollution	Pollution of air	●
	Pollution of water	●
	Pollution of soil	●
	Pollution of living organisms & food resources	●
	Substance of concern and very high concern	●
Water & marine resources	Water withdrawals, consumption and use	●
	Habitat degradation & intensity of pressure on marine resources	●
Biodiversity & ecosystems	Direct drivers of biodiversity loss	●
	Impacts on the state of species and on the extent and conditions of ecosystems	●
	Impacts & dependencies on ecosystem services	●
Circular economy	Resource inflows, including resource use	●
	Resource outflows related to products and services	●
	Waste	●

● Very low ● Low ● Medium ● High ● Very high

No nature-related topic or sub-topic was considered material at Group level. We monitor these and other sectors closely as part of regular updates to our nature materiality assessment.

Nature and biodiversity in our ESCC policy

Santander embeds nature and biodiversity conservation measures in financing and investment policies. Our global environmental, social and climate change (ESCC) risk policy¹² dictates prohibited activities that Santander will not directly invest in, or provide financial products or services to, regarding biodiversity matters:

- Any projects or activities in areas classified as Ramsar Sites,¹³ World Heritage Sites, or categories I, II, III or IV by the International Union for Conservation of Nature¹⁴ (IUCN).
- Any projects or expansion of existing oil & gas facilities north of the Arctic Circle.

⁹ The main environmental impact of our offices stems from their maintenance and how we manage the waste we generate. So far, we have not deemed it necessary to adopt biodiversity mitigation measures in our operations. Nonetheless, on certain occasions we have considered corrective or mitigation measures as part of our customer lending due diligence and in application of our ESCC policy.

¹⁰ LEAP approach: Locate, Evaluate, Assess and Prepare.

¹¹ This analysis does not consider systemic risks since no tools have been identified that include them.

¹² To the extent required by applicable law, customers and transactions involving activities enumerated in this section will be subject to an enhanced due diligence process to determine the unique risks presented prior to decisioning.

¹³ The Convention on Wetlands (known as the Ramsar Convention) is an intergovernmental treaty that provides the framework for the conservation and wise use of wetlands and their resources.

¹⁴ The International Union for Conservation of Nature (IUCN) (iucn.org) 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.

- Extraction and sale of native tropical wood species not certified by the Forest Stewardship Council (FSC).
- Palm oil processors that are not members of the Roundtable on Sustainable Palm Oil (RSPO).
- Developments in forested peatlands in 'High Risk Geographies'.¹⁵

The assessment of the client's ESCC risks in the applicable sectors¹⁶ is first completed by the financial manager before a team of analysts conducts an overall assessment. The ESCC risk and compliance departments delve deeper into cases that uncover red flags. We usually conduct this extended due diligence exercise with the client to deepen our understanding of the risk profile and determine the existence (or not) of corrective or remediation measures.

As our global ESCC risk management policy dictates, we consider environmental, social and climate change risks and also conduct annual reviews of our customers and pay particular attention to potential deforestation risk with agribusiness customers in the Amazon biome.



For more details on our ESCC risk management policy, see section 3.2.3 'Environmental, social and climate change risk management'.



Nature-based solutions are key to carbon storage and climate resilience. Santander supports several initiatives that foster these solutions:

- Biomas, an ecosystem restoration enterprise that seeks to plant two billion native trees to reforest and protect two million hectares of degraded lands in Brazil over the next 20 years, removing 900 million tonnes of CO₂e from the atmosphere.
- Santander España — through Motor Verde — will finance three new forests of over 300 hectares to absorb 82,000 tonnes of CO₂e. Two of them have already been registered with the Spanish Office of Climate Change and the third is in the initial phase.
- Santander UK continues to form part of the Net Zero With Nature UK national parks initiative by helping develop a platform to secure private financing for nature-based solutions. We're also supporting the restoration of peatlands in the Cairngorms and the improvement of water quality at Lake Windemere.
- Since 2021, Santander México — through "LikeU" — has been helping customers contribute to reforestation in collaboration with Reforestamos México, which has been operating for 19 years.

Santander and the Brazilian biomes

Santander promotes the protection and sustainable development of Brazil's biomes, which is critical to tackling climate change and conserving biodiversity. We need economic growth, but it must be sustainable.

Brazil accounts for approximately 3% of the world's greenhouse gas (GHG) emissions. According to Observatório do Clima the main sources of emissions are land-use change (46%), particularly deforestation, followed by the agricultural sector (25%), a sector that plays a crucial role in the national economy and is vital for global food security. A significant part of the deforestation is illegal and driven by property speculation in public lands. According to Amazon Environmental Research Institute (IPAM), 50% of the Brazilian Amazon deforestation occurs on public land, especially in undesignated public forests. These forests are easy targets for land grabbers and illegal exploitation due to poorly defined tenure rights.

In recognizing the importance of its biomes, the Brazilian government created and passed the Brazilian Forest Code in 1965 and revised it in 2012. It is one of the world's strictest environmental laws, establishing the necessary protection percentage for each of the country's biomes.

As strict as the Code is, the main challenge lies in its implementation. A lack of effective adherence and enforcement has led to illegal deforestation and environmental degradation over the years.

Addressing GHG emissions and biodiversity protection in Brazil requires a multilateral approach that includes strengthening the implementation of environmental laws, continuously promoting sustainable agricultural practices, and improving monitoring and transparency.

¹⁵ High risk geographies are every country in Africa, plus Argentina (Chaco, Formosa, Santiago del Estero, Salta and Tucumán only), Bolivia, Brazil (the Legal Amazon and the north east of the country only), Cambodia, China, Colombia, Ecuador, Estonia, Guatemala, Honduras, India, Indonesia, Laos, Latvia, Lithuania, Madagascar, Malaysia, Myanmar, Nicaragua, Panama, Papua New Guinea, Paraguay, Peru, Russia, the Solomon Islands, Thailand, Vietnam and any customer declared 'unknown'. This list will be subject to review based on the expansion of agribusiness to new geographies.

¹⁶ Sectors covered by the ESCC Risk management policy and additional tactical sectors included in the CIB Procedure, as well as other material businesses and sectors depending on the geography and local legal requirements.

According to the 2022 MapBiomass report, a significant portion of Brazil's deforestation is illegal. Illegal activity has a major environmental impact and undermines efforts to control emissions. The MapBiomass platform uses pixel-by-pixel classification of Landsat images processed through machine learning algorithms in Google Earth Engine. Despite its limitations, such as the inability to identify areas with deforestation permits issued by state-level governments, it is a highly effective tool for monitoring deforestation.



We've been working with our customers to promote sustainable development in Brazil for years. In 2002, Santander became the first private-sector bank in Brazil to run credit analysis on environmental and social risk. In 2016, we were the first bank to formally incorporate a sustainability score into our corporate customers' credit rating.

Risk management

Environmental and social reviews of companies

Santander Brasil conducts annual reviews by analysing the socio-environmental practices of wholesale companies and main customers of SMEs with credit limits or risk exceeding BRL 7 million and that belong to one of the 14 priority social, environmental and climate sectors (including all TCFD sectors, depending on their level of risk). In the past decade, we have analysed approximately 2,000 corporate and retail customers on a yearly basis to determine whether they comply with the law and follow best practice. This procedure begins with a standardized public questionnaire that we send to customers. A team of ESCC risk specialists reviews the returned questionnaire by cross-referencing it against government permits, fines, embargoes, lawsuits, contaminated land reports, press reports and other public information.

The analysis may require additional questions. Upon completion of the analysis, the ESCC risk specialist compiles a report with a score of 1 to 5 that covers environmental, social and climate factors separately, including such aspects as water stress, climate resilience, contaminated land, human rights, environmental sanctions and supplier control. We have further procedures for customers in mining, sugar and beef production.

Farmers and ranchers

A significant portion of illegally deforested lands does not have a clear owner or is government-owned property. For this reason, Santander verifies the land ownership or lease before financing farmers and ranchers.

As part of the credit approval process, we work with a satellite-imaging firm to monitor the properties that we finance or take as collateral throughout the entire loan term. We receive daily information on government embargoes against production on illegally deforested land; modern slavery; and incursions into government protected indigenous land, parks and conservation areas. We monitor approximately 19,000 properties for deforestation alerts.

If we identify any issues, we request an explanation from the customer. If we uncover a material breach of environmental laws and regulations, our standard contracts allow us to demand the early repayment of loans.

Santander also uses Internet-based satellite-imaging tools Global Forest Watch and MapBiomass to track the detailed loss of tree cover on customers' farms and ranches over time.

Collaborating with initiatives to stop deforestation

Febraban Protocol for livestock in the Amazon

Santander actively collaborates with customers, governments, regulators and NGOs to tackle illegal deforestation. Santander Brasil is a member of Febraban's committee on forestry and agribusiness.

We have been seeking commitments from beef processing customers in the Amazon since 2020. In 2021, Santander Brasil began engaging with more than a dozen of these customers to tackle illegal deforestation linked to their supply chain by 2025. Santander Brasil, along with other banks, shared lessons learnt with Febraban, which lead to the creation of the sectorial protocol - SARB 026/2023 - in March 2023, which sets the standards for managing the risk of illegal deforestation in the bovine meat chain. The protocol defined guidelines to be adopted by its signatories.

By signing the protocol, Santander has aligned its objective with that of the Brazilian financial industry, and has been engaging with its meatpacking customers. This requires beef processing customers with slaughterhouses in the Brazilian Legal Amazon region to end illegal deforestation by December 2025, both from direct suppliers of cattle and Tier 1 indirect suppliers, and demonstrate progress against. They also must meet mid-term milestones.

Signatory banks must monitor the implementation of actions by the deadlines stipulated by the regulation, reviewing customers' public reports on the dates established by the protocol and taking measures based on the content published by beef processing customers.

Since the objective was established, Santander has actively engaged with all beef processing customers affected by the protocol, leveraging our technical expertise to assist in developing their traceability plans and reports. We monitored their progress reports throughout 2024, and by the December 2023 deadline 100% of eligible customers had been verified for protocol compliance. For those who did not initially present the required plans, credit limits were temporarily suspended and reinstated

only upon compliance. We will continue to act accordingly and monitor compliance with the milestones set by the Febraban protocol, checking adherence to the implementation timeline.

RTRS and MBPS

Santander Brasil takes part in two other external initiatives that propose solutions to stop deforestation; it was a co-founder of the Roundtable on Responsible Soy (RTRS), and chaired it from 2006 to 2009. The bank also co-founded the Brazilian Roundtable on Sustainable Livestock (MBPS, in Portuguese).

IFACC

We were the first bank to join Innovative Finance for the Amazon, Cerrado and Chaco (IFACC), an initiative coordinated by Nature Conservancy, the Tropical Forest Alliance and UNEP FI (a United Nations environmental programme that focuses on sustainable financing). The aim is to accelerate sustainable production finance through the structuring of mechanisms such as loans to rural producers, land investment funds, and corporate debt and capital market instruments.

Nature-Based Solutions Investment Collaborative

In 2024, we were the first bank to join the NBS Investment Collaborative, a platform with 10 members and 11 partners, led by Capital for Climate, focused on mobilizing BRL 5 bn for nature-based solutions in Brazil by 2025.

Amazon Finance Network

To protect the most important and diverse biome, in late 2023 we joined the Amazon Finance Network, an alliance launched during COP 28 that aims to generate sustainable impact throughout the Amazon region. It brings together 52 financial institutions with the aim of increasing investment flows, mobilizing capital, promoting financial inclusion, sharing knowledge on innovative financial solutions, and generating synergy with the public sector.

Social impact

We understand that supporting the socioeconomic development of the Amazon and other biomes and their residents is fundamental for their preservation and for the development of the country. Helping local people maintain their livelihoods is key to preserving this ecosystem. We want communities and entrepreneurs to develop further and count on our support as they do.

We joined forces with other banks and entities to help launch Jornada Amazônia, a platform that Fundação Certi runs. Its aim is to stimulate the Amazon's innovation and entrepreneurship ecosystem, with a focus on bioeconomy solutions for forest conservation. The platform's core objectives include training 3,000 talented people and creating 200 startups by the end of 2025.

Jornada Amazônia continues to progress and gain the support of other partners, including the Inter American Development Bank (IDB) and Instituto Itaúsa (the ESG arm of the Itaúsa holding company). Progress so far includes:

- 2,134 people given entrepreneurship training (71.1% of the target for 2025), 55% of which were women;
- 71 startups created and structured (35.5% of the target for 2025), with a cycle to create more startups under way; and
- 22 startups classified and ramped up (22% of the target for 2025), with a new acceleration cycle under way with 45 entrepreneurs.

We gathered 15 Santander executives to act as mentors in the Synergy programme to help entrepreneurs in such areas as people management, legal issues, investor access, network building and strategic vision and direction of the company.



For more details on Santander and the Brazilian Amazon, visit our corporate website santander.com.

2.4 Aiming to align our activity with the Paris Agreement Goals

In this section we cover how Santander manages the following IRO:

- I-** Adverse impact on climate and the environment due to the bank's financing of, or investment in, certain non-sustainable assets and activities.

We continue working towards our ambition of net zero carbon emissions by 2050 by progressively setting specific actions to support our customers in their climate objectives and to align those climate sectors identified as most material regarding lending, which is our most material financial activity.

Regarding our own operations, we disclose our direct and indirect emissions (scopes 1, 2 and 3) data as well as other climate-relevant metrics such as energy consumption. We report on our targets for renewable electricity¹⁷ and the compensation of our scope 1 and scope 2 emissions. Since 2021, we have also been disclosing financed scope 3 emissions (category 15) related to our alignment objectives.

We announced our ambition to work to achieve net zero carbon emissions by 2050 in February 2021.

We are constantly reviewing our strategy and targets to incorporate the latest science insights and changes in local regulation.

We use internal methodologies that take input and recommendations from the NZBA (Net Zero Banking Alliance) guidelines, the PCAF standard, Glasgow Financial Alliance for Net Zero (GFANZ) publications, the Science Based Targets initiative (SBTi) and other references. We also use external data and models from third parties with recognized market reputation and expertise. We rely on financial and non-financial information from our customers.

Though the non-financial information required is becoming more available as more companies begin to report GHG emissions, it still falls short in certain sectors and regions. And, where available, it might not be the most suitable or accurate. In many cases, data is only available with a significant time lag. If no emissions data exist, we estimate them based on a proxy (average emissions by industry, country, etc.). Once we obtain our customers' total emissions, we apply our attribution factor in line with the PCAF approach to determine Santander's financed emissions.

2.4.1 Alignment targets

As part of our climate ambition, we prioritize the high-emitting sectors (which also bear high and very high transition risk according to our climate materiality) to which we have material exposure and must support the transition to a low-carbon economy.

In 2021 and 2022 we set targets for the wholesale segment in the power generation, thermal coal, oil & gas, aviation, and steel portfolios. In 2023, we focused on the automotive sector from two

perspectives: auto manufacturing (wholesale segment) and auto lending (consumer loans for the purchase of passenger cars in Europe).

Within the sectorial climate approach described above, cement, shipping and aluminium are deemed not material given their low level of exposure. Agriculture, mortgages and commercial real estate (CRE) are considered material in the retail segment.

We are monitoring the materiality of the capital markets emissions (facilitated emissions) for the bank, and for the moment we consider them not material.

The climate performance dynamics of all these sectors are heavily dependent on their regulatory and policy framework, technology changes and customers behaviours. For example, the International Energy Agency (IEA) estimates that one third of the reductions needed to meet the Paris objectives need to come from technologies that are currently at the demonstration or prototype phase.

In sectors where corporate clients are making progress, we have set targets while acknowledging these external dependencies.

For the sectors that are heavily dependent on further regulation to align, and where most of the customers are retail, we are monitoring their alignment; but we will refrain from setting targets until the regulatory and policy framework is clear, consistent and supportive of consumer behaviour changes.

We have been sharing our understanding and experience of these policy gaps with authorities and other sectors, and plan to keep doing so. Given our footprint, we see markedly different regulatory frameworks in the regions where we operate.

Governments' approach to the transition should reflect several, simple points. First, economic growth is essential to finance the transition - and to ensure it is affordable and fair in both developed and developing economies. Policies to support the transition should, therefore, not undermine growth, nor the provision of reliable and affordable energy. Next, we believe the transition is a journey - not a moment in time - for companies, sectors and countries and that governments' policies or regulations to affect sudden change are therefore likely to undermine growth and decrease investor confidence. Third, a "one size fits all approach" to the transition ignores the economic, social and political reality facing different sectors in different regions and we need a more pragmatic, flexible approach to support green growth. Finally, the financial sector should be considered as an enabler of the transition, but not as the solution.

We believe governments' policies for the transition should reflect this by establishing clear policy pathways for critical sectors to achieve a low-carbon economy, with measures and incentives to support businesses' transition. Frameworks should be transparent and provide certainty for each sector. Today, according to IEA, there is still a large gap between the Stated Policies Scenario¹⁸ projections and Net Zero Emissions by 2050 Scenario. This gap also exists in Santander's core markets.

¹⁷ For 2025, in countries where we can verify electricity from renewable sources at Banco Santander properties. Target considers the 10 core markets in which we operate.

¹⁸ The Stated Policies Scenario (STEPS) is designed to provide a sense of the prevailing direction of energy system progression, based on a detailed review of the current policy landscape.

Our efforts to pursue our transition targets also involve engaging with public bodies whose policy decisions and actions are critical if companies - including banks like Santander - are to make progress towards net zero carbon by 2050. If policies (or the lack of them) remain as they are today, a significant gap will persist between net zero scenario pathways and what will actually happen.

We also monitor technological, economic and geopolitical factors that bear on transition, from energy security to variability in approaches in different markets, including those in which we operate.








Our aim is to help our customers transition and contribute to their alignment, while understanding the constraints and limitations they may face in different jurisdictions and the gaps that make setting targets in certain sectors unfeasible. Weighting the E, the S

and the G appropriately across our strategy is key to avoid undermining other ESG goals, while we pursue tackling climate change. The transition must be just and orderly.

Emissions accounting and science-based alignment target methodologies are still relatively new areas that are improving quickly to meet climate ambitions. More methodologies need to be developed so that all financial institutions have the right tools to effect positive change in the economy.




We set our alignment targets and monitor the most crucial part of each sector's value chain, focusing on those that are most emissions-intensive, actionable and where progress can be measured as well as considering the availability of quality data and market practices.

Alignment targets


Sector	Scenario	Metric	Baseline	2020	2021	2022	2023	2030 targets	Scope of emissions	Value chain in scope			
 Power generation	IEA Net Zero 2050	tCO ₂ e/MWh	0.21 (2019 baseline year)	0.17	0.19	0.16	0.15	0.11 (-46%)	1	Upstream / Generation	Midstream / Distribution	Downstream / End product	
 Oil & gas		mtCO ₂ e	23.84 (2019 baseline year)	22.58	27.43	20.94	20.27	16.98 (-29%)	1 + 2 + 3 ^A	Integrated / Diversified			
 Aviation		gCO ₂ e/RPK	92.47 (2019 baseline year)	93.05	97.21	81.09	82.99	61.71 (-33%)	1 + 2	Upstream / Suppliers	Midstream / Manufacturing	Downstream / Airlines	
 Steel		tCO ₂ e/tS	1.58 (2019 baseline year)	1.40	1.36	1.24	1.38	1.07 (-32%)	1 + 2	Upstream / Materials extraction	Manufacturing	Downstream / End product	
 Auto manufacturing		gCO ₂ /vkm	149 (2020 baseline year)	149	138	133	134	103 (-31%) ^B	3 ^A	Upstream / Suppliers-Materials	Midstream / Manufacturing	Midstream / Dealers	
 Auto lending Europe^C		gCO ₂ e/vkm	137 (2022 baseline year)	N/A	N/A	137	133	75-89 (-35-45%)	1 + 2	Downstream / End-users			
 Thermal coal	Phase-out targets to eliminate exposure by 2030 to power generation customers with a revenue dependency on coal of over 10% and thermal coal mining.												


Details on targets' scope are available in the following pages.

Monitoring of other portfolios

Sector	Absolute emissions (2023)	Scope of emissions	Value chain in scope		
 Commercial Real Estate	0.19 mtCO ₂ e ^D	1 + 2	Upstream / Suppliers	Midstream / Construction	Downstream / Owners
 Mortgages	1.93 mtCO ₂ e ^E	1 + 2	Upstream / Suppliers	Midstream / Construction	Downstream / Homeowners
 Agriculture	9.83 mtCO ₂ e ^F	1 + 2	Upstream / Suppliers	Midstream / On Farm	Downstream / End product

Details on our progress on alignment available in the following pages.

 Part of the sector value chain in-scope, due emissions materiality and/or actionability

 Part of the sector value chain out of scope

A. Use of sold products.

B. Target reduction is -25% vs. 2021 reference.

C. Consumer lending for acquisition of passenger cars, covering a significant majority of the exposure in Europe.

D. Financed emissions of the UK and Spain CRE portfolios.

E. Financed emissions of the UK and Spain mortgage portfolios.

F. Financed emissions of part of the Brazil agriculture portfolio.

 For more details on our alignment targets, see note **SN 4. 'Our transition plan'**.

CIB implementation strategy

As part of supporting our customers in their climate objectives and to achieve our sectoral alignment targets we undertake several actions. These actions include an assessment of the transition plans of our customers, customer engagement, and dedicated portfolio steering governance. We also leverage on data collection as part of the risk analysis process; as well as conducting ESCC exclusion policy reviews. Given our actions directly relate to the activity of our customers, it is not practical to make quantitative estimates for how each action contributes to achieving each of our targets. All actions described below cover the CIB business globally.

Customer Climate Tiering

A key element of our implementation strategy is the customer climate tiering approach. The outcome of this tiering approach is an assessment of our customers' current and expected progress to align with our climate sector objectives. In 2024 we implemented this approach for Automotive Manufacturing, in addition to existing target sectors (power, oil & gas, steel and aviation), and adapted it where necessary to account for sector differences. We review the climate tiering assessment for each sector every year to reflect our customers' progress.

Our approach aims to facilitate the achievement of our emissions targets and to develop a strong understanding of our customers' transition strategies towards low-carbon business models. This approach is supported by governance processes, involving various internal stakeholders, such as front office teams, risk reporting functions, and senior management to guide the potential portfolio steering actions (for more details, see the Portfolio Steering section below). It is structured around four main iterative steps: Collect, Assess, Engage and Review. We have used various internationally recognized references and the Cambridge Institute for Sustainability Leadership (CISL) 'Let's Discuss Climate' guide as inputs and adapted them to our requirements and objectives.

Collect: We collect relevant information as part of regular customer dialogue and engagement. In addition, we source specific climate related information through tailored requests that contain transition-focused elements designed to help us better understand companies' alignment strategies. Furthermore, we also seek to source reliable and consistent information from credible third parties to complement our understanding.

This information is collected and updated both at the customer onboarding stage, and as part of the regular business and risk assessment review with each customer, which is performed at least once a year.

Assess: Our assessment consists of a two-step approach designed to categorize our customers according to their emissions pathway and perceived quality of their transition strategy.

The first step involves assessing how our customers' emissions trajectory aligns with our current sectoral portfolio baseline and future sectoral portfolio targets. The second step assesses the quality of each customer's transition plan. Our transition plan assessment methodology focuses on four pillars:

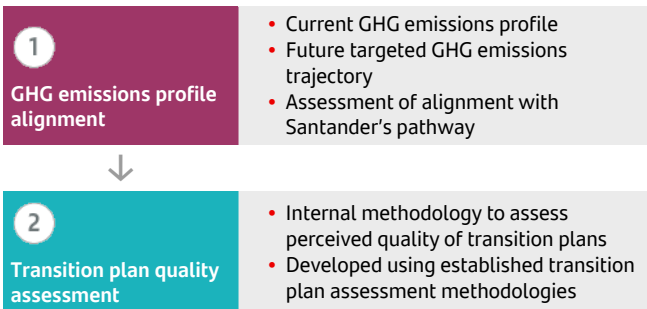
1. **Targets:** it focuses on the quality and ambition of the customer's quantitative GHG emissions targets. Where possible, we assess short- and long-term, as well as absolute and intensity reduction targets.
2. **Action plan:** it considers the credibility of the customer's alignment strategy. We assess the business strategy integration of climate change risks and opportunities; the existence of climate scenario planning; as well as time-bound action plans to achieve alignment targets.
3. **Disclosure:** it focuses on the transparency of reporting on historical emissions performance across all relevant scopes, the level of assurance, as well as the degree of reporting alignment with the TCFD. Where possible, it also includes assessing whether or not previous GHG emission targets were achieved.
4. **Governance:** it considers the level of management oversight and governance of the customer's transition strategy. We assess the level of seniority of executives accountable for climate strategy, board committee oversight of climate change issues, and whether executive remuneration is linked to climate change performance.

We draw on established transition plan assessment methodologies, such as the Transition Pathway Initiative (TPI), CDP, ACT (Assessing Low Carbon Transition), TCFD, as well as other related initiatives including the UK's Transition Plan Taskforce (TPT).

Our transition plan assessment methodology includes higher weightings for assessment criteria deemed to be critical to credible transition plans, compared to lower weightings for those that are considered supporting criteria. The more highly weighted criteria are designed to prioritize focus areas for customer engagement.

Ultimately, our customer climate tiering system leads to four categories (Leader, Strong, Moderate and Weak).

Two-step tiering system



Transition Pillar	Overview
1. Targets	Quality and ambition of quantitative targets to reduce GHG emissions
2. Action plan	Depth of alignment strategy to achieve GHG emissions reduction targets
3. Disclosure	Transparency on GHG emissions reporting across relevant scopes
4. Governance	Management oversight and governance of transition strategy

Tier Categories		Description
Tier 1	Leader	<ul style="list-style-type: none"> Emissions profile fully aligned with Santander's pathway Strong transition plan
Tier 2	Strong	<ul style="list-style-type: none"> Emissions profile fully aligned with Santander's pathway but improvement needed in transition plan; or Strong transition plan but emissions profile partially aligned with Santander's pathway
Tier 3	Moderate	<ul style="list-style-type: none"> Emissions profile partially aligned with Santander's pathway, but improvement needed in transition plan; or Emissions profile not aligned with Santander's pathway, but strong transition plan
Tier 4	Weak	<ul style="list-style-type: none"> Emissions profile not aligned with Santander's pathway Weak transition plan

Internally organized training sessions were delivered to sector-specific relationship managers and Environmental Social Climate Change Risk (ESCC) analysts. These focused on gathering information to complete the transition plan quality assessment (the second step in our customer climate tiering system). These sessions were delivered by senior experts from our ESCC, Portfolio Alignment and Sustainability Solutions teams.

Expert resources from our global Sustainability Solutions team are made available for further education and advice on customers' transition plans assessment.

Engage with customers: Our customer climate tiering system seeks to facilitate tailored transition dialogue to help lower-tiered customers move up to higher tiers over time.

In 2024, we focused our customer engagement efforts on oil & gas as well as lower-tiered customers in other sectors. We developed internal transition assessment dashboards for relationship managers, designed to aid the identification of customer-level priority areas, industry benchmarking, and opportunities to support our customers in financing their transition. Of the customers that are in scope of our targets, approximately three quarters included sustainability-related discussions in 2024.

In addition, on a wider scope of climate-related topics, we are engaging with various public and private organizations (for more details, see section 1.2 'Stakeholder engagement').

Review: The customer transition plan assessment is performed by relationship managers, in cooperation with ESCC risk analysts, followed by portfolio level reviews by Sustainability Solutions and Portfolio Alignment teams to determine final tierings. The portfolio level review is important to help identify key trends and challenges in each sector, as well as for future transition plan assessment methodology improvements.

Initial assessments were completed for both steps for all sectors where targets have been set. Subsequently, transition plan quality assessments were reviewed and enhanced, drawing on updated reference methodologies and sector-specific research. This led to improved guidance, more focused set of questions and the inclusion of additional sector-specific questions for assessing transition plan quality.

The figure below shows the breakdown of our climate tiering system output for all entities in scope of our original sector targets, by sum of drawn exposures as of the end of 2024. See 'Sector Considerations' section for further details on each sector's portfolio composition and evolution.

Climate tiering aggregated for the sectors for which we had set targets^A



A. Based on 2024 year-end drawn exposure, according to portfolio alignment methodology, and including project finance, both in operation and under construction.

Of our corporate customers with drawn exposure where transition plan assessments were conducted in 2024, approximately:

- two-thirds have set quantitative emissions reduction targets on sector-material GHG scopes between 2030 and 2039;
- one-third have set, or committed to set, science-based targets (SBTi), if available for the sector;
- over two-thirds have a time-bound action plan to align their business, with almost half providing details of the expected proportional impact of different alignment levers, according to our assessment;
- over half provide details or commitments for CAPEX alignment with future low-carbon solutions;

- over two thirds undertake some form of climate scenario planning; and
- over half have senior management remuneration linked to progress towards achieving their GHG emissions reduction targets.

Portfolio steering

CIB's portfolio steering governance is designed to identify actions to support our customers' transition and manage our portfolio to achieve our climate targets. A quarterly portfolio steering meeting operates at the core of our governance. Its scope includes monitoring progress towards the achievement of our portfolio targets. All relevant CIB functions are represented at this meeting. In addition, a monthly portfolio alignment meeting provides technical support by reviewing methodologies and monthly critical KPI performance.

Our risk appetite and lending policies are important tools for monitoring and steering the portfolio towards our financed emissions targets. Our customer climate tiering assessment informs our risk appetite for each sector where targets have been set, e.g., new lending business with lower tier customers might be limited when the sector deviates from the 2030 target.

In addition, Santander's Environmental, Social and Climate Change (ESCC) Risk Management Policy sets out the criteria for providing financial products to customers involved in several of the sectors within the scope of our financed emissions targets (i.e., power, oil & gas, metals & mining and soft commodities). For all sectors with alignment targets, customer climate tiering and engagement considerations are being incorporated into annual credit risk reviews. For one-off transactions (e.g., project finance transactions), we assess a transaction's impact on the relevant sector's portfolio financed emissions targets.



Contributing to integrity in transition finance

We continue to contribute to furthering knowledge of transition finance as a key enabler towards net zero. As part of our long-standing support for education, employability and entrepreneurship, we are collaborating with the University of Oxford to fund the development of a Transition Finance Centre of Excellence. This centre aims to play a prominent role in defining aspects of transition finance, such as best practice sectoral transition plans and new tools and insight for practitioners.

Initial research has focused on developing a deeper understanding of assessing companies' transition plans

in emission-intensive sectors. Follow up work has explored external dependencies in corporate transition plans and assessing transition plans with more granular asset-based approaches. Research has also included corporate net zero transition plan implications for loan pricing, the development of tools to assess sustainability-linked bond pricing (given the dynamic nature of sustainability performance indicators), and other topics.

For more details about this collaboration and published research, visit smithschool.ox.ac.uk.

Sectorial considerations

Power generation

Sector boundaries: For the power generation sector, we assess the upstream/generation business in the value chain. Our portfolio includes both corporate customers and project finance transactions.

Industry dynamics: The industry is reducing carbon intensity by building renewable power plants, switching off coal power plants and using combined cycle power plants as transition technology. Some countries also invest in nuclear power as a low-carbon electricity source. The IEA estimates that to meet the Paris objectives, investment in clean energy will need to almost triple from current levels to around 4.5 trillion USD a year by the early 2030s.

Portfolio composition: The exposure to project finance (both in operation and under construction) outweighs the exposure to corporate customers. Within the corporate portfolio, around 80% of the portfolio is classified as tier 1 and 2 customers, typically leading power companies with existing or strong objectives to renewables. We observe clear regional differences in the climate tiering (with Europe being the leader), while many emerging market entities are still developing and disclosing their transition plans.

Power Generation portfolio distribution^A



A. Based on September 2024 drawn exposure, according to portfolio alignment methodology, and including corporates and project finance, both in operation and under construction.

Portfolio evolution: Since 2022, we observe a downward trend in the physical emission intensity of our portfolio, going from 0.19 tCO₂e/MWh in 2021 to 0.16 in 2022 and 0.15 in 2023. One of the main drivers is an overall improvement in the average emissions intensities of our corporate portfolio customers during this period. Supporting our clients in their alignment journey implies investing in both renewable technologies and transition technologies, which may still lead to temporary increases in physical emission intensity in the future.

Sector	Year	Exposure (drawn amount EUR bn) ^A	Absolute emissions (MtCO ₂ e)	Physical emissions intensity (MtCO ₂ e/MWh)	Financial emissions intensity (MtCO ₂ e/ EUR bn lent)	PCAF score	2030 target
Power generation	2019	10.66	5.41	0.21	0.51	2.7	0.11 tCO ₂ e/ MWh ¹⁹
	2020	10.31	4.59	0.17	0.45	2.5	
	2021	10.23	4.24	0.19	0.41	2.8	
	2022	11.88	3.82	0.16	0.32	3.0	
	2023	10.75	3.14	0.15	0.29	3.2	

A. It includes Corporates and Project Finance in operation.

Oil & gas

Sector boundaries: For the oil & gas sector, we assess upstream companies, as well as integrated companies undertaking their own upstream production in oil and gas.

Industry dynamics: Oil & gas companies can reduce their emissions by reducing operational emissions (e.g. by reducing flaring and leakages), by shifting their production to less GHG intensive fuels (e.g., from oil to gas), by investing into CCUS (Carbon Capture, Utilisation and Storage) or by diversifying from fossil-fuel combustion related business (e.g., into renewable energy).

2024 saw a number of elections held in major economies. It remains to be seen how the outcome of these elections will affect

energy supply and demand. As ever, energy security remains a critical theme for the sector.

Portfolio composition: To differentiate between oil & gas entities on a sector specific basis, we apply a physical emissions intensity comparison and a 2050-time horizon for our climate tiering analysis in this sector only.

Portfolio evolution: The absolute financed emissions of our portfolio decreased significantly in the years 2022 and 2023, going from 27.43 MtCO₂e in 2021 to 20.94 and 20.27 in 2022 and 2023 respectively. This was primarily led by the decrease in the exposure to some low-tiered carbon-intensive clients.

Sector	Year	Exposure (drawn amount EUR bn)	Absolute emissions (MtCO ₂ e)	Physical emissions intensity (tCO ₂ e/TJ)	Financial emissions intensity (MtCO ₂ e/ EUR bn lent)	PCAF score	2030 target
Oil & gas	2019	7.68	23.84	73.80	3.10	3.4	16.98 mtCO ₂ e
	2020	6.67	22.58	73.60	3.38	3.6	
	2021	8.25	27.43	74.36	3.33	3.9	
	2022	6.89	20.94	73.28	3.04	3.0	
	2023	6.82	20.27	72.97	2.97	3.0	

Note on data quality: To improve the quality of timely available data, the data source for this sector has been replaced by Wood Mackenzie for figures from 2022 onwards, allowing us to analyse upstream companies and their assets in a more granular way and avoid uncertainties related to public company disclosures. Our methodology has been updated to incorporate this refinement¹⁹.

¹⁹ Scope 1 and 2 are directly retrieved from Wood Mackenzie. Scope 3 is calculated based on Wood Mackenzie production data and combustion emission factors.



Our role in supporting the energy transition

The world needs to ramp up renewable energy capacity to align the economy. For the global energy sector to align, all energy-intensive sectors and activities must be transformed. Our role is to support our customers' transition and, as one of the world's top lenders in renewable energy, we're increasing the volume of green finance to support this transformation.

Fossil fuels continue to meet the vast majority of global energy demand. Energy security remains key for an orderly transition. As a bank, we believe our role is to work with clients to support and encourage their transition.

Aviation

Sector boundaries: For the aviation sector, we focus on commercial passenger airlines which include both general purpose lending and aircraft-specific financing. CIB refined the methodology for the latter for 2022 and 2023, as a result of the availability of a new specialized data source that allows the calculation of emissions at the asset level.

Industry dynamics: The IEA's updated Net-Zero by 2050 Scenario lowers expectation on emissions reductions in the sector due to the current trends for sustainable aviation fuel (SAF) – high costs and availability issues – as well the slow adoption of efficiency measures such as fleet renewal or use of lighter materials, raising concerns over whether the sector can reach its current 2030 targets.

Portfolio composition: The exposure to this sector reduced significantly from its peak in 2020 until 2023, driven in particular

by repayments from better climate tiered customers. Current exposure is significantly below the initial level at the time of target setting, and is very much concentrated in a small number of customers and long-term asset financing.

Portfolio evolution: Emissions intensity decreased from 97.21 grCO₂/RPK in 2021 to 81.09 in 2022 due to COVID-19 recovery and increased to 82.99 in 2023 driven by changes in the portfolio composition (repayments from less carbon-intensive clients). The emission intensities of individual airlines continue to decline as airlines improve their efficiency, in addition to a normalization effect post-COVID in 2022. It is worth noting that absolute financed emissions have reduced by almost 70% since the baseline year 2019.

Sector	Year	Exposure (drawn amount EUR bn)	Absolute emissions (MtCO ₂ e)	Physical emissions intensity (gCO ₂ e/RPK)	Financial emissions intensity (MtCO ₂ e/ EUR bn lent)	PCAF score	2030 target
Aviation	2019	1.55	1.81	92.47	1.17	3.3	61.71 gCO ₂ e/RPK
	2020	2.44	1.08	93.05	0.44	3.7	
	2021	2.02	0.84	97.21	0.42	3.2	
	2022	1.65	1.35	81.09	0.82	3.0	
	2023	0.70	0.58	82.99	0.83	3.0	

Steel

Sector boundaries: For the steel sector, our analysis covers companies that attribute over 10% of their revenue to steel production.

Industry dynamics: The main alignment levers for the steel industry are: shifting to low-carbon energy sources, -e.g. renewable energy or hydrogen-, technological improvements, -e.g. electric-arc-furnaces (EAF), carbon capture, - and material efficiency and recycling. The latest report by Global Energy Monitor

(GEM) shows that 43% of planned steelmaking capacity is now based on electric arc furnace (EAF) technology, while 57% would use coal-based blast furnace-basic oxygen furnaces (BF-BOF). According to IEA, the direct CO₂ intensity of crude steel production has decreased slightly in the past few years. However, efforts will likely still need to be accelerated to align with Net Zero Emissions by 2050 scenarios.

Portfolio composition: Availability of reliable data has improved since our last report, although there are still gaps in certain regions. We employ a conservative approach by assigning all customers with insufficient data to the lowest climate tier. This is a small and concentrated portfolio, where small changes in composition have a noticeable impact on the overall emission intensity.

Portfolio evolution: The reduction in emission intensity from 1.36 to 1.24 tCO₂e/tS from 2021 to 2022 was mainly due to the increase in exposure to less carbon-intensive customers. In 2023, this effect reversed which is the main driver for the increase to 1.38 tCO₂e/tS. However, we also observed that some clients increased their individual emission intensity.

Sector	Year	Exposure (drawn amount EUR bn)	Absolute emissions (MtCO ₂ e)	Physical emissions intensity (tCO ₂ e/tS)	Financial emissions intensity (MtCO ₂ e/ EUR bn lent)	PCAF score	2030 target
Steel	2019	1.51	2.62	1.58	1.74	3.0	1.07 tCO ₂ e/tS
	2020	1.31	2.14	1.40	1.63	3.1	
	2021	1.42	1.90	1.36	1.33	3.1	
	2022	1.96	1.88	1.24	0.96	3.1	
	2023	2.04	1.84	1.38	0.90	3.3	

Automotive sector

The automotive sector is one of the key sectors to tackle in the transition to a low-carbon economy.

According to the IEA, road transport accounts for over 15% of global energy-related emissions. The switch from internal-combustion engines (ICE) to electric vehicles (EV) and plug-in hybrid electric vehicles (PHEV) is the most important alignment lever for this sector.

We are supporting our auto-manufacturer customers in the adaptation of their business models and product offering towards EVs and PHEVs. As a leading auto end-user lender in Europe, we are also helping our retail customers finance purchases of an increasing number of EVs and PHEVs.

We aim to align our global auto manufacturing and European auto lending loan portfolios, with a 2030 target and a 2030 target-range, respectively. Our approach is heavily dependent on supportive public policy frameworks that stimulate consumer demand.

Auto manufacturing

Sector boundaries: Within the automotive sector, CIB focusses on the manufacturing of passenger cars, i.e. on Original Equipment Manufacturers (OEMs). The target metric is scope 3 GHG emissions from OEMs, measured by the average CO₂ intensity per vkm of the fleet sold in the given year.

Industry dynamics: The switch from ICE to EV and PHEV is the most important alignment lever for this sector. The uptake of these technologies depends on multiple external factors.

Portfolio composition: The exposure remains stable at EUR bn 4.02. There are no significant changes in the portfolio composition in 2022 and 2023 compared to 2021. Aside from pure EV manufacturers, the carbon intensities of the OEMs' fleets are within a relatively narrow band compared to other industries.

Portfolio evolution: The emission intensity improved from 138 gCO₂e/vkm in 2021 to 133 in 2022, mainly due to an overall average reduction in the emissions intensity of our customers during this period. This reduction continued in 2023, although the emissions intensity increased slightly to 134 gCO₂e/vkm due to minor portfolio exposure changes.

Sector	Year	Exposure (drawn amount EUR bn)	Absolute emissions (MtCO ₂ e)	Physical emissions intensity (gCO ₂ /vkm)	Financial emissions intensity (MtCO ₂ e/ EUR bn lent)	PCAF score	2030 target
Auto manufacturing	2020	4.45	3.49	149	0.79	3.1	103 gCO ₂ /vkm
	2021	3.90	2.67	138	0.68	3.0	
	2022	3.95	2.74	133	0.70	3.0	
	2023	4.02	2.74	134	0.68	3.0	
Auto lending Europe	2022	55.27	5.84	137	0.11	3.2	75-89 gCO ₂ e/vkm
	2023	62.40	6.78	133	0.11	2.7	

The data source for auto manufacturing has been replaced by JATO Dynamic for figures from 2022 onwards, allowing us to provide more accurate and timely data points. Accordingly, the methodology has been updated to incorporate this refinement.

Auto lending in Europe

Industry dynamics: The alignment of this sector in Europe is driven by regulation and is especially affected by a law that prohibits the sale of internal combustion engine vehicles from 2035.

Nonetheless, the rate of alignment will rely on external factors such as government action (e.g. subsidies for electric or low-

emissions vehicles), the development of charging infrastructure and manufacturers' business objectives.

Portfolio evolution: 2023 emissions were 2% below the lower end of the target curve. Once we finish automating calculations, we will monitor all emissions-related metrics (total emissions, emission intensity, auto lending portfolio exposure, PCAF score, etc.) monthly.

To support the alignment of the auto lending portfolio SCF plans to:

- Enter into new agreements and build on existing agreements with electric vehicle manufacturers.
- Renew and build on existing agreements with traditional manufacturers that have ambitious electric vehicle transition targets.
- Offer additional bundles of financial products and solutions for electric vehicles (e.g. installation and financing of home chargers, solar panels, etc.).

- Implement new risk management methodologies for electric vehicles — residual value risk products to support the sale of electric vehicles under our agreements with manufacturers.

The success of these actions depends entirely on electric vehicle demand and regulation as well as manufacturers' transition plans, not to mention such other external factors as technology, infrastructure, government incentives and tariffs on electric vehicles. SCF aims to follow general market trends and help finance electric vehicles according to the transition to this vehicle type.

SCF is working on automating the emissions calculations. The Responsible banking, Business, ESG risk and other teams are monitoring action plans and emissions performance, while commercial teams are performing actions to support alignment plans. Estimating the present and future resources needed to carry out our action plan is no easy task given the organizational complexity and scope of targets (13 countries, 16 units and many areas involved).



Progress on both automotive sector portfolio targets will depend on several external factors such as:

- **Regulation and policy:** Effective government measures and policies are needed to reach the EV sales and alignment levels that the net zero scenario requires. European countries will need to meet the timelines set to end sales of new ICEs. The introduction of low emissions zones would support this change. Further adoption of subsidies on EV purchases will be key to drive up penetration, as we have seen in the Nordic countries.
- **Technology:** A guaranteed supply of the required materials to produce EVs and PHEVs at scale is needed to match demand. Also, reducing EV and PHEV production costs is required to ensure affordability in comparison with the less clean alternatives (ICEs), and thus ensure a just transition.
- **Infrastructure:** Reaching a high penetration of EVs and PHEVs will require a deep transformation of supply chains and the infrastructure that powers them (increasing the number of charging points and their performance) to shift from a model of predominantly ICE cars to an EV and PHEV majority. The investment needed for this infrastructure will require support from governments and other actors, which could be affected by conflicting interests such as energy security.
- **OEMs commitments:** For electric vehicles to become the market's number one engine type, manufacturers must fulfil their commitments regarding their development and the phasing out of combustion engines.

Thermal coal phase-out

Sector boundaries: For the thermal coal target, we assess customers for whom coal fired power generation represents directly more than 10% of revenues on a consolidated basis; and customers that own thermal-coal mines worldwide.

Industry dynamics: Power utilities can reduce their usage of thermal coal power plants by replacing them with other technologies, e.g. CCGT (Combined Cycle Gas Turbine) or renewables. Thermal coal miners can either responsibly divest their mine or run down their mining activity, eventually closing the mine sustainably. According to EIA (Environmental impact assessment), record highs have been reached in 2023 as a consequence of the Covid-19 recovery, Ukraine's conflict and the continuous growth of Indian and Chinese demand. The substitution of coal by other sources of energy, such as electricity, bioenergy or natural gas is expected to accelerate in the later years of this decade.

Portfolio composition: Most of our customers in this group already have plans in place to comply with our policy in 2030.

Sector	Year	Exposure (drawn amount EUR bn)
Thermal coal-related power & mining phase out (EUR bn)	2021	7.0
	2022	5.9
	2023	4.9
	2024	4.8

Portfolio evolution: We have been continuously reducing our exposure to thermal coal customers in scope of our target. Many of our customers will need financing to transition away from coal.

Transition finance support to these entities may, therefore, temporarily increase before declining over the longer term as we aim to achieve our targets.

2.4.2 Monitoring of other portfolios

Further to the five existing alignment targets published in 2021, and the two new targets in the automotive sector in 2023, in 2024 we also worked on monitoring the alignment of other climate-relevant portfolios including mortgages (in the UK and Spain), commercial real estate (in the UK and Spain) and agriculture (in Brazil). The selection of sector portfolios for this exercise considered their materiality both at Group and country level within the sectorial climate approach.

The objective of these portfolio assessments is to understand the level of financed emissions in each case, identify levers to drive alignment and understand their feasibility.

The exercise comprised baseline-financed emissions calculations; expected trajectory towards 2030; internal and external alignment levers analysis (considering supply and demand, the regulatory framework and support for sector alignment); internal governance to monitor each portfolio's alignment progress; and identification of commercial opportunities and initiatives to improve data quality to help align the customers of these portfolios. Further details on the Spain and UK mortgage, and Brazil agriculture exercises are provided below.

Agriculture

The agribusiness sector accounts for over 25% of Brazil's GDP (Gross Domestic Product). Measuring the sector's financed emissions is challenging. Agriculture comprises a complex and extensive value chain, with varying sources, types and quantities of GHG emissions. Moreover, agriculture practices and emissions vary depending on the commodity, management techniques, geographic location, high portfolios turnover (for instance only 5% of our 2022 portfolio remained active in 2023) and other factors. Our measurement focuses on emissions from primary production activities in the agribusiness sector within Santander Brasil's retail portfolio. The emissions from primary production are unique to the agricultural sector, being under its direct management, and represent a significant portion of the GHG emissions in the agribusiness value chain. Our initial assessment covered scope 1 and 2 emissions originating from farm-gate activities and the land use change (LUC) associated with farmland. Guidelines for setting net zero targets in the agricultural sector are still under development. To overcome the lack of methodology, Santander Brasil, in collaboration with WayCarbon, estimated its financed emissions based on the project finance asset class category from the PCAF, the GHG Protocol Agriculture Guideline, and Brazil's Fourth National Inventory.

Santander Brasil's on-balance credit exposure to farms with primary production was EUR 3.58 bn in December 2023. We estimated financed emissions from that portfolio amount to 9.83 mtCO₂e/year: c.80% estimated for land management, c.20% for LUC emissions (considering 20-year legacy), and less than 1% for energy consumption. The PCAF quality score is 3.1.

LUC emissions are mainly the result of illegal deforestation in Brazil, and, as mentioned before, a significant part of the illegal deforestation is driven by property speculation in public lands.

Santander Brazil has been implementing a robust monitoring system that uses satellite imagery to monitor and detect illegal deforestation in all financed farms and farms used as guarantees. We go above and beyond the local legal requirements and detecting illegal deforestation before the government had issued

embargoes in those properties. This benchmark practice allow us to avoid being involved in financing illegal deforestation in our agriculture portfolio (see more details in 'Santander and the Brazilian biomes').

Our approach to support alignment leans towards a low-carbon agriculture portfolio. It includes:

- helping customers build a low-carbon agriculture future through green finance solutions and innovative financial transactions;
- engaging with the government and local and global forums to share methodologies, open the broader debate to improve data, and accelerate alignment in agriculture; and
- contributing to the Banking for Impact on Climate in Agriculture (B4ICA) initiative, led by the World Business Council for Sustainable Development (WBCSD), through the development of methodologies to guide the sector in the transition to a low-carbon economy.

Commercial real estate alignment

For the commercial real estate sector we have been progressing in our alignment analysis, starting with the most material portfolios with enough information available, the UK and Spain. We are not setting an alignment target for this sector. As already explained, it is heavily dependent on further regulation to align. We have assessed what the 2030 alignment point would be according to the latest available IEA - Net Zero scenario: 12.8 kgCO₂e/m².

Commercial real estate and mortgage in Spain

Santander España has been monitoring emissions from the residential mortgage portfolio since 2021 and for the commercial real estate (CRE) portfolio since 2022.

80% of Spain's properties do not have an energy performance certificate (EPC). This makes makes harder to calculate financed emissions.

Since 2020 we have enhanced data availability by:

- Requesting an EPC as part of new loan applications.
- Purchasing databases from an external provider with all available registers in Spain.
- Estimating non-existent EPCs using an internal, machine learning model that includes such variables as year of construction, climate zone, building type and property register information.

By doing this, we obtained actual or estimate EPCs for the entire real estate portfolio.

To calculate emissions, we use the Partnership for Carbon Accounting Financials (PCAF) methodology, with the Carbon Risk Real Estate Monitor initiative (CRREM) emissions factors from the PCAF database, for each EPC.

Our residential portfolio, which amounts to EUR 60.49 bn, has an emissions intensity of 21.41 kgCO₂e/m² and a PCAF score of 4.0. Our CRE portfolio, with a scope of EUR 7.22 bn, has an emissions intensity of 20.02 kgCO₂e/m² and a PCAF Score of 4.0.

This methodology was ratified by a specialist consultancy firm and the results audited both internally and externally.

Local and global governance forums, including the Santander España board of directors, regularly monitor these results.

This enables us to gain a greater understanding of our portfolios to monitor their performance and set actions in motion to align the least energy efficient buildings.

The alignment of these portfolios stems from progress in achieving government plans such as the rollout of renewable energy in the domestic energy mix and the alignment targets set out in Spain's National Energy and Climate Plan (PNIEC) and its long-term strategy for energy efficiency through the renovation of real estate (ERESSE). Moreover, according to the EU Energy Efficiency Directive, EPCs are being put up for review with the aim of achieving greater accuracy and consistency across Europe.

The limited availability of data and sensitivity of calculations to emissions factors, as well as the heavy dependence on external levers and the ever-changing regulatory landscape, pose a challenge when making alignment objectives for these portfolios. Moreover, we need sound public policy (especially for the residential portfolio) to support vulnerable groups and guarantee a just transition.

Santander España works to help customers align their residential and commercial assets while calling for public policy that supports this transition.

Santander promotes the energy efficiency of homes under our residential portfolio through:

- A 10 bp interest rate discount for the most efficient homes.
- Special Banking Environment Initiative (BEI) and European Investment Fund (EIF) lines of credit with additional discount for homes with the best energy efficiency.
- Consumer loans with special terms and conditions for energy-related renovation, including the installation of solar panels, heating and cooling systems, insulation and other items.
- State-backed loans for owners associations to renovate entire buildings.
- An energy efficiency simulator for customers and non-customers to estimate the work required to renovate their home, including projected heating bill savings and emissions avoided.

For our CRE portfolio, which is less granular, we perform these actions individually with customers:

- Agreement with CBRE to advise institutional and commercial customers on aligning and enhancing the energy efficiency of their buildings.
- In 2024, Santander España has joined the commercialization of the ICO MRR Verde line, with the aim of supporting the green transition with special terms and conditions and making buildings more energy efficient through renovation.
- In 2024, we created a new Business Growth team that specializes in CRE. This enables us to control new origination better and spot opportunities for energy renovation and green finance.

Commercial real estate and mortgages in UK

Santander UK adopts the Partnership for Carbon Accounting Financials (PCAF) framework to calculate financed emissions associated with the Mortgages portfolio. Financed emissions are calculated at property level using the value at origination, the outstanding loan amount as of 31 December 2023, and building emissions taken from EPC assessment and the PCAF emissions factors for the property. Where no EPC exists, in mortgages we used a postcode to infer the EPC or, where this wasn't possible, a regression model trained with multiple known property characteristics. In commercial real estate we used proxy information from the PCAF database. This resulted in a PCAF score of 3.2 for mortgages and 4.0 for commercial real estate, with a portfolio coverage of over EUR 201.96 billion for mortgages and EUR 11.04 billion for commercial real estate. Emissions intensity for mortgages as of 31 December 2023 was 20.87 kgCO₂e/m² and 25.40 kgCO₂e/m² for commercial real estate.

The evolution of the financed emissions associated with our mortgages portfolio in 2023 compared to last year is mainly explained by an update of the internal methodology we use for real estate financed emissions. In line with market practice, we base our calculations on the Carbon Risk Real Estate Monitor (CRREM) emission factors, resulting in lower attributed financed emissions.

Our initial assessment of Commercial Real estate highlights the challenge of having sufficient coverage of asset level EPC data. We were heavily reliant on use of proxy data which is reflected in the overall PCAF score. We will continue to focus on improving data quality for this portfolio and will streamline the process.

We also refreshed levers analysis to understand how the change in UK government might impact on the alignment of our mortgage lending and alignment pathways. Key levers identified within this analysis include the implementation of the Future Homes Standard for new buildings and minimum energy efficiency standards for buy to let properties. Wider grid alignment also materially supports our alignment.

During 2024 we also conducted research into the barriers facing consumers and have launched several pilot propositions intended to build our understanding of the role Santander UK can play in supporting our customers. This analysis continues to be used to inform our ongoing green finance strategy and public policy engagement over the coming years. Converging towards net zero pathways by 2030 will be challenging to achieve, particularly given the dependency on external factors such as policy and demand.

Considering this analysis (and while we will continue to advocate for policy change) we have made further progress in supporting our customers to reduce their emissions. We do not focus solely on increasing our exposure to new build lending and have a range of test and learn proposition products that support homeowners with a range of EPC rating in improving energy efficiency. These propositions also build our knowledge and capability.

The test and learn propositions launched in 2024 are:

- Octopus Energy – a solar panel installation partnership for existing customers offering 500 pounds discount.
- Vibrant – an enhanced EPC and home energy efficiency advice partnership available to existing customers.

- Home Energy Cashback to incentivize customers to make green home improvements.
- Bidirectional partnership with Scottish Power including an unsecured product that would be available in Scottish Power's customer journey.
- Green mortgage offering for customers with an A or B rated property who are remortgaging to benefit from a discounted rate.
- Working with Core Logic under the UK Governments Green Homes Finance Accelerator programme to provide the first national retrofit coordination advisory service in the UK.

2.4.3 Measuring and assessing other portfolios

We are expanding the scope of the portfolios measured to understand and assess the alignment dynamics of each one of these portfolios maintaining our focus on our sectorial climate approach. Although we are facing a clear lack of available data to measure financed emissions, especially in "Retail and Commercial" segments and in some regions. Some of the information needed to properly assess the level of emissions and potential alignment of our customers, is not being measured or available for our customers (examples: energy performance certificates of real estate assets in LATAM (Latin American) countries, emissions calculated and reported by Corporates and particularly by SMEs, etc...). We remain engaged to reduce these data gaps to measure financed emissions in a way that can be useful towards steering the alignment of other climate relevant portfolios and be able to try to implement alignment levers to broad scope of our financed portfolios.

2.4.4 Santander Asset Management's (SAM) alignment strategy and approach

In March 2021, we joined the Net Zero Asset Managers (NZAM) initiative with the ambition to align the Santander Asset Management portfolio by 2050 to help limit global warming to 1.5°C.

As part of joining this initiative, SAM set a target to halve net emissions for 50% of its AuM in scope (some 27% of the total) by 2030, as well as certain engagement objectives. SAM maintains its ambition to continue aligning its activity, promote greater transparency, and strengthen cooperation between investors and issuers in the net-zero transition. We conduct internal reviews on the way we measure and disclose our progress, in parallel with the NZAM review. We plan to take a more qualitative approach to our reporting next year.

To analyse each issuer's net zero efforts and progress, we classified assets according to the Net Zero Investment Framework (NZIF).

This maturity scale on the degree of issuers' alignment with net zero emissions targets provides us with a framework to check the progress that issuers are making in their transition and identify areas that require further effort in terms of engagement. It considers these factors:

1. A long-term ambition consistent with the goal of achieving net-zero by 2050.
2. Short- and medium-term targets to reduce GHG emissions.
3. Disclosure of scope 1, 2 and 3 emissions.


4. Emissions performance against targets.
5. Alignment strategy.

In 2024, we worked on developing our Net Zero engagement strategy, which aims to use dialogue and voting policies to encourage issuers to commit to alignment plans and transparency and disclose accurate and credible information to be able to monitor performance. It also motivates issuers to set ambitious targets that are consistent with the Paris Agreement goals.

SAM is part of the Climate Action 100+ collaborative engagement initiative and conducts regular analysis of Net Zero projects to look into their possible adherence to it. In 2023, SAM joined the IIGCC (Institutional Investors Group on Climate Change) Net Zero Engagement Initiative (launched in January of the same year), which aims to boost the number of entities that form part of the CA100+.

2.4.5 Our environmental footprint

In this section we cover how Santander manages the following IRO:

-  Contribution to reducing the Group's scope 1 and 2 greenhouse gas emissions.

As part of our climate ambition, our strategy to lessen the environmental impact of our operations involves: reducing our CO₂e emissions and compensating those we're unable to reduce by mitigating beyond our value chain; reducing and handling waste responsibly; and raising employees' and other stakeholders' awareness of environmental issues.

We disclose our findings from the exercise we conduct on the scope 1, 2 and 3 emissions of our own operations at buildings and offices. We also disclose scope 3 - category 3.15 'Investments' (financed emissions) in the 'SN 4. Our transition plan' sustainability note.

We've been measuring our environmental footprint since 2001. Since 2011, our energy efficiency and sustainability initiatives have helped us cut our scope 1 and 2 emissions by c.86%. Though such reductions achieved, we continue to find opportunities and new technologies to become more energy efficient. In this sense, in 2024 we revised our efficiency target with the ambition of achieving a reduction in emissions from our own operations of 74% compared to 2020. The additional reductions proposed by this review are 6% in scope 1 and 47% in scope 2 compared to 2024.

2024 environmental footprint

96%

renewable electricity in 10 core
countries where we are present

1,012,554 MWh

energy consumption

Scope 1
35,503 t CO₂e

direct emissions

Scope 2
24,350 t CO₂e

indirect emissions from
electricity and other (market
based)

For more details on our environmental footprint
see note SN 7.1 'Green transition'.

The key drivers behind our reduction of consumption and emissions (which we generally group into three-year plans) were:

- Efficient spaces: Better use of space in terms of daily building occupancy and a more efficient and better located properties to carry out our operations.
- Efficient maintenance and operational management of branches and offices — implementation of ISO (International Standards Organization) 14001/ISO 50001 and LEED²⁰ O&M standards as drivers for continuous improvement from an environmental perspective and to facilitate that we comply with growing sector regulation at our premises in every market where the Group operates.
- Awareness and involvement of the entire organization in environment-related results.
- Technology: Heating, air conditioning, lighting, automated control, new and more efficient systems at more affordable prices.
- Vehicles in the Santander fleet fitted with better technology and a wider range of vehicle types in every market.
- Improvements in environmental data collection to analyse trends.
- The purchase of renewable energy and obtaining of energy certificates.

The latest plan, Plan 2022/2025, which ended in 2024 with an investment of EUR 38.3 million, achieved a reduction of more than 69.3 GWh through efficiency measures. Additionally, we converted 213.8 GWh into renewables through contract agreements. Other outcomes of this Plan are:

- Over 8,800 kW (kilowatt) of solar panels for self-consumption with a self-production of 18.5 GWh in Brazil, Chile and Spain, which houses two of Europe's largest solar installations on office buildings and data centres, enabling us to reduce our scope 2 emissions.
- 37% of our workforce work at premises with a buildings or energy efficiency certification or standard (LEED, Breeam²¹, ISO). These certifications reflect our efforts to reduce fuel, electricity,

paper and water consumption, as well as scope 1, 2 and 3 emissions. Examples include the recently confirmed Breeam Excellent certification of our new UK HQ (Headquarters), Unity Place, in Milton Keynes (almost 80,000 m²), and of the Hernán Cortés building in Spain.

- 96% certified renewable electricity either certified purchased or self-produced in our 10 core markets, helps reduce our scope 2 emissions.
- 2,103 electric vehicle parking spaces at our buildings and commercial offices across our footprint. This is well above the 1,250 target we included in the 2025 plan. Even with the objective to electric vehicles, Santander continues to follow a policy of using company shuttles, encouraging the use of public transport, and implementing car sharing initiatives as part of a more efficient employee commuting model.

Our 2030 Efficiency Plan for the Group builds on our progress and will focus on the following initiatives and levers:

i. Renewable energy and self-production measures:

- Solar panels in Santander's own buildings, data centres and commercial premises.
- Geothermal energy.
- Bundled and unbundled agreements to purchase renewable energy (suppliers, PPAs-Power Purchase Agreements, RECs-Renewable Energy Certificates).

ii. Energy efficiency and consumption reduction measures

- Lighting efficiency projects.
- Temperature control efficiency projects.
- Automated measurement and control of office spaces and the branch network.
- Projects to enhance façade materials.
- Projects to renovate and upgrade commercial premises.
- Project to modernize facilities.
- Communications and internal training to raise awareness among employees of responsible water, electricity and paper consumption and the correct ways to recycle.
- Continuous improvement programmes that follow ISO 140001 in buildings and ISO 50001 in offices and branches in our markets to reinforce the importance of robust property and maintenance management.
- Projects to build new, more efficient headquarters and rearrange our assets.

iii. Direct emissions reduction measures:

- Replacing fossil fuels with other forms of energy.
- Preventing the leakage of direct emissions from the temperature control systems at all Santander premises.
- Updating and modernizing air conditioning systems with more eco-friendly and efficient cooling mechanisms.
- Monitoring possible leakages in air conditioning systems and implementing predictive and preventative maintenance.
- Updating Santander's fleet with hybrid and electric vehicles.

²⁰ Leadership in Energy and Environmental Design

²¹ Building Research Establishment Environmental Assessment Method

- Replacing conventional oil or gas boilers with electric heat pump systems and technologies where the weather allows.

With these measures, we want to continue reducing our direct scope 1 and indirect scope 2 emissions, with specific targets that will enable us to reduce:

Alignment lever	Scope 1 (tCO ₂ e)	Scope 2 location- based (tCO ₂ e)	Scope 2 market- based (tCO ₂ e)
i. Renewable energy and self-production measures		10,000	9,000
ii. Energy efficiency and consumption reduction measures	1,600	12,000	3,000
iii. Direct emissions reduction measure	600		
Total	2,200	22,000	12,000

Banco Santander remains offsetting scope 1 and 2 emissions. As part of our voluntary carbon credit market monitoring, every year we carefully analyse and select a list of initiatives, usually in our core markets. We follow a strict carbon credit selection process that includes due diligence and compliance of our environmental policies. Projects are also certified under some of the industry's most well-known standards. Moreover, all the carbon credits we purchased in 2024 were ratified by an independent rating agency to validate their integrity. In 2024, we used 59,858 credits²² (85% reduction credits and 15% removal credits), to offset our scope 1 and 2 emissions.

Other key measures

Waste management

Since 2021, our offices and buildings in our core markets have been free of single-use plastics to meet the target we set in 2019. The

Santander Group City and Santander España's central services buildings have 'Zero waste' certification.

Employee awareness

Santander runs local and global employee awareness campaigns on the importance of reducing consumption and waste. Each subsidiary posts news and feature articles on the environment and the Group's ESG initiatives on its internal portal. In 2024, we observed Earth Hour for the 15th consecutive year by switching off the lights at the Group's most emblematic buildings.

Scope 3

The assessment we conducted to determine the materiality of indirect GHG emissions (scope 3) found that the only material category under this scope was category 3.15 (financed emissions), with a weighting of 99% of the total.

Moreover, the categories listed below are considered material based on their volume, management capacity and, therefore, potential to reduce them.

In addition to the scope 3 categories we reported on in recent years (3.6 Business travel and 3.7 Employee commuting), in this document we're reporting on four more supply chain-related categories²³ for the first time:

- 3.1 Purchased goods and services
- 3.2 Capital goods
- 3.4 Upstream transportation and distribution
- 3.9 Downstream transportation and distribution

To enhance the quality of these emissions and to draw up actions to reduce them, Santander and Aquanima will work with the key vendors of the leading purchasing groups to obtain information on their carbon footprint.

2.5 Further actions and enablers

2.5.1 Strategy for engagement with other key stakeholders

As mentioned previously, we believe that the banks are enablers of the transition and as such, should not be considered as the sole drivers of this process.

In order for banks to support the transition of their clients, the enabling conditions must be in place. Our aim is to contribute constructively to the transition debate by supporting policymakers and regulators take a common approach to legislation. In this sense, it is now necessary that the predominant regulatory and "finance-centric" approach to the net zero transition that has been adopted to date is reconsidered, acknowledging that the financial sector is an enabler, but that it cannot be the sole driver of sectors' investments towards a low carbon transition.

In addition, it is important that banks' aim to supporting high-emitting companies in achieving their transition to cleaner production models is recognised as a priority. This means that our financed emissions are likely to rise as we finance the transition of

these companies. Nonetheless, supervisors should not consider our portfolios as misaligned with a 2050 net-zero pathway, but rather the opposite; we are financing and engaging in our customers' transition, not divesting from them.

There is a meaningful opportunity ahead to foster that the appropriate levers are set to facilitate the transition of the global economy. This includes the review of the current sustainable finance framework. Whereas much progress has been achieved to date in areas such as reporting on sustainability matters, taxonomies to classify green activities and financing, the aim of the European Commission to streamline and consolidate multiple requirements on companies is very much welcome. The reduction of complexity and of the regulatory burden would facilitate the implementation of the framework by the market, and the allocation of resources to support the transition, while positively contributing to companies' competitiveness and economic growth.

Finally, a framework that supports business transition should not seek to increase the capital requirements linked to ESG risk drivers since the Pillar I prudential framework already considers their

²² Since emissions offsetting is done by country, the upward rounding of tCO₂e means that the total amount of credits is slightly higher than the total sum of emissions.

²³ We calculated these categories based on our operating expenditure in 2024. The emissions factors we used to calculate these categories in 2024 are based on the emission intensities within the the input-output (IO) database of the US Environmental Protection Agency (EPA), which are split by economic sector.

impact. Increased capital requirements would be counter-productive and could jeopardize the transition of the economy — especially in emerging countries and that of companies in carbon intensive sectors.

Authorities should work together as much as possible on drawing up the regulatory framework that provides the right tools to finance the transition of the economy globally.



For more details on our strategy for engagement with authorities, supervisors, NGOs, etc. see [1.2 'Stakeholder engagement'](#).

Partnerships and sector working groups

Partnerships with others in business and governments can help us share best practice and accelerate progress if we are to tackle climate change and protect biodiversity. Grupo Santander participates in different organizations, alliances and working groups: we engage with international and local stakeholders (sector associations, think tanks, universities, peers and others) to progress in global and company goals, in line with the SDG 17 (Sustainable Development Goal) on Partnerships for Goals.

In addition to the initiatives outlined in section 1.2 'Stakeholder Engagement', we also engage with leading organisations to improve banks' stewardship of climate change and nature.

- **World Economic Forum - International Business Council:** Santander is participating in the "Transforming Energy Demand" project, which aims to identify ways in which companies can reduce energy demand intensity as a means of contributing to the global energy transition, as well as to the bottom-line. The IBC (International Business Council), currently chaired by the executive chair brings together 130 CEOs and company chairs across industries, from developed and emerging markets, on all continents. Member of this group are responsible for c.3% of global energy consumption.
- **World Economic Forum - Alliance of CEO Climate Leaders:** Santander continues its engagement within the World Economic Forum Alliance of CEO Climate Leaders as key network to influence stakeholders, including policymakers, and drive change towards meeting net zero targets. We are also following the work at the "Financing the Transition to a Net-Zero Future" initiative.
- **Banking Environment Initiative (BEI):** Coordinated by the Cambridge Institute for Sustainability Leadership (CISL), we continue to take part in the Bank 2030 initiative, which aims to create a roadmap for the banking sector to support broader society's transition to a low-carbon economy.
- **Net Zero Banking Alliance (NZBA):** We're a founding member of this initiative (created in 2021) and member of the **Net Zero Asset Managers Initiative (NZAM)**, since 2021.
- **Financing the Just Transition Alliance:** Led by the Grantham Research Institute within the London School of Economics, the goal of the Alliance is to stimulate and support system level innovation that enables investors and the financial sector more broadly to deliver a just transition in the UK.
- **Partnership for Carbon Accounting Financials (PCAF):** We have been a member of PCAF since 2021 and thus committed to

disclose our financed emissions according to the PCAF standard. We also take part in its regional and sectoral working groups.

- **TNFD Forum:** We are part of the TNFD Forum to contribute to the framework for financial institutions that will help the sector to assess, manage and report on impacts and dependencies on nature. We also participated in different TNFD-pilots in LATAM (Latin American) that allow us to gain important insights that highlighted the significant challenge, particularly regarding the lack of availability of primary data and tropicalized databases to assess impacts and dependencies.
- **Energy Efficiency Financing Coalition:** Led by the European Commission and with the participation of Member States and financial institutions, including Santander, the coalition seeks to promote measures (non-regulatory and non-binding) that promote energy efficiency in relevant sectors, such as cars, agriculture, buildings, among others.

2.5.2 Governance & policies

Roles, responsibilities, and remuneration

Climate change and green transition oversight

The management and oversight bodies described in sustainability note 2 approved our transition plan, as part of this report. Also, the responsible banking, sustainability and cultural committee (RBSCC) reviewed our portfolio alignment targets, which the board of directors then approved. These bodies also receive regular updates on progress with our targets and our climate agenda.

Moreover, they have also overseen the climate finance reports that we have been publishing in recent years.

Other bodies such as the audit committee, the financial accounting and reporting committee, the management committee and the sustainability committee take part in overseeing sustainability disclosures. The risk control committee and the risks supervision commission review risk appetite proposals before their approval.



For more details on our ESG governance model, see note [SN 2](#). 'Sustainability governance'.

Climate in incentive schemes

Since 2020, the Group's variable pay scheme and, since 2022, our long-term incentives, have considered green finance and the progress made with climate and other sustainability targets.

In 2024, shareholders at the Annual General Meeting (AGM) passed a board resolution on sustainability metrics for executives' 2024-2026 long-term incentives (with a weighting of 20%), which are consistent with our targets. Half of the sustainability dashboard covers supporting the transition to a low-carbon economy, including socially responsible investment and green finance raised and facilitated. Moreover, this line of action considers the requirement to develop a transition plan that enables a score of over 100%. Achieving a credible and comprehensive plan will depend on the regulatory and political landscape.



For more details on the integration of climate-related performance in incentive schemes, see section [1.4 'Sustainability governance'](#).

Main areas involved in implementing our climate change strategy

In 2024 we continued to embed climate management in business-as-usual across CIB, Risk and Sustainability. For instance, CIB strengthened its corresponding governance. And Wealth continued to reinforce and update the working groups and policies that oversee and coordinate its SRI strategy, described in section 3.2.2 'Responsible investment and social finance'. Consumer has different working groups that meet monthly to address sustainability projects and issues, and quarterly to review progress in the sustainability agenda.

Beyond global businesses, a number of local units are engaged in a process coordinated by Group Responsible Banking. The objective is to progress the alignment agenda, promote knowledge and expertise sharing by local teams and seek synergy in the design of reliable transition plans.

Other corporate-level initiatives and groups that support governance meet regularly to implement our climate change agenda and inform on regulation updates. For example, our public policy sustainability working group updates on upcoming climate and sustainability regulation; a regulatory radar governance working group that meets quarterly to monitor the status of implementation of sustainability regulations and to assign responsibility for the implementation of regulatory initiatives to the Group's areas; an environmental footprint working group that measures our footprint and reviews ways to reduce it; and a sustainable bonds working group that oversees sustainable bonds issued from Group and its subsidiaries.

ESG Reporting & Internal Control

A new ESG Reporting & Internal Control team, set up in the second quarter of 2023, in the Financial Accounting & Management Control division oversees the disclosure, supervision and control of the ESG information the Group uses to meet regulatory requirements and stakeholder expectations. This year, the team worked with each area in question to make information gathering and the governance and control of disclosed information more automated and efficient. The emission reduction objectives of our own operations emissions (scopes 1 & 2) have been reviewed in the Group's ESG Reporting Forum.

ESG classification meetings

As part of our green transaction assessments, we created global, regional and local panels to provide additional scrutiny and validation, and coordination across the Group; agree on labelling transactions as green, social or sustainable; and make sure that we use the same standards and procedures across our footprint. The Risk function leads these panels, which business, compliance and sustainability teams also take part in.

Internal Audit

The internal audit function reviews climate risk, for more details see note SN 2. 'Sustainability governance'.

Policies and guidance

The Group has different frameworks and policies that establish the principles, processes and responsibilities for managing ESG criteria throughout Santander Group.

The Group establishes ESG policies, procedures and guidelines adapted to local regulations and applied to all units. We systematically review the scope of the policies to adopt ESG standards in accordance with international best practices. The main ones are the ESCC risk policy and the Responsible banking and sustainability policy.



For more details on our ESG governance model see note [SN 2. 'Sustainability governance'](#).



For more details on our ESCC risk management policy, see section [3.2.3 'Environmental, social and climate change risk management'](#).

Climate training and skills development

Particularly in climate, we have developed different initiatives to enhance capabilities, beyond the training on sustainability detailed in section 3.3.1 'Talent and skills development'. Some themes of these initiatives are social and environmental risk management and sustainable finance.



For more details on our employees training and skills development see section [3.1.1 'Talent and skills development'](#).

3. SUPPORTING EMPLOYEES, COMMUNITIES AND CUSTOMERS

(Social information)

3.1 Our employees

Aiming to attract and retain a talented team, our approach is based on²⁴:

- promoting an attractive employee value proposition that offers real opportunities to grow and harness potential; innovative ways of working; projects that inspire; and a shared, uplifting culture.
- offering optimal conditions that safeguard employee health and well-being, with fair and competitive remuneration and initiatives that afford a better work-life balance.
- promoting an inclusive and meritocratic culture where everyone feels valued.

3.1.1 Talent and skills development

This section outlines how we manage the following IRO:

I+ Promote continuous career development and personal growth through learning and development programmes.

For the purpose of this Annual Report and in line with previous years, Santander defines employees as people who have an employment contract with any of the companies that comprise our consolidated group and whose contract remains in force at the time of publication.²⁵

206,753
employees

Europe **42.2%**
North America **20.0%**
South America **37.8%**

It is fundamental that our employees have the necessary abilities and knowledge to perform their role.

i. Attracting talent

Our talent attraction strategy focuses on positioning ourselves as an employer of choice. In 2024, we welcomed 33,175 new employees to the Group.

We focused on:

- a. digital transformation.
- b. graduate internship programmes.
- c. bolstering our employee value proposition (EVP).

We offer programmes and experiences for our employees' personal and career development:

- Development programmes adapted to different levels and businesses within the organization.
- Temporary and permanent domestic and international mobility and functional experiences.
- Training based on lifelong learning.

ii. Talent management

We reaffirmed our commitment to developing talent in 2024. We kept close watch on our units' and businesses' needs to anticipate and cover their requirements, with a proactive approach through initiatives that foster individual growth and boost the wealth of talent in our teams.

Developing potential

Our potential review model, implemented in 2022, has enabled us to delve deep into the skills, expertise and aspirations of some

²⁴ For more information on employee dialogue, see section 1.2 of Dialogue with our stakeholders.

²⁵ The following are not included as Employees: a) Interns; b) Salaried employees on leave or career breaks whose employment contracts are suspended under the respective local employment regulations; c) Non-salaried individuals with temporary employment contracts through an external provider (NACE78) performing similar tasks to in-house staff, who do not receive salaries or benefits paid by Santander, nor self-employed workers; d) Other workers engaged in different tasks within the value chain under service contracts. Additional information on the characteristics and distribution of our employees is provided in the 'Sustainability Notes'.

124,112 employees. It has driven us to draw up personalized development plans based on each person's needs.

We came up with a leadership profile and a common leadership assessment methodology to foster transformational and collaborative leadership aligned with our strategy and gain deep, objective and comparable knowledge of our leaders. This also enables us to support their development and make key decisions for the Group.

Mobility matters

We have our global international mobility policy approved by the Human Resources Committee by decision from the Group Board, is an essential tool for the development of our professionals. The objectives of this policy are to: contribute to the development of talent in the Group; strengthen succession plans; attract external talent; encourage global mentality; facilitate international movement to satisfy business needs; share in a transparent manner the criteria for mobility across the workforce.

iii. Learning and development

Our learning and development policy, provides an action framework for the design, supervision and deployment of learning activities with the purpose of promoting innovation and the development of skills in our employees.

In 2024, we allocated EUR 64 million to employee training to provide employees with the resources and tools they need to enhance their skills and employability and to meet critical business and market demands.

173,309 employees accessed Dojo, our digital learning platform and we continue to roll it out to reach all employees. On top of its vast catalogue of 174,223 references with courses in critical competencies promote that our employees are up-to-date with the latest trends and technologies. Dojo offers customized recommendations based on current and future roles to foster a culture of personal development and lifelong learning.

Global learning community for leaders

The aim of *Elevate* is to equip our senior directors with the means to lead their teams and achieve their strategic objectives.

It's fully digital format enables directors to sign up to development programmes that are organized into Learning Paths (People, Tech, Strategy and Change) that address the critical skills needed to lead the Group's transformation.

It provides access to the latest trends, content and tools, and helps create networks of senior leaders to promote the sharing of best practices and experiences. It also encourages them to use what they learn and make a clear path to drive our transformation.

Talent development programmes and promoting a culture of lifelong learning

Our learning and talent development strategy places focus on the development of young talent and digital business profiles, with programmes such as Young Leaders and BeTech & Business.

These programmes are designed to identify and develop internal talent, offering growth opportunities in the career of our employees, helping them be prepared for future challenges.

We trained our employees in the skills they need to further their careers. In 2024, 103,154 employees received training in core business skills related to technology, banking and people to enhance individual performance.

We award certificates to employees who complete training activities and programmes to recognize their new skills. These certificates are approved by an independent issuer. In 2024 17,305 employees obtained certificates, which will enable them to broaden their career horizon, apply for new opportunities and accredit their knowledge.

Mandatory training and promotion of Sustainability and Responsible Banking

To reinforce the Group's culture and knowledge in relevant matters, we have mandatory training, which looks to train all employees in strategic and/or regulatory topics approved by the Global Compliance Management Committee. In 2024, we covered 13 topics in mandatory training, including sustainability, code of conduct, harassment prevention, cybersecurity, financial crime and data protection. This efforts aims to protect the organization and increase our employees capabilities to act with responsibility and ethics in their daily activities. Moreover, each subsidiary has mandatory courses related and applicable to their local laws and regulations.

This year, our employees have participated in a training itinerary on Green Finance for Retail & Commercial Banking, with transversal and country-specific modules in countries we are present with a sustainable offer. Furthermore, all employees have received mandatory training on practical integration of ESG criteria into commercial processes. As part of the Board of administration training program, a session on sustainability with focus on ESRS was conducted. This training strengthens the knowledge and skills of our employees, drives business and benefits the community.

We continue progressing on the certification of experts in sustainable finance topics and promoting our ESG Talks, a program of sessions where we share knowledge and points of view on ESG topics, with the participation of internal experts from different businesses and functions involved in our sustainability agenda. We have also trained our employees in inclusion, environment, health and safety, as well as expanded our learning library related to sustainability topics.

We will continue to invest in developing our employees so that they are equipped to face future challenges and contribute to the ongoing success of the Group.

8.7 (out of 10)

Rating on the learning, usefulness and development of skills.²⁶

²⁶ YourVoice response to the question: "My job enables me to learn new skills and develop them". In the top 5% of the finance sector.

3.1.2 Working conditions

This section outlines how we manage these IROs:

- I+** Promote the health, well-being and security of our employees in a safe and inclusive workplace; facilitate a positive work-life balance through flexible working.
- I-** Harm employees through discriminatory conduct, inadequate working conditions, harassment or corruption.
- I+** Promote the general well-being of employees and provide appropriate remuneration under equal conditions based on merit and market rates.
- R** Potential risk of conflict with employees based on the infringement of their rights.

i. Employee health and well-being

Our employees' health is embedded in our culture and corporate strategy, under which our people and senior managers work together to protect and promote each other's health, safety and well-being.

Based on our strategy, we implemented:

- safety and prevention systems;
- proactive initiatives to boost the overall well-being of employees;
- a safe and supportive working environment when it comes to health; and
- flexible work alternatives to enhance work-life balance.

Our General health, safety and well-being policy aims to promote healthy lifestyles and create long-term value for employees and society. It applies to all our subsidiaries and follows local laws in the markets where we operate to the letter.

Occupational health²⁷

The sector-level collective agreements that we sign up to consider employee health and occupational risk prevention.

We offer regular check-ups and tests after extended absences in every market where we operate. We also cooperate with local public health authorities, employees' legal representatives and occupational risk insurers. In every subsidiary with over 500 employees (accounting for 99% of the Group), our people are covered under occupational health and safety systems and policies in compliance with local risk prevention standards and best practices.

We revised our occupational risk prevention plans with employees' councils through:

- regular assessments of risk factors and preventative measures to handle or mitigate them;

- prevention through design in new work spaces and tools;
- procedures regarding safe and quality working conditions and certifications;
- emergency and evacuation plans to protect employees, customers, suppliers and visitors to our premises; emergency response; first aid training;
- measures to detect and minimize risk due to postural hygiene;
- accident investigation to avoid reoccurrence; and
- active participation of employee accident prevention delegates on health and safety committees.

Well-being

We aim to raise awareness about health and well-being through our global BeHealthy programme, which celebrated its eighth year in 2024.



In 2024, we ran several initiatives, activities and events in all our subsidiaries following the programme's four pillars: know your numbers (self-awareness), eat well (healthy nutrition), move (physical health) and be balanced (mental & emotional well-being). In 2024, over 64,000 employees took part in local BeHealthy initiatives.

Rating on satisfaction and opinion on health

8.4 (out of 10)

Health and well-being as a priority²⁸

8.4 (out of 10)

Support I need in terms of physical and mental well-being to perform my job.²⁹

In April, to celebrate World Health Day, we held BeHealthy Week, bringing health and well-being to the focus of the Group worldwide, with daily, in-person and virtual events. We also joined global initiatives run by the World Health Organization, including Global Mental Health Week, Women's Health Month and Men's Health Month.

These initiatives gave our employees access to mental health and emotional well-being support programmes, as well as to sports centres, nutrition and mental health apps, specialist health and preventative care, and other free or discounted services.

Work-life balance

Santander promotes employee work-life balance. Employees in all our entities are entitled to paid paternity or adoption leave or to care for newborn children or family members. In 2024, 8,195

²⁷ For more details on absenteeism and health, see the 'Sustainability notes'.

²⁸ Average employee rating of the statement 'Employee health and well-being is a priority at Santander'. In the top 25% of the financial sector. .

²⁹ Average employee rating of the statement 'Santander offers me the support I need in terms of physical and mental well-being to perform my job', in line with the financial sector.

employees took paternity, maternity or adoption leave and 2,824 other employees family care leaves.³⁰

We have enhanced our flexi-working policies and options for employees in recent years to keep up with digital transformation and social change. Almost all our employees in central services roles can now adapt their working hours and location to fit with their personal circumstances. In nine of our core markets,³¹ almost all our employees in central services roles take part in flexi-working programmes that enable them to work remotely or adjust their entry and exit times. We review these measures constantly with our employees and in view of customer needs — considering productivity, commitment and our experience as an employer.

Rating on satisfaction and opinion on flexibility

8.8 (out of 10)

Flexibility at Santander³²

Social protection

At Santander we offer our employees protection against a loss of income due to sickness, accidents at work, acquired disability and paternal leave.

Our employees have public or private protection for loss of income due to sickness or acquired disability according to local regulation. On top of public health services, we offer additional private cover in our core markets, under which employees usually receive full pay during periods of sickness.

Because employee care and respect for their rights are important to Santander, 98% of our workforce have a permanent contract. In all countries, employees have coverage against loss of income due to unemployment per local laws.

Our employees have appropriate pay protection in the event of an occupational accident. In Spain and other countries, we supplement the financial benefit that can reach the entire salary of employees in situations of temporary disability.

The Group has a minimum standard in each unit of fully paid parental leave. All Group employees are entitled to a minimum 14 and up to 30 weeks' fully paid primary parental or adoption leave, while all parents (or secondary caregivers) have 4 weeks of fully paid parental or adoption leave³³. Because of our inclusion and flexible return measures, 76% of new mothers continue working for Santander 12 months after returning from their birth, adoption, or pregnancy leaves.

Our employees have retirement coverage through public or private pension schemes in every market where we operate. Santander supplements this with defined contribution pension plans for our employees in our core markets.

Collective bargaining and social dialogue

Santander promotes respect for the rights of employees³⁴. In 2024, we continued to guarantee freedom of association and the right to collective bargaining. Our Responsible banking and sustainability policy considers forming or joining unions and other representative bodies a basic right of workers, in accordance with Article 10 of our General code of conduct.

We also ensured respect for freedom of association, trade unions, collective bargaining and protection for employees' representatives under the laws of each country where we operate³⁵.

At 2024 year end, 110,692 employees worked at premises or in companies with union representation.

We continued to promote and comply with the International Labour Organization's Fundamental Conventions and have a European Business Council that meets regularly — Group senior managers and employees' legal representatives in Italy, Poland, Portugal, Spain, the UK and other European countries attend.

We also maintained a constant dialogue with employees' legal representatives in bilateral and special committee meetings in our markets where all parties could discuss reporting, queries and negotiations about working conditions, and employee benefits. In core countries, important agreements have been reached during 2024, including committees on occupational health and safety, monitoring of gender balance plans, control of pension plans, training, updates to corresponding collective bargaining agreements, and also other bilateral meetings with union representatives.

In Brazil, Santander and other local banks, implement preventive measures to minimize the risks from individual labour-related claims, which are common in this market. We have sufficient provisions to cover these risks³⁶. In order to minimize these claims, an internal oversight committee has been established, setting preventive measures to promote an environment with adequate working hours and compensation for all positions in the same location, in compliance with local labor legislation and jurisprudence court rulings. Likewise, the departure records have been digitized, and we have strengthened policies and guidance to employees for the correct registration of working hours and digitalization of departure records.

Protection of employee data

The handling of employee data is carried out under the protection of labor laws and based on legal obligations or legitimate interests covered by data protection regulations. As the data controller of such data, Santander has the appropriate procedures, tools, and controls based on the policies of the Group's data processing.

³⁰ 10,874 employees (5.3% of Santander's total workforce) exercised their right to parental or family care leave in 2024. The rate by gender was 6.7% for women and 3.7% for men.

³¹ The nine core markets with the most employees are Argentina, Brazil, Chile, Mexico, Poland, Portugal, Spain, the UK, and the US, accounting for 93% of our total.

³² Employees' rating of the question on whether they are satisfied with the amount of flexibility they have in their work schedules (within the average range for the finance sector). A. 2024 Your Voice survey.

³³ At Santander Polska, this leave is shared, with a guaranteed minimum for both parents of up to 20 weeks, and in Santander Chile the father has 2 weeks of guaranteed paid leave.

³⁴ See our commitment to human rights (which is included as well in our Responsible Banking and Sustainability policy) and international mechanisms of application in section 1.4.2. 'Human rights due diligence'.

³⁵ In 15 of the countries with the highest number of employees in the Group, there are union representatives according to local regulations (by company, location or individual affiliation). In those countries, except for the United Kingdom where data on union membership cannot be disclosed, 60% of workers have union representation.

³⁶ For more details on our provisions, see Note 25 of this report.



For more information on data protection, see section [3.3.3 'Privacy, data protection & cybersecurity'](#).

ii. Remuneration and corporate benefits

Adequate remuneration

Our remuneration framework combines fixed and variable pay schemes based on the performance of employees and the Group.

Our remuneration and performance policies, as well as our general code of conduct, forbid differential treatment that is not based on a review of performance and corporate behaviours. It also promotes dignify pay.

Specifically, the remuneration policy lays the foundations for non-discriminatory practices (related to performance and internal consistency), as well as the principles, processes and criteria for granting fixed and variable remuneration, creating long-term value by managing risks.

Fixed remuneration schemes reflect local market conditions. To set pay, we strictly abide by the practices, regulations and collective agreements in force in each jurisdiction where we operate.

All Santander employees receive a salary equal to or higher than the legally established minimum in each of our markets and we comply with all local legislations and relevant collective agreements. Almost all employees (99%) receive other forms of remuneration that supplement their salary³⁷. This demonstrates our pledge to provide fair, competitive remuneration and the appropriate combination of fixed and variable pay.

All our businesses and subsidiaries have short-term variable remuneration schemes to reflect what we have accomplished and how, according to Group-wide quantitative and qualitative goals as well as individual and team goals, behaviour, leadership, sustainability, commitment, growth and risk management. These schemes promote meritocracy, recognize individual and team contributions, and promote employee growth and well-being. Aligned with sustainability goals, the variable compensation of executive directors also weighs compliance with our sustainability and climate goals³⁸.

In 2024, we paid EUR 14.3 billion in employee wages and benefits³⁹.

To comply with EU regulations on remuneration and manage risk correctly, we identified 1.246 employees subject to a deferred variable pay scheme because their decisions can have a material impact⁴⁰ on Santander's results. Therefore, the majority of them are subject to a policy of deferral of a significant portion of their

variable compensation (ranging from 40% to 60%, depending on their level of responsibility) for a period of four to seven years. This variable compensation is paid out 50% in shares and 50% in cash, and is subject to a possible reduction (malus) or recovery (clawback).



For more information on adequate salaries, total remuneration ratio, see [SN 7.3 'Employees'](#).

Equal pay

Our remuneration practices promote a non-discriminatory salary management in terms of gender and equivalent remuneration, especially in those cases where employees perform the same or similar work (equally remunerated for equal work or work of equal value).

Our salary comparison between women and men who perform similar functions remains at c. 0, which confirms our positive performance in recent years and meets the ambition we set for 2025⁴¹. In certain jurisdictions we continue to periodically assess compensation levels for pay equity and where appropriate make adjustments to compensation.

We often consult our employees to gauge how appropriate and acceptable our remuneration policies are and they recently deemed our remuneration policies competitive.



For more information about the employee consultation process, refer to section [3.1.4. 'Our listening strategy'](#).

Rating on satisfaction and opinion on compensation

7.8 (out of 10)

Fair pay⁴²

7.6 (out of 10)

Fair compensation process⁴³

MyContribution

MyContribution is our common performance management model. We update it regularly, and it is aligned with our culture.

177,081 Santander employees had their performance reviewed (86% of the total⁴⁴) under this model in 2024.

These reviews include quarterly or annual quantitative variables; corporate behaviour assessment variables (TEAMS) based on feedback from peers and internal customers; and risk management variables (RiskPro), which enable us to analyse individual and team performance holistically.

³⁷ Other compensations that complement the salary of our employees: benefits, pensions, other fixed compensations, incentives, and short or long-term variable compensations.

³⁸ Climate goals account for 2% of the total remuneration of executive directors, while sustainability targets represent 8% of their total variable remuneration.

³⁹ See Note [46](#) of the annual accounts.

⁴⁰ Material risk-takers.

⁴¹ Measured with the EPG - equal pay gap ratio, which compares the average compensation between men and women who perform similar tasks. Results for 2024, across the entire Group.

⁴² Average employee rating of the statement "I receive fair pay according to market rates (e.g. salary, promotions and benefits) for my contribution to Santander", putting us in the top 25% of the finance sector.

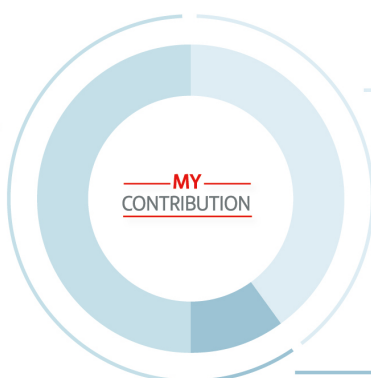
⁴³ Average employee rating of the statement "the processes for determining compensation (e.g. salary, bonus and benefits) are fair and impartial", in line with sector benchmarks.

⁴⁴ The employees who did not take part in MyContribution in 2024 were new hires and employees in some customer service, debt recovery and contact centre roles, who are subject to similar performance management schemes but with shorter and more continuous cycles due to the nature of their work. 90,998 women (84% of the total number of women at year end) and 86,071 men (87% of the total number of men employed). Due to statistical significance, we don't report other gender's percentages.

50% What

Individual goals that link to the organisational strategy.

"What I do day to day" to achieve business results, demonstration of how I contribute to the Group's Purpose and Aim.



40% How

Common key elements that demonstrate "how" I go about achieving my "what" – The Santander Way

10% Risk

Common risk goal for all levels and roles, to show how I manage my risks in my day to day. **riskpro**

3.1.3 Inclusive culture

This section outlines how we manage these IROs:

- +** Promote a workforce that reflects the society we live in and encourages collaboration; guarantee the same opportunities for all our employees, irrespective of gender, disability or other characteristics.

Inclusive culture is a component of our corporate culture policy, through which we focus on building a merit-based culture of equal opportunity and inclusion in compliance with laws.

In the global markets we serve, our focus on an inclusive culture is a critical driver of our business success. Our talented and engaged team generates customer loyalty, leading to strong financial results for our shareholders. By fostering equal opportunities for all and an inclusive environment that values different backgrounds, experiences, and viewpoints we enhance our problem-solving capabilities, improve decision-making, and boost creativity to achieve this.

Our approach to hiring, training, promoting, and retaining our workforce is based on meritocracy. Our success is intrinsically linked to the effectiveness of our team, making it a cornerstone of our strategy for sustained growth and profitability.

Related matters are discussed at the highest level— the Group Board cannot delegate these discussions and our executive committee reviews progress.

Our inclusive culture is embedded in the global procedures and regulations that underpin our organization and promotes meritocracy. For instance, it features in our key position, succession, nomination, and selection, suitability assessment and succession of directors policies. It is also embedded in our Group leadership principles and performance and remuneration reviews.



For further detail, see section [4.1 'Corporate culture'](#).



For further detail, see section [6 'Remuneration'](#) of the corporate governance chapter.

We have a strategy on this matter in place since 2020, which drives us to act ethically and transparently. We base our global strategy on five pillars (gender, persons with disabilities, LGBTIQ+, ethnic and culture, and generational) and take action in other areas such as socio-economic. While we maintain a global outlook, each subsidiary adapts to its local landscape.

Where local laws allow, we encourage our employees to disclose personal information voluntarily so that we can identify areas for improvement and make decisions based on true data.

Rating on satisfaction and opinion on inclusion

9.3 (out of 10)

Inclusion⁴⁵

While our local teams have action plans based on their own characteristics and conditions to continue supporting progress on inclusive culture, we also run global initiatives to continue making inroads:

- We run mentoring and networking programmes with diverse groups.
- Since 2022, we have held global awards to give recognition to individual and team initiatives that help facilitate equal opportunity access. Stand-out initiatives in 2024 included a project in Poland for the accessibility and inclusion of persons with disabilities; a scheme at the Corporate Centre to spark the interest of the daughters of our employees in studying STEM (Science, Technology, Engineering, Mathematics) subjects through app design; and promoting labour reinsertion of women in Spain.
- We are part of global initiatives, such as:

**WOMEN'S
EMPOWERMENT
PRINCIPLES**

**Valuable
500**

Gender

We promote career development based on merit and support our high potential employees at every level to foster variety of leadership⁴⁶.

⁴⁵ Average employee rating of the statement "At Santander we accept and respect everyone based on who they are, independent from gender, nationality, sexual orientation, religion, etc.", putting us in the top 10% of the finance sector.

⁴⁶ The percentage of male senior executive positions is 68,8%. For more data and metrics about employee characteristics, see the Sustainability Notes.

40% of our board members are women, which meets our goal for women to make up 40% to 60% of our directors. This goal will become a legal obligation in some jurisdictions from 2026.

Over the past five years, we have increased the number of women in or senior executive positions from 22.7% in 2019 to 31.2% in 2024 — reaching 34.4% in our core Retail & Commercial business⁴⁷.

This indicator used as reference the senior executives with the highest ranking in the organisation, representing 1% of the total workforce. Therefore, we agreed to expand the base reference⁴⁸, a move that is possible thanks to more quality data and greater analytical capacity, with common management and development programmes across the Group, which also responds to stakeholder expectations. The new indicator will allow us to:

- Reach more of our workforce⁴⁹ and, therefore, reach a greater wealth of talented women internally that will proceed towards senior roles organically.
- With this approach, we expect to progress gradually and sustainably towards gender balance, moving closer to c.40% in 2030⁵⁰.

Women make up 52.4% of our total workforce, a stable trend given 52% of new hires have been women.

We run initiatives to promote equality in the job market. Our programmes include:

- Women in Tech, which has been executed in 7⁵¹ core countries of the Group to attract talented women with a technology or digital background (29% of our STEM roles are held by women)⁵².
- InvestHer, is a global programme from Wealth Management & Insurance with participants from different Group's geographies, that promotes the presence of women in global business roles.
- Our Santander Women Network, founded in 2018 to promote development, empowerment and connection of women within and out of the organization, has 8,000 professionals participating and reaching representation in up to 16 countries. Some initiatives are: Thursdays to Share, I Am Remarkable, Global Mentoring Program, Women in Banking (WiB), the first women's network in the Spanish banking sector, and the celebration of the 40th anniversary of the European Women's Management Development Network at Banco Santander Financial City hosted by SWN.

In 2024 we maintained our equal pay gap (EPG) at c. 0% after reaching our goal in 2023 which we fulfilled two years early. In certain jurisdictions we continue to periodically assess

compensation levels for pay equity and where appropriate make adjustments to compensation.

We also measure at a global level the gender pay gap (GPG), which compares the median pay of women and men. In 2024, our GPG was 26% (improving 2.1 p.p. and 4.5 p.p. vs 2023 and 2022)⁵³.

Persons with disabilities

We strive for the successful inclusion of our 4,828 employees with disabilities (over 2.3% of our global workforce⁵⁴). There is a legal requirement regarding the inclusion of persons with disabilities in the workforce at least in 7 of countries with more than 1,000 employees.

We have employee networks in several units that aim to include persons with disabilities. Our global Enable network, formed in 2022, has over 2,700 members in 10 countries.

In 2024, to promote this network, we boosted awareness and inclusion in the Group through events on visibility, technology, accessibility, and women.

Our event to mark international day of persons with disabilities, which we hold every year, included a talk with paralympic medallist Susana Rodríguez Gacio. She shared her experience and how education, hard work and passion have enabled her to break down barriers and triumph in sport and medicine.

LGBTIQ+

Our global network of LGBTIQ+ employees and partners, Embrace, ran events to share their challenges or topics of common interest. In June, we marked LGBTIQ+ pride days with an event where employees from across our footprint shared the challenges this group continues to face in being seen and heard. Embrace employees also featured on our "Santander te cuenta" podcast, which we release internally and externally.

Currently, 2.8% of our workforce identify as trans, non-binary or other diverse among the employees who voluntarily offered to share this information⁵⁵.

Ethnic and culture

We monitor ethnic minority representation in four of our core markets. Employees who identify themselves as part of an ethnic or racial minority in these markets account for over 31.6% of the total workforce.

We have employee inclusion networks such as: Reach, Bold and Talento não tem cor, which in 2023 had over 1,300 members.

⁴⁷ Retail & Commercial and its support areas account for 74.5% of our global workforce.

⁴⁸ Applicable in accordance with local regulations.

⁴⁹ Including these Group categories: Sr.Executive VP, Executive VP, VP, Director, Manager, Expert and Branch Manager which account for 14% of our employees.

⁵⁰ At year end, 38.49% of senior management positions (Senior Executives and Other Executives) are held by women. This ratio does not include joint ventures due to their temporary nature and joint management (they account for only 1.7% of our workforce).

⁵¹ When this programme or others were rolled out in a country where regulatory restrictions apply, the programmes are adjusted to comply with any required principles.

⁵² We have a growing proportion of employees performing STEM-related functions (Data and Services, Information Technology-IT Support, and Products), totalling 30,089 employees across the Group.

⁵³ The gender pay gap measures differences in remuneration between all women and men, regardless of job type. For our management purposes, we use the gender pay gap as the difference between the median remuneration of men and women, expressed as a percentage of men's remuneration.

⁵⁴ Comparable to 2.2% at the end of 2023. As in previous years, we follow local regulations for the calculation and recognition of employees with disabilities. In most countries, disabilities are recorded at the employee's request with the support of a certificate issued by social services (e.g., degree and date of disability). In the UK, disabilities are recorded at the employee's request and do not require a certificate.

⁵⁵ The law in 12 of Grupo Santander's markets (accounting for 69% of our total workforce) allow for the voluntary request of gender identity information from employees.

Anti-harassment protocol and training

To reaffirm the Group's ambition to combat discrimination⁵⁶, 108,213 employees across the Group received specialized training in 2024, while 101,651 employees undertook a course on sexual harassment. These courses are part of our global anti-harassment protocol and General code of conduct as a common framework to establish guaranteed standards and fight against discrimination and behaviours that contravene fair treatment and moral integrity.

Moreover, our subsidiaries have action plans in place based on their own characteristics and conditions to continue supporting quality inclusive culture training.



For further detail related to workforce, see [SN 7.3 'Employees'](#).



Please see our work and sexual harassment protocol and moral integrity at work at santander.com/es/nuestro-compromiso/nuestra-cultura/diversidad-equidad-inclusion

3.1.4 Employee feedback and experience

As detailed in the "Engagement with stakeholders" section, "Your Voice" is our regular listening strategy to gather employees' feedback. It includes specific questions on our processes and we analyse the comments made on material impact and our employees' concerns.

Employees can give feedback and leave comments on every question, preserving anonymity at all times, since the provider facilitates data in an aggregated form to the Group. In addition, managers with five or more employees can access real-time aggregated results of their teams to identify levers that drive greater engagement and promote dialogue, trust, and transparency. As a result, this information helps each leader to enhance team performance and reduce burnout, resignations, and absenteeism.

In a broader sense, cross-geographical and global business action plans are also established. During this year, numerous actions have been launched to improve the employee experience and value proposition. Some of these initiatives have focused on professional growth, recognition, and workload management. In addition, efforts have been made to simplify internal processes and promote organizational transformation and change.

Since the implementation of YourVoice in 2022, we have seen a positive trend in results and participation, reaching levels that position us above the financial sector, with a participation rate of 83%.

8.7 (out of 10)

General engagement

Within the top 25% and +0.4 compared to the financial sector.

The engagement measures the level of involvement and enthusiasm of employees towards their work and the organization. To evaluate this engagement, the following four questions are asked which make up the overall Engagement score."

See in the section Ethics Channels the processes to repair negative impacts and channels for own staff to express their concerns.

⁵⁶ Consider race and ethnicity, color, sex, sexual orientation, gender identity, disability, age, religion, political opinion, national or social origin, among others."

3.2 Communities' sustainable development

We consider affected communities those where Santander has a presence as an entity, either through its businesses or its community support activities, and includes any specific groups mentioned in this chapter.

3.2.1 Supporting the economic and social development of our communities

In this section we cover how Santander manages the following IRO:

- I+** Drive economic growth and job creation in the regions where we operate and provide credit to people and businesses.

i. We help people and businesses prosper

Through finance and investment

→ **EUR 350.5 billion** to help people buy homes and **EUR 214.2 billion** to purchase other goods.⁵⁷

→ **EUR 330 billion** to help set up or grow companies (including more than 530 thousand SMEs and self-employed).⁵⁸

→ **EUR 24.1 billion** in green finance raised and facilitated and **EUR 88.8 billion** assets under management in Socially Responsible Investment.

→ **EUR 1.27 billion** disbursed in microcredits to more than **1.3 million** of microentrepreneurs to support the creation and expansion of their businesses.

Through community support

→ **2.6 million** new people financially included.

→ **EUR 166 million** invested in communities, including **104 million** to promote higher education, employability and entrepreneurship, benefitting **5 million** people.

3.2.2 Responsible investment and social finance

In this section we cover how Santander manages the following IRO:

- I+** Contribution to sustainable development through financing and investment that promotes sustainable performance in companies, addresses societal challenges, mitigates a specific issue, or pursues positive societal outcomes.

i. Social finance

Santander in its financing activity, support social activities such as building hospitals, universities and homes intended for vulnerable people. The tagging of these deals as social is being done to improve the identification, management and reporting of this type of financing, following the same operating model and system that is used for environmental or sustainable finance.

Within this concept we consider the microfinance businesses that the bank has in Latin America (Prospera in Brazil & Colombia, Tuiio in Mexico and Surgir in Peru), through which the bank gave 1.27 billion euros in microcredit in 2024. These businesses, covered in more detail in the financial inclusion and financial health section of this report, go in many cases beyond financing, providing access to a bank account and other services such as microinsurance for underbanked microentrepreneurs. During 2024, more than 1.3 million microentrepreneurs benefitted from this type of financing.

Additionally, during 2024 we have signed several agreements with Multilateral Development Banks in Spain, Chile, Brazil and Poland where these agreements include allocating part of the new portfolio to social finance. An example is the agreement with the IFC in Brazil to issue a social bond allocating funding to small and medium enterprises in underserved regions of Brazil, as well as to microentrepreneurs across the country.

ii. Socially responsible investment

We continue to improve our offer to clients with investment options that promote ESG factors and/or have sustainable objectives, with the aim of reaching EUR 100 billion of socially responsible investment (SRI) assets under management (AuM) in Wealth Management & Insurance (Wealth) by 2025. This ambition was formally approved at the Wealth ESG forum in 2021.

In 2024, Wealth's SRI AuM grew to EUR 88.8 billion⁵⁹: EUR 63.5 bn in Santander Asset Management and EUR 25.3 bn from third party funds in Private Banking.

This growth owes to the integration of sustainability into our investment product and service strategy and the traction generated by EU regulation.

We calculate Wealth's SRI AuM and the metrics related to SAM's net zero by 2050 ambition every month. We process and store these data in our own repository, and perform monthly variation control and validation. An automated report on these data is sent to the Group's Sustainability data office every quarter. These data are subject to an annual limited assurance audit prior to disclosure.

Wealth defines SRI as the volume of AuM classified under Articles 8 (promoting environment and social characteristics) and 9 (with distinct sustainability objectives) of the SFDR (EU Reg. 2019/2088), except illiquid investment in Private Banking, which we report as

⁵⁷ Credit stock as at 31 December 2024.

⁵⁸ Credit stock as at 31 December 2024. Data for SMEs and the self-employed covers individual customers with an outstanding loan at 2024 year end

⁵⁹ Does not include SAM funds distributed by Private Banking to avoid double counting.

committed capital. SRI includes: i) assets that SAM and other Group asset managers in the EU (and other regions where the SFDR doesn't apply, using equivalent criteria) manage or advise on; and ii) third-party funds and advisory assets considered sustainable investment according to the SFDR (Article 2.17) or under internal SFICS sustainability standards.

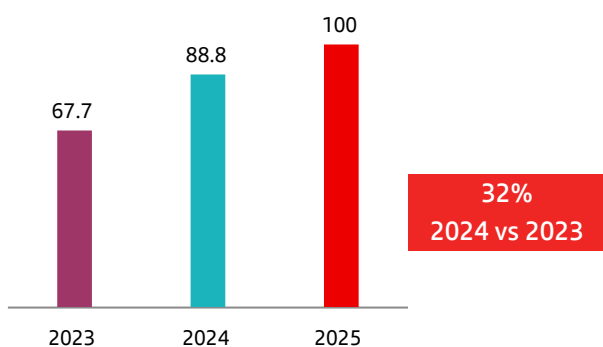
SAM manages SRI assets through the SRI policy, the Engagement policy, and the Voting policy. SPBG, our Private Banking asset manager in Spain, also has an Engagement policy. Our investment product and service proposition meets the SFDR's transparency obligations, which require disclosure of information on the embedding of sustainability risk, analysis and management of adverse impacts on sustainability, ESG factors, and sustainable investment targets.

The SRI policy sets out SAM's socially responsible investment approach and the standards we consider to embed ESG variables in our investment analysis and decision-making. The Voting policy outlines the principles and guidelines regarding the right to vote in portfolio companies, facilitating alignment with the SRI policy to promote the strong performance of long-term investments. Last, the Engagement policy dictates the principles that govern SAM's individual and collective engagement activities with the companies it invests in.

The SAM board of directors approves and oversees the SRI policy. SAM's SRI team informs the local units of any revision of, or amendment to, this policy so that they adopt it correctly and, where appropriate, adapt it to local needs. Moreover, SAM's SRI strategy and monitoring forum oversees the monitoring and coordination of SAM's SRI strategy, as well as compliance with the SRI policy and monitoring and control of all activities to embed SRI in SAM.

SAM publishes its policies on its official website, as well as on the Intranet for employees. The third-party regulations and initiatives that SAM has pledged to uphold or that inspire our policies feature in section 3 of our SRI policy, appendix II of our Voting policy, and section 3 of our Engagement policy. SAM España and Santander Pensiones have been working since 2023 to achieve full alignment with the Spanish Stock Market Authority's (CNMV) Stewardship code (to which they are signatories), reporting annually on the activities they carry out to comply with each of its principles. In 2024, SAM published its first SRI report. It includes information on voting and engagement and details on its SRI practices. It offers a comprehensive view of how SAM embeds sustainability in its operations.

SRI AUM (EUR billion)¹²



Santander Asset Management

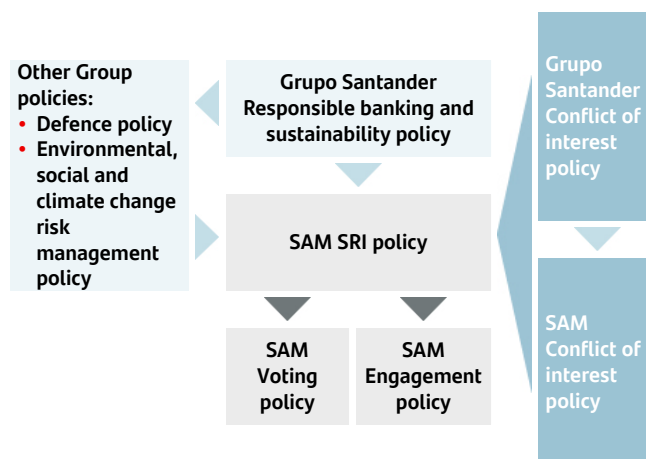
As at December 2024, SAM held EUR 63.5 billion in SRI assets (32% year on year) spread across eight countries. This accounts for 26.9% of SAM's total AuM and contributes towards Wealth's objective of EUR 100 billion in SRI AuM by 2025.

In 2024, we continued to broaden our SRI product and service range, with a focus on the transformation of pension plans in Spain and Portugal under Article 8 of the SFDR. We also launched new products such as Santander GO Global Environmental Solutions and Santander Target Maturity III. We enhanced our voting and engagement policy and methodology for non-EU asset managers.

In 2024, we continued to focus on engaging with portfolio companies in high emitting sectors. As in previous years, we took part in the 'Global Investor Statement to Governments on the Climate Crisis' initiative.

SAM's governance backs the execution of its SRI strategy. It follows environmental (including climate change), social and corporate governance (ESG) standards and is organized around i) an SRI strategy and oversight forum; ii) a voting and engagement forum; and iii) an investment and sustainability forum led by our global team of SRI experts. At the highest level is the ESG Wealth Management & Insurance forum, chaired by the Global Head of Wealth; it discusses, oversees and monitors the global SRI strategy and the SAM, Private Banking and Insurance KPI.

SAM's ESG policies and relationship with the Group's sustainability documents



SAM has a global, multidisciplinary team of SRI experts that develops and implements our ESG methodology, engagement and voting activity and SRI policies, among other tasks. There is also a local network of ESG experts for each of the markets where we operate.

Moreover, we have a network of experts who are key to embedding sustainability in our investment and reporting both globally and locally.



For more details on our ESG approach in SAM, see santanderassetmanagement.com/sustainability.



For more information on our engagement and voting strategies, see santanderassetmanagement.com/sustainability/es/content/view/11966/file/SAM_Informe_Stewardship_221123_ES.pdf

SAM's SRI products

SRI products in SAM's core markets



ESG methodology and business engagement

SAM runs several exclusions set out in its SRI policy that restrict or prevent investment in certain sectors that are considered unsustainable.

It also has its own analysis methodology based on market benchmarks and core international frameworks and standards, which enables it to assess the ESG performance of assets through ratings awarded to issuers.

In 2024, we bolstered our methodology by revising the materiality matrix and the data we analyse to identify the issuers that are best positioned to manage sustainability related challenges and opportunities, while generating value for both their businesses and broader society.

We define ESG factors based on the relative impact of each industry and its exposure to associated risks and opportunities that arise from changes in policies and regulations, technology, supply and demand, and stakeholder perception. We assign the ESG factors identified for each industry a weighting within the model, based on their materiality. The final ESG rating is the sum of the weighted average of each key matter.

SAM uses its own criteria to determine whether an issuance can be considered sustainable investment according to Article 2.17 of the SFDR in order to meet the minimum percentage of sustainable investment that characterizes the fund or investment or savings solution.

This analysis draws on the information provided by ESG data providers and SAM's weighting and materiality assessment methodology.

Our methodology identifies over 30 key ESG matters where issuers can generate environmental or social externalities that could

translate into material impacts for the issuer, therefore representing risks and potential opportunities.

Our ESG rating analysis comprises these elements:

- **Environmental factors:** Any component of the issuer's activity that may represent an environmental issue such as greenhouse gas emissions, resource depletion, pollution, water management, and others.
- **Social factors:** Society-related matters that include workplace issues, labour standards, talent management, relationships with local communities, data privacy and security, and human rights.
- **Governance factors:** To assess the quality of the issuer's management, culture and ethics; the effectiveness of its governance systems to minimize the risk of mismanagement; and its ability to anticipate operational and legal risks that could lead to non-compliance.

We conduct multidimensional analysis on how each company manages these factors. It includes the existence of policies, target analysis, integration of management systems, performance of key performance factors, and other elements.

Outside the EU, we are making progress in training investment teams to embed ESG assessment and sustainable investment methodologies and standards with an approach that makes sense in each jurisdiction, as well as increasing the coverage of our data providers in certain markets (especially Latin America and Poland).

Engagement activities comprise constructive dialogue with investees about sustainable investment objectives and the qualitative and quantitative ESG factors that impact on them. This exercise can have varying aims: i) to drive their behaviour and activities towards enhancing transparency; ii) risk management and the opportunities associated with ESG factors; and iii) the impact on the sustainable investment objectives that particular investments or savings solutions pursue. Our Engagement policy sets out internal procedures, forms of engagement and different escalation processes where targets are not achieved.

Last, SAM exercises its right to vote independently in the companies it invests in under the scope and criteria outlined in its policy, which strengthens its influence on ESG and sustainability issues.

Insurance

In 2024, we focused on developing products to safeguard vulnerable groups and reflect situations in specific contexts or markets that have little protection. We'll continue to cooperate with our partners to promote this product offering and boost the management of our insurers' SRI investments.

Private Banking

Private Banking is contributing towards the objective of EUR 100 billion of SRI AuM in Wealth by 2025. Our third-party funds SRI AuM amounted to EUR 25.3 billion at 2024 year end, including committed capital to alternative funds.

In 2024, our global list of funds that are subject to advisory to clients comprised mostly SFDR Article 8 and 9 funds in the EU.

In 2024, we introduced new social metrics in the sustainability reports on the portfolio for our International Private Banking (IPB)

clients and published a series of papers for our Private Banking clients available on our global website, including papers around investment in climate adaptation vs mitigation, the evolution of businesses from a linear to circular economy, or green hydrogen and the energy transition.

We will embed ESG services in portfolio management and advisory services according to our clients' investment needs.

In 2024, *Global Finance* named us 'Best private bank for Social Responsibility' while *Euromoney* named us 'Best private bank for Sustainability' in Chile.



For more details, visit our website santanderprivatebanking.com

3.2.3 Environmental, social and climate change management

This section outlines how we manage these IRO:

- I- Finance activities (in any customer segment) that breach of the bank's policies and jeopardize the well-being of present and future generations.
- I- Potentially negative impact on the environment or society by failing to sufficiently involve stakeholders or use suitable customer identification and management mechanisms when providing finance to a customer or project.

i. Our ESCC policy

Grupo Santander recognises environmental and social issues (E&S) pose some of the biggest challenges for the long-term prosperity of the global economy, the well-being of people and society, and the ability of the natural environment to support life.

Santander pledges to help customers and economies in their efforts to transition to a low-carbon economy, by providing financial products and services based on their context and approach to environmentally and socially responsible business operations. This is an ongoing effort — at different rates depending on the market and with several external dependencies such as public policy, technological advances, consumer needs among other factors — requiring continuous engagement with customers in their transition to a low-carbon economy. It is also important that we monitor social issues that may arise, such as the involuntary displacement of local or indigenous populations, the health, safety and human rights of workers, and the impacts of business activities on communities and other stakeholders.

To support our fight against climate change and our climate ambition, the Group will promote helping customers navigate the transition to a low-carbon economy.

Grupo Santander:

- By 2030, will stop investing in, and/or providing financial services to clients for whom coal fired power generation represents directly more than 10% of revenues on a consolidated basis;
- No exposure to thermal coal mining worldwide by 2030; and
- Supports international standards and treaties.

Santander embeds environmental and social standards in risk management, focusing on priority sectors to support sustainable and inclusive growth and uphold human rights.

The Group applies the precautionary principle to the analysis and management of it's main ESCC risks.

Our ESCC risk management policy (which is reviewed annually) defines the standards for investing in and, providing financial products and services to, companies and customers in oil & gas, power generation and distribution, mining and metals, and soft commodities (with particular focus on the financing of retail customers with activities dedicated to farming and ranching in the Amazon). It dictates prohibited activities⁶⁰ and those that require special attention for the aforementioned sectors.

For the purpose of this policy, we define financial products and services as transactions that entail credit risk, insurance, advisory services, equity, and asset management.

From a social perspective, the ESCC policy follows international standards and benchmarks such as the United Nations Global Compact, the Universal Declaration of Human Rights, the International Labour Organisation Declaration, the Convention on the Rights of the Child, the Rio Declaration on Environment and Development, the United Nations Convention against Corruption, the Equator Principles, and the standards for social and environmental performance and the explanatory notes of the International Finance Corporation (IFC).

The policy states that Grupo Santander will not directly invest in, or provide financial products and services to any of the following activities across any customer segment:

- Projects or activities for oil & gas extraction, power generation or transmission, mining, manufacturing, plantations or other major infrastructure projects that put areas classified as Ramsar Sites, World Heritage Sites or categories I, II, III or IV by the International Union for Conservation of Nature (IUCN) at risk.
- Projects that require free, prior and informed consent (FPIC) according to the IFC Performance Standard 7 – Indigenous Peoples and that fail to meet the standard, with no credible action plan to achieve compliance.

Moreover, we conduct a detailed analysis on CIB clients that operate in sectors subject to the ESCC policy, including any activity that entails the resettlement of indigenous populations and/or other vulnerable groups.

⁶⁰ To the extent required by applicable law, customers and transactions involving activities enumerated in this section will be subject to an enhanced due diligence process to determine the unique risks presented prior to decisioning.

We conduct environmental, social and climate change assessments in accordance with established procedures. These assessments are part of the risk management and control of our credit approval and investment decision work flows and governance. Since the Group's board of directors owns the policy, the individual or collective authorities that sanction these risks are responsible for ensuring that decisions are made in consideration of environmental, social and climate change risk and of the policy's standards.

Clients in applicable sectors⁶¹ are assessed through a questionnaire completed by the financial manager, which is then reviewed by a team of analysts to perform a global ESCC risk assessment. ESCC assessments of Santander's CIB clients cover child labour, forced labour, workplace discrimination, freedom of association, working conditions, complaint mechanisms for employees and impacts on communities in relation to their own operations and their supply chain.

The ESCC risk and compliance departments deepen into cases that uncover red flags. We usually conduct this extended due diligence exercise alongside the client to deepen our understanding of issues and determine the existence (or not) of corrective or remediation measures. Moreover, in the client ESCC risk assessments, we analyse the existence and effectiveness of reporting channels available to affected communities, to understand if a process is in place to avoid and manage adverse impacts on communities due to their own activities or those of their supply chain.

The findings of the analysis (and its impact on credit and other risks) are escalated to the bank's risk approval committees and are considered in decision-making process.

According to the methodology we use to analyse customers' climate transition plans, we carry out an annual assessment of ESCC risk for CIB clients in sectors where we have set alignment targets (oil & gas, power generation, automotive, steel, and aviation) to classify them based on their greenhouse gas emissions, emissions targets, and transition risk management.

We continued to consider how ESCC risk affects our customers so as to make our risk assessments more rounded and offer customers support in their transition.

In 2024, the ESCC risk and compliance departments continued to work with the business units to strengthen the governance and the management of these risks in sustainable finance transactions. Our groups of experts responsible for reviewing and classifying operations as sustainable are the cornerstone of our risk management for these transactions.

In addition to the analysis performed by the ESCC risk teams, the Financial crime compliance (FCC) teams establish controls to mitigate the environmental crimes detailed in the next section.



For more details on environmental, social and climate change risk management, see section 2.3.2. 'Risk management cycle'.

ii. Equator Principles

The Equator Principles (EP) are a voluntary framework for financial institutions to identify, assess and manage environmental and social risks when financing projects. We have been a signatory to the EP framework and applied these principles to project-related transactions (especially project and export finance) since 2009 according with its scope.

The Group has an internal procedure to manage the environmental and social (E&S) risks of project-related transactions. This procedure guides the application of the EP. The assessment of transactions that potentially require us to apply the EP starts with a preliminary assessment conducted by the Front Office. The area that manages ESCC risk under the EP sits in Santander CIB. CIB's ESCC Risk team oversees the Front Office's preliminary assessment and provides it with ad-hoc training and support. We conduct an environmental and social risk review for applicable transactions, based on the preliminary assessment findings. This review follows these guidelines:

- For projects with minimal or no adverse environmental and social risks and/or impacts (category C), the initial assessment is considered sufficient.
- For projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures (category B) in designated countries, the Front Office must complete a due diligence questionnaire that includes the findings of the E&S risk assessment. The ESCC risk area provides guidance throughout this process.
- For category A (with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented) and B (projects that involve high-risk factors or are in non-designated countries), the ESCC risk area manages the due diligence procedure and prepares an E&S risk assessment report.

The findings of the E&S assessment form part of the application for financing that is submitted to the risk approval committees before a decision is made.

If approved, we continue to apply the Equator Principles when preparing all subsequent contractual documents, closing the transaction, and monitoring.

In the monitoring phase of a transaction, compliance with the E&S clauses, the implementation of the corresponding E&S Action Plans and compliance with the applicable E&S standards are monitored. When a transaction or material incident is identified during the life of the operation, measures could be taken in accordance with the provisions in the credit agreement, such as, for example, requiring the implementation of a Corrective Action Plan.

In 2024, we analysed 21 projects that fell within the scope of the Equator Principles (for more details, see [SN.7.1. Green transition](#), table 5. 'Equator Principles').

⁶¹ Sectors covered by the ESCC Risk management policy and additional tactical sectors included in the CIB Procedure, as well as other material businesses and sectors depending on the geography and local legal requirements.



Risk/impact management in local communities

As part of our due diligence under the EP, we assess and ensure that projects identify and manage environmental and social risks and impacts correctly and that they maintain a sound relationship with local communities according to international standards.

We pay special attention to, and ensure the correct management of, these situations as potential impacts of projects on communities:

- Involuntary resettlement/displacement (physical or economic) of people.
- Risks to the health and safety of neighbouring communities.
- Impacts on indigenous communities. In these cases, the project must obtain free, prior and informed consent (FPIC) under IFC Performance Standard 7.

iii. Management of principal adverse impacts (PAIS)

Asset management activities could generate non-intentional adverse impacts on society and the environment. Banco Santander and its asset management businesses disclose and manage the potential adverse impacts derived from the management of its portfolios, through the measurement of representative KPI of the main sustainability factors as detailed in the PAIS procedure document from SAM. When an adverse impact is detected, several aspects are assessed towards establishing mitigating mechanisms. Among others, we consider: impact severity, frequency, success rate of dialogue initiatives and level of exposure.

3.2.4 Community Support

This section outlines how we manage the following IRO:



Contribution to education, employability and entrepreneurship, as well as to community development through support programmes.

i. Our approach

We support the communities where we operate by helping them address their social needs.

Santander's community support focuses on higher education, employability and entrepreneurship, complemented with the support on financial education and to vulnerable people. Moreover, we have a strong track record in supporting cultural and other social initiatives.

We make donations and other contributions to projects and initiatives either autonomously or in cooperation with other non-profit organizations and entities that share similar aims.

Santander has a sensitive issues policy, integrating the activity of donations, as well as a Guide on Community Support and People Helped, inspired by the Business for Societal impact (B4SI) standards. This Guide sets out the methodology for quantifying the contributions that both the parent company and our subsidiaries make. We also have a humanitarian crisis guide that outlines Santander's response to events or disasters with a social impact.

ii. Support for higher education, employability and entrepreneurship

103.8

million euros of support

2.2

million people and businesses helped

1,181

partnerships with universities and entities in 14 countries⁶²

Santander has supported education, employability, and entrepreneurship for over **28 years**.

During this period, we have invested **over EUR 2.4 billion** in partnership with more than 1,100 universities and entities, helping **over 3.7 million people and businesses**. In 2024 alone, we allocated EUR 104 million to promoting education, employability and entrepreneurship, and helped 2.2 million people and businesses. This reinforces our objective with **EUR 400 million between 2023 and 2026** in these three pillars, that supports our purpose to help people and businesses prosper. Until 2024 we have allocated EUR 208.9 million against this ambition.

We help higher education institutions enhancing the university ecosystem through partnership agreements. We also help adults access and complete their higher education studies through grants and scholarships. Through lifelong learning opportunities, they can acquire and update the skills that will enable them to boost their job prospects. We provide training, resources and other benefits to help businesses and entrepreneurial projects create opportunities, grow and transform through each stage of their development.

1. Education

Our support for education involves grants and scholarships for students and researchers to access and complete their higher education studies. We also help universities to face their main challenges and strengthen their transformation in different areas, with a special focus on digitalisation. We do this through:

→ **Scholarships and grants** awarded in collaboration with universities and institutions of international prestige, which help with access to university, academic mobility, research or the opportunity to do internships.

→ **Agreements signed** with 1,181 universities, institutions and organisations in 14 countries.

⁶² Includes universities, institutions and organizations that have an agreement with Santander Universities, Universia, Fundación Universia and Fundación Banco Santander. With activity from Santander Universities alone, the figure is 939 academic entities in 11 countries. Since 2024, Universia reports only agreements signed in the geographies where the Group operates.

→ **Campus Digital**, which offers an innovative relational model improving the life of the university community. It streamlines academic procedures and communications through an easy and simple experience, adapting to users' needs, and ensuring data privacy. It offers services such as digital credentials, tuition fee payments, certificates, schedules and discounts.



For more details, visit the website mycampusdigital.com

→ **Universia Network**, represents a global space for meetings, cooperation and joint reflection between universities in the Ibero-American higher education area.

→ **MetaRed** is a collaborative network of heads of public and private Ibero-American higher education institutions to discuss and work together on three of the biggest challenges that universities are facing: digital transformation (MetaRed TIC), university entrepreneurship (MetaRed X), and sustainability (MetaRed ESG).



For more details, visit the website metared.org

2. Employability

Our ambition to help people prosper through their upskilling and reskilling is embodied in our support for lifelong learning. This is a necessity demanded by both companies and society in order to respond to current and future challenges. Moreover, we facilitate access to employment in the early professional stages.

→ **Santander Open Academy** is a global platform for learning and professional development that offers, to any person, access to training to have better job opportunities.

It offers free courses and open learning for skills in high demand by the labour market.

In 2024, we launched short, direct access courses with unlimited seats and a certificate for participants to expand their knowledge and boost their skills anytime, anywhere.



For more details, visit the website santanderopenacademy.com

→ **Universia** is the platform through which Santander guides and posts job offers for young graduates and students who are coming to the end of their studies. It uses artificial intelligence to help them draw up their professional profile and uses online tests to measure their skills.



For more details, visit the website universia.net

→ **Fundación Universia**, a recognised international organisation, which participates in international forums of the United Nations and the International Labour Organization on topics related to inclusive culture. We bolster improvement of quality of life for people with disabilities and other vulnerable groups in educational and work environments.

654

scholarships and courses for students with disabilities and other vulnerable groups

1,180

people with disabilities and other vulnerable groups hired by companies



For more details, visit the website fundacionuniversia.net

3. Entrepreneurship

We help SMEs create opportunity, grow and transform.

→ **Santander X**, a global initiative that provides access to training, advice and resources (including benefits) needed to launch, scale up and transform a business.

We help entrepreneurs showcase the most impressive projects and connect with other businesses through Santander X 100, a dynamic, global community that offers them unique benefits.



For more details, visit the website santanderx.com

iii. Other community support programmes. Social action

We aim to complement our support for higher education, employability, and entrepreneurship, mainly through financial education and supporting vulnerable people.



62.5

EUR million in
other community
support
programmes⁶³



2.9

million people
helped⁶⁴

Financial
education



Enhanced
knowledge and
understanding of
financial products
and services

Vulnerable
people



Reduced risk of
exclusion and
better quality of
life for vulnerable
people

Arts
and culture



Promote cultural
events and
programmes

On top of direct community action, we cooperate with, and channel our support through, local NGOs and social charities. Some partnerships are with the bank's foundations in Argentina, Spain, the US, Mexico, Portugal, Poland and the UK.

We target our support on different groups depending on their needs. Our support for vulnerable people focuses on sensitive groups (due to gender, disability, age, lack of digital skills, financial difficulty and other reasons). We usually target cultural activities at the general public, although we also include vulnerable groups to facilitate their access to events and programmes.

Volunteering

At Santander we encourage our employees to volunteer in initiatives that help the communities where we have a presence.

These initiatives, which the Group promotes and supports, seek to get employees to dedicate their time and use their skills and talent to support charitable causes, non-profit projects and organizations that benefit society.

Corporate volunteering is a valuable way for employees to engage with the community and contribute to a social cause. In particular, it aims to:

- contribute to the Group's community support objectives through the direct involvement of Group employees in volunteering programmes;

- foster a culture of inclusion by breaking down prejudices and stereotypes;
- enhance our employees' skills and work environment through collaboration; and
- contribute to the well-being of our employees through experiences that provide satisfaction, purpose and pride of belonging.

We have a global corporate volunteering guide that sets out a common framework for this activity. Moreover, each subsidiary runs initiatives based on the specific needs of its market. For instance:

- In Brazil, we offer volunteering opportunities related to financial education, entrepreneurship, employability and upholding the rights of children, teenagers and senior citizens. The programme also encourages Volunteering Groups, which carry out continuous and autonomous actions, and are a reference for mobilizing and involving other employees through the Volunteering Programme.
- At the Corporate Centre, we run initiatives to support the inclusion in the job market, mentoring programmes to help women victims of domestic violence find work, and coaching programmes to prevent early school-leaving.
- In Chile, we support students in their transition to higher education through a tutorial programme and give financial education to schoolchildren across the country through the "Misión Ahorro" programme. We also run emergency operations to help build basic shelter for people left vulnerable following fires or earthquakes.
- In Spain, on top of local activities that we run at our branches, we execute flagship projects such as the 'Finanzas para Mortales' financial education programme, where our employees teach financially vulnerable groups; the 'Santander Natura' programme, where employees and their families help preserve the environment; and our Pro Bono volunteer programme, where volunteers' expertise helps solve the challenges that NGOs face so that they can continue to perform their work.
- In Mexico, we run numerous volunteering initiatives with a special focus on **reforestation and habitat conservation**, such as *Rally del Ajolote* (sporting events and reforestation) and a beach clean-up programme alongside WWF (World Wildlife Fund) México.
- Through Santander Tuiio, we delivered financial education sessions in schools to elementary education children on personal finance basic concepts, as well as delivering the financial health book "My first steps in finance".

75 k

working hours
volunteered

⁶³ It includes the social contributions of the foundations linked to the Group.

⁶⁴ Based on the People Helped internal methodology, which considers international best practices. Calculated with partners' certified data or with conservative estimates based on recognized conversion factors.

Financial education

Financial education is a key component of community support. It aims to boost citizens' financial skills by providing the necessary tools and information to understand products, concepts and financial risks for better use and decision-making.

Santander promotes financial education through several initiatives that target the general public, with tailored content based on age and needs to foster financial inclusion and better financial health. In addition, and as outlined in examples above, financial education is a core component of volunteering initiatives across the bank.

Our initiatives follow international standards such as the OECD Principles, as set out in our guide to financial education, which also outlines the criteria for counting the number of beneficiaries.

We are also exploring different channels to foster financial education content and reach specific audiences, such as the use of social media as a way to engage with younger people on this subject.

In 2024, 4 million people accessed our financial education initiatives and content, which in social media considers only people engaging with the content (not the reach of the activity).



For more details on financial education, visit our website santander.com/es/nuestro-compromiso/crecimiento-inclusivo-y-sostenible/educacion-financiera

Humanitarian crises

As an international bank that operates in several regions and markets, Santander is sensitive to global situations that can affect the well-being of individuals and communities. That's why we have a procedure to oversee our response to humanitarian crises.

We assess the severity of crises according to their scale and urgency following our corporate guide, which sets out the framework of action and governance for each situation. This helps make the bank's response to unexpected events as efficient and effective as possible.

In 2024, we analysed such events as the dana storm in Valencia (Spain), forest fires in the Valparaíso region (Chile), the floods in Rio Grande do Sul (Brazil), the earthquake in Gansu and Qinghai (China), and others.

In the case of the dana storms in Spain, since it devastated Valencia and its surroundings with special virulence, as well as other municipalities in Castilla-La Mancha and Andalucía, the Santander Group has been in contact with the teams in the affected areas and has implemented different measures to support and help both our clients, our teams and their families as well as the rest of those affected by the floods. Additionally, the Group has been in permanent contact with different NGOs, which are acting on the ground, to better understand their needs and channel the aid from the Group, that of our clients and employees in the best possible way.

Charitable foundations

Fundación Banco Santander, which is based in Spain, works to build a fair, inclusive and sustainable society by financing and running several cultural, educational, social and environmental projects.

In 2024, Santander made a donation to Fundación Banco Santander for a total of 22,167,105 Banco Santander shares. The donated shares are meant to help the foundation financially; it can use the dividends to cover some (if not all) of the cost of fulfilling its founding purposes.⁶⁵ These include managing the bank's art collection and financing numerous literary, educational, social, cultural and environmental productions and activities, in which the remodelling of the Santander's headquarters on Paseo de Pereda in Santander and our relations with universities in Spain will play an important role.



For more details, visit the website fundacionbancosantander.com/es/fundacion/transparencia

We have other Santander foundations in countries where we operate (Argentina, the US, Mexico, Portugal, Poland and the UK), which boost the number of initiatives we run. Their focus varies according to local needs; for instance, in Argentina on art and culture; in Portugal on education, inclusion and culture; and in Poland on education for children and young people. Activities from these foundations are aligned with the bank's community support priorities.



For more details on our foundations in other countries, visit the websites esg.santander.pl (Poland), fundacionsantander/argentina (Argentina), and fundacaosantanderportugal.pt (Portugal).

3.3 Our customers

Our customer-centric approach is a fundamental lever for generating sustainable value⁶⁶, building a digital bank with branches and a multi-channel offering that covers all of our customers' financial needs. We operate through five global business segments that provide services to various types of clients, including individuals, small and medium-sized enterprises, large corporations, and public entities, among others⁶⁷.

This chapter focuses on individual customers who use the products and/or services offered by the Group and establish a contractual relationship with it. Include those clients who, due to their circumstances, may be particularly vulnerable to the marketing of products and services.

Impacts resulting from relationships with corporate clients are discussed in section 3.2.3 of Environmental, Social, and Climate Change Management.

⁶⁵ For more details, see Note 34 'Other equity instruments and own shares' in the 'Consolidated financial statements'.

⁶⁶ For more information on employee dialogue, see section 1.2 of Dialogue with our stakeholders.

⁶⁷ The actions outlined in this section are specific to Santander and not sector-wide

3.3.1 Conduct with customers

In this section we cover how Santander manages the following IRO:

- R** Potential losses due to claims or a reduction in the numbers of customers because of inadequate customer practices throughout their life cycle.
- I-** Negative impact on the customer if the bank fails to provide sufficient information on the product or service they are signing up for.
- I-** Negative impact on the customer if they do not have access to complaints channels or if, after making a complaint, the bank fails to take the necessary action.

i. Customer conduct principles

Customer conduct risk model

Our customer conduct risk model approved by compliance and conduct committee, sets out the principles that underpin how we align customer engagement with our Simple, Personal and Fair culture and how we make that the products and services we offer adapt to our customers' needs while protect their rights⁶⁸. This model also outlines the key processes, instruments and governance that enable us to mitigate and manage customer conduct risk at every stage of our relationship with them (product and service design, sales and post-sales).

Model principles

- Fair treatment
- Customer-focused product and service design
- Transparency in all customer engagement
- Responsible sales practices
- Responsible pricing
- Consideration of vulnerable customers or those in special circumstances, and prevention of overindebtedness
- Personal data processing
- Complaints handling
- Financial education
- Safeguarding consumer assets against fraud and misuse

Key processes

- Approval and ratification of products and services (Product and service approval policy)
- Customer conduct training
- Sales oversight, with special focus on the classification and suitability of products and services; advertising and transparency at the point of sale; and monitoring
- Remuneration of sales and support teams (Remuneration policy)
- Post-sales oversight, with special focus on recoveries, fraud management and complaints handling (Customer service and dissatisfaction management policy)
- Managing vulnerable customers and preventing overindebtedness (Vulnerable customers and prevention of overindebtedness policy)

Governance and remit

- Our Product governance and consumer protection area, part of the Compliance and conduct unit, develops and oversees how we follow our customer conduct risk model
- The board of directors oversees the Product and service approval policy, while local and corporate product governance forums assess and approve our products and services
- The board is also responsible for the Group Remuneration policy, while the remuneration and risk committees, with the support of the Human Resources and Compliance functions, monitor this policy's compliance
- Local and global compliance committees set our risk appetite and monitor compliance risk assessments (including customer conduct risk)

The customer conduct risk model and the policies that underpin it are subject to strict internal governance that ensures they are properly communicated to all our stakeholders and transposed to the Group's subsidiaries. Moreover, we have several guides that cover the key processes of the entire customer relationship cycle and aim to help the units and functions implement internal regulations consistently.

Consumer protection and customer conduct risk mitigation are a basic pillar of the Group's strategy. The Compliance and conduct function gives shape to this through objectives and annual plans, using a methodology to monitor their effectiveness, determine the customer conduct risk profile in each unit, and set any appropriate correction measures.

In 2024, the Group focused on implementing the European Accessibility Directive in the applicable units, with specific plans to

facilitate the accessibility of products, services, and channels, considering the necessary technological developments and user experience improvements.

Our risk appetite metrics for claims and internal events enable us to detect and manage customer queries and issues effectively and proactively. In 2024, while disputes related to mortgage fees in Spain and Swiss Franc mortgages in Poland impacted these metrics, our contact centres and protocols provided an appropriate response and solution for our customers.



For more information on internal conduct events, see [Note 25](#) of the annual accounts.

⁶⁸ For more information on our human rights commitment to our customers, see section 1.4 on our commitment to human rights.

ii. Product and service marketing and design

Product and service governance

The purpose of the Product and service approval policy is to set out the standards, processes and controls so that we design products and services according to the customer conduct risk model principles. This means products and services with appropriate features to meet the target audience's needs, reasonable pricing, and transparent marketing (i.e. the information we give to customers uses simple language and a clear format; is accurate and sufficient data; and is consistent and comparable so that customers can cross-check it with similar financial products and services). This transparency applies to all advertising, pre-contractual and contractual information, as well as throughout the product or service life cycle and across all channels.

The local and corporate product governance forums are responsible for implementing this policy. These forums are able to draw on document and assessment templates, which includes a review of contractual and briefing material on each product and service. We only approve products and services if all forum members vote unanimously in favour of them.

Conduct training

Training is a key way to boost knowledge of consumer protection. The Compliance function, with the support of Human Resources, draws up mandatory refresher training for all employees on managing and mitigating customer conduct risk. This course has a satisfactory compliance rate in every country. Moreover, every unit ensures strict compliance with the regulatory authorization required to provide services to customers in each country (e.g. MiFID licences in Europe). They also devise and monitor specific training programmes to arm sales teams with the necessary expertise to inform about and sell the products and services we offer.

Quality and conduct metrics in sales teams' remuneration

The Group follows a rule for at least 40% of sales units variable pay to be based on quality and conduct metrics. This promotes greater awareness and proactive and effective management of customer conduct risk, has a positive impact on transparency with customers, and helps us identify appropriate target audiences.

Sales monitoring

The Group has mechanisms to monitor products and services throughout their life cycle. These enable us to detect and manage (as early as possible) deterioration, failures in marketing and non-compliance with the terms and conditions under which they were approved. We analyse and monitor:

- Customer Voice: queries, complaints and surveys, are a key source of information to identify deficiencies in marketing and customer engagement, and to draw up improvement plans; and
- Sales metrics and controls: monitoring of the percentage of product or service cancellations shortly after sign-up. In 2024, this analysis allowed to set up improvement plans to strengthen welcome communications in different consumer entities, through telephone sales channels in Mexico and the governance of commercial campaigns in Poland.

iii. Post-sales

Conduct in fraud management

In July 2024, we embedded the guidelines for conduct in fraud management in the Grupo Santander Fraud policy, which was adopted by our subsidiaries in the second half of 2024. Moreover, following an internal review on conduct in fraud management in 2023, local units worked on aligning their improvement plans with Group standards in 2024. These plans include combining digital channels to register cases of fraud, bringing together customer voice in Group taxonomies, enhancing customer communications related to fraud cases, and bolstering controls in the first and second lines of defence in terms of conduct towards fraud victims, with special attention to vulnerable customers. They cover the period 2024-2026.

We also have additional fraud management controls based on NPS and quality assurance.

Complaints handling

In 2024, we conducted a review of the channels on which customers can raise queries or complaints. The Customer service and dissatisfaction management policy outlines the principle of making multiple channels available to avoid the potential impact of not having adequate means for customers to convey their issues or dissatisfaction and to promote that we have channels that adapt to our customers' needs and preferences.

Additionally, customers can escalate complaints through external channels, such as the Financial Ombudsman, regulatory bodies, and consumer agencies, if they are not satisfied with the entity's resolution.

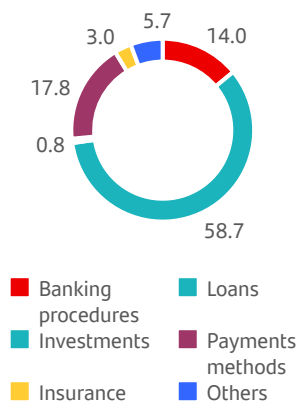
Most of our units are investing in digital channels to speed up case resolution and help customers self-manage certain queries, as well as to manage expectations better. Root-cause analysis governance and mitigation plans are an essential component of continuous improvement.

The units analyse customer complaints to identify their root causes—such as deficiencies in products, services, systems, channels, or communications—their impact, and the teams responsible for resolving them. These teams must submit clear action plans outlining what will be done, how, and when. Senior management regularly monitors progress and effectiveness. In 2024, all countries advanced in this area, with Spain leading efforts by strengthening governance and setting specific objectives. As a result, it achieved a 19% reduction in claims (excluding sector-wide events).

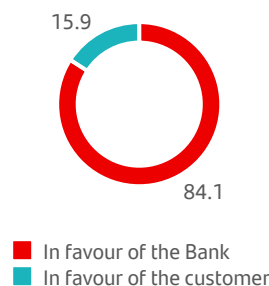
We have established a global, multidisciplinary working group to enhance our queries, requests and claims procedures and platforms. This includes embedding artificial intelligence in case registration and analysis.

Santander Brasil, in collaboration with the global Consumer Protection and Models and Data functions, developed "Viva Voz", a tool that uses artificial intelligence to handle large volumes of information and delve deeply and quickly into the root cause of customer complaints. With this tool, it has gone from analysing 3% of cases in two days to analysing 60% in one day and is aiming to reach 100%. Similarly, Santander España and Polska are piloting artificial intelligence solutions to enhance customer claims management.

Complaint type^A (%)



Resolution^A (%)



A. The Group uses the same standard claims metric for all geographies.

iv. Vulnerable customers

In this section we cover how Santander manages the following IRO:

- Negative impact on the customer by failing to guarantee access to, or the use of, products and services that may present certain obstacles or weak spots.

The management of vulnerable families and businesses is a key pillar of Grupo Santander's strategy, as it can make a difference to performance, perception and long-term sustainability. We identified and considered our customers' difficulties and vulnerabilities, and trying to mitigate their potential impact. In 2024, we continued to make headway with embedding Group regulations⁶⁹ on vulnerable customers and the prevention of overindebtedness in every market where we operate. The aim is to provide a common approach and standards to avoid disparate management between countries.

The Group is following indicators used by the units to identify and monitor customers in special circumstances. We're also developing a methodology that will enable us to pinpoint potential signs of vulnerability in order to foresee and try to adapt services to the specific needs of certain customers.

To coordinate a common approach across our footprint, local units met with the global team every two months in 2024 to facilitate alignment in embedding the Group's vulnerable customer standards. We also launched a global training course on vulnerable customers so that all employees consider potential vulnerabilities and are aware of the lines of action in each case.

3.3.2 Financial inclusion and financial health

This section outlines how we manage the following IRO:

- +** Positive impact on customers due to the bank's offer of products and services that adapt to their needs and expectations and promote financial inclusion and health.

i. Financial health and inclusion as a key driver of social progress

Financial health and inclusion are a priority for Santander in contributing to social progress and promoting prosperity and entrepreneurship.

In the markets where Santander operates, there are financial inclusion challenges that we strive to address with tailored business solutions.

To assess the significance of our proposition, we use the World Bank's Global Findex Database to calculate the number of unbanked, underbanked and financially distressed people due to access and financing issues in the markets where we operate as a retail bank. In particular, we:

- Considered different components of financial exclusion and aggregate indicators to cover all our target audiences.
- Defined an inclusive financial system as one that maximizes the use of financial products and services, access and financing.
- Measured involuntary financial exclusion through barriers that people who do not participate in the formal financial system perceive.
- Applied a correction factor that matches our business penetration rate in the markets where we operate.

⁶⁹ Approved in November 2023

Our ambition is for our financial inclusion initiatives to reach five million people between 2023 and 2025. This is consistent with our penetration rate in the markets where we operate and with the gap identified in our latest assessment.

Our processes pinpoint the needs of customers facing financial difficulty; develop products and services; and train our teams⁷⁰.

These processes align with our customer conduct model, vulnerable customer policy, and responsible banking and sustainability policy. We set out the accounting standards for initiatives and financially included individuals in our Financially included people guide, which applies to the entire Group. The guide includes these definitions:

- **Unbanked:** People who do not have a bank account or access to any banking services.
- **Underbanked:** People who, despite having a bank account, have difficulty accessing basic services (e.g. making deposits and withdrawals) or source financing informally.

Access

1 million

New people subject to financial inclusion measures related to access

We want to help unbanked and underbanked people enter the financial system and gain access to basic financial services, encouraging them to use financial services that are tailored to their needs and barriers, have greater control over their finances and enjoy faster and more secure transactions.

In 2024, our initiatives continued to:

- adapt to developing and mature market needs:
 - In developing markets, we focus on providing access to bank accounts and cash deposit and withdrawal services to unbanked and underbanked people. Our stand-out initiatives include partnerships with merchants in Mexico to offer Santander services, or the financial inclusion branches in Argentina.
 - In mature markets with high account penetration, but with an exodus of people from rural areas and an ageing population, we focus on continuity in access to basic financial services. Stand-out initiatives include Correos Cash and the waiving of fees for vulnerable customers in Spain.

- **People in financial distress:** People who earn less than their country's legal minimum wage or who are unable to cover basic living expenses.

This guide also enables us to use common metrics to monitor and manage access and financing initiatives (listed below) that contribute to our financial inclusion target:

People subject to inclusion measures ^A		Target
		+5 mn ^B
2023	2024	2025
1.8 mn	4.3 mn	

In 2024, we financially included nearly 1 million people through access initiatives; and 1.6 million people through finance initiatives.

A. Based on internal financial inclusion methodology. Includes the principles, definitions and standards we use consistently across our footprint to count the number of people we include financially through initiatives, products and services for access and finance.

B. Cumulative figure since 2023.

- offer access amid humanitarian crises: making mobile branches available to remain close to our customers in the most affected areas and maintaining key financial services such as cash withdrawals, salary advance and payment holiday requests, and insurance. For more details on our actions during humanitarian crises, see section 3.2.4 'Supporting Communities'.
- promote inclusion: we are constantly adapting branches, products, services and channels for people with disabilities and senior citizens to be able to access them both in person and online.

All of this harnessing technology to drive financial inclusion, overcoming some of the barriers that prevent unbanked and underbanked people from accessing financial products and services.

⁷⁰ For more details, visit our website santander.com/informe-inclusion-financiera.

Access initiatives and services:

Promoting access to cash and transactions

We promote underserved communities get cash through our remote branches and agreements with private and public entities that widen our footprint.

Branches in underbanked and remote regions^A



Partnerships to reach underserved communities^B



Promoting digital access

We help people access the banking system so they can make payments; use basic, tailored financial services; take greater control of their finances; and make faster and more secure transactions.

Digital wallets and points of sale^C



Basic accounts^D



Financial solutions for vulnerable groups

We offer financial support to vulnerable groups so customers will have access to basic products and know how to use them.

Support to senior citizen customers^E



We also have global initiatives such as GetNet, which provides digital payment services to individuals and merchants with a wide range of payments solutions, boosting simplicity, speed and security, that reaches underbanked segments improving their financial inclusion.

Finance

1.6 million

New people subject to financial inclusion
measures related to finance

We promote financing for underbanked SMEs and entrepreneurs, as well as the basic needs of low-income population through products and services tailored to their needs.

Our microfinance proposition supports inclusive growth and economic development in Latin America, where the financial inclusion gap is wide. We have been offering microfinance services to low-income and underbanked entrepreneurs since 2002. We help our customers set up small businesses, which drive economic growth and social mobility.

Through these initiatives, we offer loans to boost the income-generating capacity of new ventures and help microentrepreneurs safeguard their business through financing that meets their working capital needs. A large portion of the customers under these initiatives are women, who are less likely to access financial services in developing markets.

In 2024, we continued to:

- evolve our business proposition from microcredit towards microfinance, by extending our customer value proposition through solutions that go beyond credit — basic accounts, financial education, microinsurance and other services.
- make business models more efficient, without jeopardizing the social impact of our proposition. For instance, we leveraged the use of technology to open low-cost mobile branches and improved handling procedures to minimize the time from microloan application to the funds being available to our customers.
- combine group and individual credit granting model, adjusting to our customers' circumstances and needs, high higher presence of individual model in Peru and Colombia, and growing — albeit at a lower rate — in Brazil and Mexico.

Other access-based initiatives and services

Supporting customers in financial distress

We have debt relief programmes that include payment deferrals and line of credit extensions.

Supporting customers in financial distress^F



Financing low-income households' basic needs

We offer products and services that enable low-income households to access housing and meet other basic financial needs.

Affordable housing supply^G



Support for low-income households/people with difficulty accessing credit^H



- A. In Spain, branches in remote (or sparsely populated) areas to facilitate access to credit and combat social exclusion in communities of less than 10,000 inhabitants. In Portugal, branches in low-income, small or isolated regions, such as the Azores and Madeira. In Argentina, we have financial inclusion branches and remote agents in the marginal environment of Buenos Aires and vulnerable communities. In Poland, ATMs (Automated Teller Machines) in municipalities where there is no Santander branch or partner point of sale. In Uruguay, we have installed three mobile branches since 2020 to reach areas with low levels of banking penetration.
- B. Agreements with Correos Cash in Spain, partnerships with retailers such as Oxxo and 7Eleven in Mexico, and agreements with third parties in Uruguay (e.g. Abitab, Red Pagos).
- C. In Poland, we included the Cashless Poland programme to promote the use of payment terminals in localities where the use of digital media is low, and the use of our associated Partners Outlets points of sale. In Chile we included Mas Lucas.
- D. In some countries, we have basic bank accounts that go beyond regulation in order to serve the bottom of the pyramid. For example, the Cuenta Life in Chile or the no-fee account for vulnerable customers in Spain.
- E. In several countries we have value propositions aimed at the elderly. For example, tailor-made products for retirees in Mexico and Argentina, services such as Here & Now in Portugal to help seniors with limited digital skills, and third-party access initiatives in the UK to support seniors who need to be cared for.
- F. We have programmes in many countries to help people with debt problems. In Portugal, we have the Iris programme to help customers manage defaults. In the UK, we help vulnerable customers get out of arrears with self-service tools and direct financial assistance. In Spain, we have financing programmes for vulnerable groups to relieve their mortgage debts.
- G. In Spain, the bank participates in the Social Housing Fund, which facilitates renting for people on low income. It also has affordable rental housing. In the US, as part of its Communities plan, Santander US provides support for the construction, maintenance and rehabilitation of housing serving low- and moderate-income people.
- H. We have initiatives to help groups with difficulties in accessing credit; among them, in Spain, we lend to SMEs at their risk limit; in the US, we lend to small businesses operating in low- and moderate-income communities; in Argentina, we lend to entrepreneurs with little credit history. In Mexico, we offer special credit programmes to people at the bottom of the pyramid.

ii. Progress on financial health

In 2024, we continued to make headway with a common approach to financial health. We define financial health as people's ability to manage finances to meet short-term needs and support long-term goals, bringing stability to avoid financial distress.

We run initiatives in all our markets to promote financial resilience, planning, security and control among our customers in general and, especially, the most vulnerable groups.

The solutions that help customers boost their financial health by making more informed decisions include tools to manage money better, debt calculators and advisory service, which together with financial education support our customers' financial health and better informed decisions.

Financial health must go hand in hand with financial inclusion so that people who access the financial system can manage their money responsibly and effectively. We complement this with financial education to narrow the knowledge gap on financial products and digital skills.

For more details on our financial education programmes for customers and non-customers alike, see section 3.2.4 'Community Support'.

In 2024 we have set metrics to monitor financial health, especially for over-indebted customers.

3.3.3 Privacy, data protection and cybersecurity

This section outlines how we manage these IRO:

- I-** Potential infringement of customers', employees' or shareholders' rights due to a lack of appropriate technical or organizational measures to protect their personal data according to law and the practices set by the Group.
- I+** Education and awareness on cybersecurity issues to understand potential threats and mechanisms to avoid them.
- R** Potential losses due to fines or a reduction in the number of customers because of a failure to detect or respond effectively to breaches of privacy.

i. Privacy and data protection

The use of new technologies and progress with the digitalization of businesses have led to a rapid increase in the processing of personal data.

Our commitment to complying with regulation on the protection of personal data throughout their life cycle is key in this regard. Our corporate standards remain consistent with data protection and

privacy laws at all times, with an ethical and transparent management of personal data to enable individuals to exercise greater control over their data.

We apply measures to obtain and use only the data that is strictly necessary to process personal data for legitimate purposes. The aim of these technical and organizational measures is to preserve the confidentiality, integrity, availability and resilience of the systems and services that we use to process data; and thereby to achieve the correct protection of data subjects' rights and freedoms; and to boost individuals' and broader society's trust.

We created our compliance programme following the privacy standards to manage data protection risk correctly. It is based on:

- local subsidiaries' responsibility to abide by the General Data Protection Regulation (GDPR) and/or local regulation on data protection;
- a solid governance model consisting of:
 1. corporate and local data protection policies.
 2. a data protection officer (DPO) and/or privacy champions in each unit. We formally disclose appointees to local authorities.
 3. a corporate oversight programme based on the monitoring of management indicators; annual reviews; and an annual monitoring forum sponsored by the Group Chief Compliance Officer where our units report on compliance status, key risks and focal points, and other key data protection matters.

Other measures that strengthen our data protection management are:

- a common, regular monitoring and reporting model for the units, including meetings that we document in minutes;
- procedures to manage security-related incidents and the risks that stem from the potentially unauthorized use of personal data. We also have specific plans of action, where required, which the corresponding areas manage;
- cooperation with third-party service providers that must comply with data protection regulation. All data processors are subject to a suitability test that we monitor through management indicators and review regularly;
- reviews on our compliance with data protection laws, which our Internal audit area performs as part of its annual programme;
- corporate tools that help us manage data protection-related tasks by bringing together and monitoring control information through indicators and the annual review programme. For instance, we regularly update our data processing inventory and report on indicators and security incidents;
- special training for DPOs and privacy champions as well as corporate initiatives and the sharing of best practice among units. In 2024, we ran a refresher course on data privacy by an external provider and initiatives on the back of it;
- employee training and awareness campaigns on data protection, which form part of our mandatory annual curriculum and that we monitor through management indicators; and

- special focus on regulatory developments to update and consolidate criteria, methodologies and documents.

In May we became aware of an unauthorized access to a Santander database hosted by a third-party provider. The bank's operations and systems were not affected, so customers were able to continue to transact securely.

Bank put in place protective actions and corrective actions for clients and employees:

- Affected individuals, where applicable, were notified the incident and dedicated channels were put in place to provide them with further information.
- Information was made public by Santander in its corporate website.
- The bank started an education campaign for clients and employees regarding the most well-known types of fraud. This campaign has been reinforced in response to the incident and to minimize future similar incidents.
- Santander also notified the relevant supervisors and authorities where the group has a presence, including the data protection agencies, prudential supervisors, resolution authorities, and in some jurisdictions law enforcement as required by local regulations.
- Regarding clients, the Fraud Prevention and Cybersecurity teams continue to be on alert and analysing any relevant behaviour that could be associated with cases that take advantage of the information in question. Also, where relevant and appropriate, fraud prevention controls have been reinforced, that aim to mitigate the possible impacts associated with this incident.

Containment was complete and corrective action has been implemented that will minimize the possibility of any similar unauthorized access.

ii. Cybersecurity

Cybersecurity provides vital support to our purpose of helping people and businesses prosper and our aim to provide customers with first-rate digital services.

We have a board- and subsidiary-board approved cybersecurity framework that sets out the governance, functions, roles and responsibilities to manage cybersecurity throughout the Group, including the role of the Chief Information Security Officer (CISO).

Our cybersecurity policies, which develop the cybersecurity framework, are based on international standards and subject to ongoing review in order to maintain and enhance safety levels in the Group. In 2024 we updated our Cybersecurity requirements policy for technical and business areas, which includes security provisions for the different domains.

To assess how we're doing on cybersecurity within the industry, we monitor our security rating provided by an independent third party. *Bitsight Company* gives us with a score between 250 and 900 (with 740-900 considered "Advanced") based on public information and externally visible network traffic and systems. In 2024, we scored 790 points, which put us in the upper quartile among our peers and meant that we hit our target.

Protecting our customers' and employees' information is the responsibility of every Santander employee. We outline this in another policy under our cybersecurity framework: Cybersecurity standards for the protection of Santander, which sets out the principles that we must follow. In 2024, we ran these cybersecurity awareness initiatives for our teams:

- Regular ethical phishing exercises to strengthen employees' and partners' resilience to cyber threats.
- Promote a culture of reporting suspicious incidents or messages through all available channels.
- Update to our mandatory cybersecurity training for employees, including security recommendations against malicious attacks by email, text message or phone call, deepfake, phishing, social engineering, and other threats.
- Specialized training for high-risk groups such as payment agents, IT professionals and developers, digital asset owners, board members, and executives and their support teams.
- Specialized fraud training for *contact centre* agents and branch employees.
- Internal awareness campaigns for all Group employees to keep them up to date with the latest cybersecurity and fraud trends.

To boost the protection of our customers *online*, we ran several initiatives that we assess by measuring their impact. In 2024, these campaigns reached 58% engagement (far exceeding the 10% market benchmark):

- Cyber Heroes, an interactive campaign where our customers test their knowledge of online security and fraud prevention in realistic scenarios. It's available in Argentina, Brazil, Chile, Mexico, Portugal, Spain, Poland, and the UK.
- Awareness workshops for retail and corporate customers at our branches to explain online threats and how they can reduce them.
- *Por una vida online y corriente* ('Everyday Cyber'), a global cybersecurity awareness campaign to help our customers adopt better online security and fraud detection habits.
- Corporate sponsorships, such as Ferrari and League of Legends (an *online* strategy game), which help us engage more audiences using their unique tones and language. These campaigns follow a multi-channel strategy to reach a global impact.
- In other Santander markets, our "Obvious Passwords" cyber campaign in Uruguay received local recognition for its work in raising awareness on such a hot topic as online security for customers.
- Titania, remains one of Santander's key initiatives to raise awareness and promote learning about cybersecurity in the form of a fiction podcast. With over two million plays, it received the prizes for Best Podcast and Best Branded Content at the Ondas Awards in Spain.

We run these campaigns through the Group's numerous digital channels. What's more, users can report suspicious messages by writing to reportphishing@gruposantander.com.

In 2024, we continued to promote collaboration on cybersecurity and online fraud prevention with public and private organizations:

- Santander plays a key role in the Financial Services Information Sharing and Analysis Center (FS-ISAC) for the exchange of information in Europe and is the European board's current chair. This organization, established in The Hague, has more than 1,000 members from 174 entities, including major banks, Swift and Europol.
- Santander is part of the leadership team of the US Ransomware Task Force, whose objective is to improve prevention and response capabilities against ransomware attacks.
- Santander contributes to the World Economic Forum's (WEF) initiatives to fight cybercrime. This includes the Cybercrime Atlas, which aims to disrupt cyber crime networks. We also participate in several working groups to promote cybersecurity talent through public-private partnerships; develop a cybersecurity resilience plan; and contribute to narrowing the cybersecurity skills and knowledge gap.
- We work on key cybersecurity and fraud prevention initiatives with other entities and organizations such as the Institute of International Finance (IIF), the European Financial Services Round Table (EFR), the European Banking Federation, DigitalEurope, and others.



For more details on our cybersecurity plan and the initiatives undertaken during the year, see section 5. '[Research, development and innovation \(R&D&I\)](#)' in the 'Economic and financial review' chapter; and section '[5.2 Operational risk management](#)' in the 'Risk, compliance & conduct management' chapter.

4. BUSINESS CONDUCT

(Governance information)

4.1 Corporate culture

Santander Way

We are a global company, guided by a common culture, The Santander Way. It is aligned with our corporate strategy and it is the basis of our success. Our values (Simple, Personal and Fair), our corporate behaviours (TEAMS), our leadership principles and our robust risk culture (Risk Pro) guide us every day:

- We continued to promote our behaviours and leadership principles in the Group's talent processes, as well as promoting them among our leaders for them to be an example of our culture.
- We have intensified our efforts to give our employees the necessary tools and resources to improve their competencies and employability, aligning us with the most critical business and market demands.
- This year we evolved Dojo, our digital learning platform, that offers a personalized offer based on current and future roles, promoting a culture of self-development and continuous learning.
- We continued to assess how to improve our efforts through our employee listening programme - YourVoice, and we have developed action plans to keep making a better place to work.
- We continued to promote our culture through our performance review, MyContribution, where 50% is based on 'what' we do, 40% on 'how' we do it and 10% on our risk management.
- All the above is sustained by our Global Culture Policy, which sets the foundations, guidelines and standards to foster a coherent culture across Banco Santander.

Our values

Simple Personal Fair

Our behaviours



Our leadership principles

- Promote a '**Group First**' mindset
- **Lead transformation**
- Build, develop and grow **talent**
- Display **TEAMS** flawlessly
- Drive **inclusive culture**

Our strong risk management culture

risk pro
Everyone's business

4.2 Ethical conduct

In this section we cover how Santander manages the following IRO:

- I+** Act responsibly and consider investors' interests and the impact on employees, broader society and the environment; pay taxes to support the distribution of wealth.
- I-** Harm broader society through bribery or corruption.
- R** Risk stemming from improper conduct that makes illicit funds or assets appear legitimate and, therefore, facilitates illegal activity or to benefit from it.

4.2.1 Conduct standards

Our General code of conduct (GCC) sets out the behaviours and values that all Grupo Santander employees must abide by when engaging with colleagues, customers, vendors and broader society. It helps promote a solid risk management and compliance culture and acts as a mechanism to prevent the risks we are exposed to.

The GCC promotes equal opportunity, non-discrimination, zero tolerance for sexual or work-related harassment, respect for others, work-life balance, human rights, and environmental protection.

The Grupo Santander board of directors approves the GCC, which all Group employees — general workforce, top management and members of the management bodies of the subsidiaries that make up Grupo Santander — must be aware of and comply with.

Available on our corporate website for all stakeholders to read, it is in force in every Group subsidiary.

It includes a message from our Executive Chair on the importance of having a solid and common corporate culture that all Santander employees are on board with. Subsidiaries' versions also have a message from their local CEO.

The GCC's core implementation mechanisms are:

- i. Mandatory training for employees on the GCC through an annual course that instills the guidelines they must follow in their day-to-day to prevent possible risks, such as the Group's penal responsibility; how to handle conflicts of interest according to our policy,⁷¹ and what to do if they receive gifts and invitations from people outside Grupo Santander. We supplement GCC training with a statement that reinforces our employees' pledge to comply with it.
- ii. #YourConductMatters: Campaigns via email, Intranet and other media to boost employees' awareness of the GCC, as well as of Canal Abierto and the latest whistleblower protection laws.
- iii. The Compliance area, which deals with employees' queries on the enforcement of the GCC.
- iv. [Canal Abierto](#), our whistleblowing channel where employees and stakeholders can report violations of the GCC and of our corporate behaviours.

- v. Breaches to the GCC are managed and sanctioned in accordance with applicable regulations.

Our risk appetite metrics include monitoring of employees' completion of mandatory training on the GCC. Every quarter, we gather completion data for every unit, which currently stands at 99,1% at December 2024. Thus, there is no requirement to put remediation plans in place.

Moreover, mandatory training forms part of our employees' annual performance review, which acts as an incentive to complete it in due time.

We also use another management metric to identify how many incidents reported to the Group's ethical channels are linked to violations of the GCC.



For more details, see section 7.2 'Compliance and conduct risk management' in the 'Risk management and compliance' chapter.

4.2.2 Responsible taxation

The Group's tax strategy is consistent with our business strategy. Our principles of action in tax matters, which apply to all our entities, must align with our purpose of helping people and businesses prosper and with our aim to be the best open financial services platform by acting responsibly and earning the lasting loyalty of our employees, customers, shareholders and communities. The board of directors approves our tax strategy and revises it regularly.

The Group's tax risk management and control, which draws on our internal control model, sets out the actions to follow our tax strategy and the principles that underpin it.

We participate in cooperative compliance initiatives led by tax authorities. Since 2010, we've adhered to the Spanish Code of Good Tax Practices and the UK Code of Practice on Taxation for Banks, and more recently, in 2022, to the Portuguese Code of Good Tax Practices. Since 2015, we've voluntarily submitted an annual Tax Transparency Report to Spain's Tax Authority.

The principles of Grupo Santander's tax strategy must enable us to make appropriate contributions according to the value creation in each of the jurisdictions where we operate, as well as to comply with local laws.

Core principles of Santander's tax strategy

- Satisfy our tax obligations based on a reasonable interpretation of tax laws, grounded on their spirit and intention.
- Respect the rules on transfer pricing and pay taxes in each jurisdiction according to our operations, assumed risks and profits.
- Not give tax advice or planning strategies when marketing and selling financial products and services. Not engage in

⁷¹ The Conflicts of Interest Policy has been updated to align it with the General Code of Conduct (updated in 2024) and to simplify it. In addition, the Procurement Management Conduct Policy has been integrated into this policy.

transactions or activities that enable our customers to avoid paying taxes.

- Communicate Santander's total tax contribution clearly, distinguishing between taxes borne by the Group and by third parties for each jurisdiction.
- Not create, or acquire a stake in, entities registered in countries or territories considered 'non-cooperative jurisdictions' without board approval; and properly monitor the Group's operations in such territories.



For more details on the Group's tax strategy, visit our corporate website santander.com.

The Group's tax contribution and the relevant role that our subsidiaries play in the effective application of their respective jurisdiction's tax systems are a key component of the sustainable and responsible banking framework we pledge to follow and our contribution to sustainable and inclusive growth.

In 2024, the Group paid EUR 22.5 billion in taxes, of which EUR 10.9 billion account for taxes we paid directly to the tax authorities (57.5% of income before taxes) and the rest for collected taxes originating from our business operations with third parties.

The taxes the Group paid directly are part of the cash flow statement and mainly correspond to the income tax paid in 2024 (EUR 5.9 billion at an effective rate of 30.9%).

There is usually a mismatch in the taxes we pay directly and those recorded in the financial statements because the payment date set by the laws of each country is often different to the accrual date of the income or the transactions subject to tax. Income tax expense recorded for the year amounts to EUR 5.3 billion, which means an effective rate of 27.8% (see Note 27 to the consolidated report).



For more details on the Group's tax contribution, see section SN 7.7 'Tax contribution'.

4.2.3 Financial crime compliance (FCC)

Grupo Santander is firmly committed to the fight against financial crime and compliance with financial crime prevention regulation in every market where we operate.

Our Group board-approved and subsidiary-ratified **Corporate financial crime compliance** (FCC) framework sets out the key principles for preventing financial crime, which underpin these programmes: the anti-money laundering and terrorism financing prevention programme (AML/CFT); the sanctions programme; and, since 2023, the anti-bribery and anti-corruption programme (ABC).

This framework is available to all employees and interested third parties. Moreover, we use information channels to raise awareness of the importance of financial crime compliance. We reach out to all our stakeholders through annual training programmes,

communications channels (corporate and subsidiary Intranet sites), awareness campaigns, internal newsletters and best practices so that they can learn about and understand their responsibilities across the Group's entire operations.

The policies that build on this framework (including customer due diligence — CDD — procedures) are designed according to domestic and international financial crime regulation to manage and mitigate the impacts and risks related to FCC and protect the Group's integrity in all our businesses and operations. We constantly review and update our policies to remain consistent with regulatory amendments and new and ever-changing external threats.

Moreover, we have a common oversight methodology that enables us to verify that all our operations comply with this framework under the most demanding, standardized criteria that the centralized and technical FCC units in our markets endorse. These units also play a crucial role in promoting FCC culture and awareness to all Grupo Santander employees.

The central and subsidiary-based Financial Crime Prevention units engage in constant dialogue with all the Group's businesses and functions to identify new risk types, overcome emerging challenges to prevent those risks, and implement risk management, control and mitigation best practice. Some of the salient responsible banking topics to highlight are:



For more details on our provisions, see Note 25 of this report.

People in special situations

Our FCC onboarding supports the Group's ambition to help people in special situations⁷² get access to financial services and requires business units to mitigate the potential financial crime risk related to these groups, based on objective criteria and compliance with FCC regulation.

Our mandatory FCC procedures (identification, risk segmentation and due diligence) for people in special situations to access to banking services and the document updates we perform under our FCC framework are free of bias and subject to strict compliance with the law. Moreover, the Group has been and will continue to run remote and in-person onboarding that gives equal access and opportunity that best adapt to each customers' circumstances.

People trafficking and exploitation environmental crime

Our customer risk assessment considers the risks stemming from the sectors that our customers operate in. To categorize a sector, we consider exposure to corrupt practices, people trafficking, modern slavery, labour exploitation, child abuse and environmental crime. We subject these sectors to further know-your-customer (KYC) due diligence to be absolutely sure of their level of exposure or link to those types of practices. We also have transaction control systems that enable us to detect irregular movements that may come from or be related to such practices.

⁷² People in special situations (non-exhaustive list): individuals living in extremely rural areas, those residing in care facilities or pensioners, people unable to manage their financial affairs, gender expression, students and young people, individuals living in shelters or refugees, prisoners and those on parole, international students, economic migrants, refugees, and isolated individuals.

Grupo Santander plays an active role in public-private sector initiatives and specialist forums where we provide financial crime prevention knowledge, expertise and analysis. As a global bank that offers a wide range of financial products and services, we have a deep understanding of the risks related to our sector. We are firmly committed to the integrity of the financial system and the development of effective solutions to boost cooperation between the public and private sectors in tackling complex and global challenges.

Bribery and corruption

In 2024, we continued to implement our ABC programme, which is also subject to constant review and update in line with the rest of our policies.

We conduct a risk and control self-assessment (RCSA) in all our subsidiaries and units to identify residual risk within the organization.

It involves assessing the inherent risks of our business activities in terms of financial crime, with money laundering and terrorism financing key factors and bribery and corruption also factors that we consider. Marketing, Sponsorships, Vendor Management and Human Resources are the areas with the highest exposure to the ABC risk taxonomy. In 2024, we continued to enhance our awareness strategy, which is based on the programmes included under our corporate framework, by combining basic training with customized programmes. Throughout the year, we ran technical sessions, FCC risk awareness workshops, courses on ABC risks for procurement staff, and specialized training for board members.

Thus the Group's annual programmes cover FCC risks sufficiently. Our training plans, which we supplement with compliance programmes, help raise awareness among all the Group's employees.

As one of our KPI, the number of employees we train in the Group highlights our firm commitment to mitigating bribery, corruption and other FCC risks. This cover all risks functions takers. In particular:

- 166,199 employees trained in FCC.

In 2024, we continued to bolster our assessment and mitigation of the risks related to outsourcing and supplier relations in order to automate the controls stemming from the ABC programme. To support this initiative, Group employees received specialized training on ABC and our code of conduct. This is a step forward that bolsters Santander's operational resilience and regulatory compliance significantly.



For more detailed information on this issue, see section [4.4 'Our suppliers'](#).

Detecting and managing FCC incidents

Per FCC laws, the financial intelligence units in all our markets have a robust system to detect, investigate, respond to and inform the authorities of suspicious transactions in terms of FCC (including those with indications of bribery or corruption). This system includes internal controls, lines of action and independent investigation committees that operate outside of the chain of command to preserve impartial incident management. The findings of these investigations are reported regularly to the Group's management and oversight bodies.

Highlights of key activities related to detection and cooperation with authorities activities in 2024 include:

231,810

disclosures to
authorities

453,175

investigations
conducted

Moreover, our whistleblowing channel, which we manage according to the Group General code of conduct and *Canal Abierto* policy, is where individuals can report violations of laws and internal compliance regulations related to the fight against financial crime (FCC).

In accordance with the established criteria⁷³, the Group has no record of any judicial or administrative proceedings in relation to corruption and anti-bribery, nor in relation to anti-money laundering and terrorism financing.



For more detailed information on this issue, see section [4.2.1 'Conduct standards'](#).



For more detailed information on this issue, see section [4.3.1 'Canal Abierto'](#).

⁷³ Reference is made in this Sustainability statement to judicial and administrative proceedings that have finalised during 2024 with a firm conviction, sanction or fine against an entity of the Group, which are relevant to the Group due to their materiality.

4.3 Ethical channels

In this section we cover how Santander manages these IRO:

- I+** Protect the confidentiality of users of the bank's ethical channel and have an effective reporting system in place that follows robust principles and procedures.
- I-** Negative impact on the environment or broader society by failing to implement measures to resolve incidents through complaints or reporting channels or due to a lack of continuous improvement actions.

4.3.1 Canal Abierto

Canal Abierto is an anonymous and confidential Grupo Santander channel to report unethical conduct. It protects whistleblowers by expressly prohibiting reprisals or any negative consequence against them. Every unit in the Group administers its own ethical channel in different languages (including the local tongue) according to the common standards set out in the *Canal Abierto* policy since 2020.

Minimum standards applicable to all channels include subsidiary CEO endorsement; communication to employees of the importance of using the channel; information on how incidents have been handled and lessons learned; easy access to the channel and anonymity (if desired); external platforms to receive reports according to best practice; mechanisms to manage conflicts of interest in internal investigations of reports; and regular internal audits.

The board of directors approved the *Canal Abierto* policy and the related usage and operation procedure, and brought the Banco Santander channel under the Chief Compliance Officer's direct remit. These policies and procedures are available to Group employees and stakeholders on our corporate website and the *Canal Abierto* platform.

Canal Abierto is available to employees on Santander Now (Intranet) and to any Banco Santander stakeholder through our corporate website and the *Canal Abierto* platform.

Canal Abierto is mainly set up to receive reports from employees; however, some subsidiaries' local channels are open to vendors, customers and other stakeholders, who can report violations of the GCC. Business incidents or complaints outside of *Canal Abierto*'s scope are not accepted on these channels.

On *Canal Abierto*, whistleblowers can report their suspicions about professional conduct related to:

- unlawful acts at the workplace;
- irregularities or breaches of the General code of conduct and its implementing regulation that may be subject to disciplinary action;
- improper accounting or auditing practices, internal control or influence on external auditors (SOX);
- violations of anti-money laundering and terrorism financing laws or of our internal regulations to comply with those laws, as well as acts of corruption and bribery;

- violations of securities market laws;
- conduct that may involve an act that infringes the law or any other regulation and, in particular, a serious or very serious criminal or administrative offence or infringement of European Union law; and
- acts or conduct that go against the Group's corporate behaviours.

Santander pledges to handle reports received through *Canal Abierto* in a diligent, independent and objective manner for the benefit of the parties involved. This is a protective measure for the people who communicate in good faith through the channel, as well as for anyone else who takes part of the related internal investigations. The following criteria, which we set out in the Group's *Canal Abierto* policy, reflect that pledge:

- Appropriate handling of the reports received, notwithstanding their possible rejection should they fall under any of the cases provided for in internal regulations or if it is considered that there are no grounds for a case.
- 60-day processing time, which could be extended by up to 30 days for cases that are considered especially complex.
- Conflict of interest management during the investigation of cases, in which anyone who may have a conflict of interest with the persons involved in the matter will refrain from taking part. The usage and operation procedure details the teams tasked with investigating each case in relation to the type of report.
- The prohibition of reprisals against employees or other stakeholders who report, in good faith, breaches of internal or external regulations or conduct that does not align with our corporate behaviours, for having merely accessed an ethical channel.

Every year, our employees undertake a mandatory training course on the General code of conduct that includes a module on the importance of using *Canal Abierto*.

Moreover, we raise awareness of *Canal Abierto* and its assurances among our employees through email and other channels that detail statistics on the handling of the reports received, the channel's features, when to use it, and other information.

On an annual basis, the compliance function prepares a joint report for the risk supervision, regulation and compliance committee and the audit committee, informing their members about the activity of the Group's channels, key statistics, and other matters related to *Canal Abierto*.

The Compliance area aims to enhance how we manage and analyse the Group's ethical channels in order to keep our governing bodies informed of the risks that we may spot, the key concerns of employees and stakeholders, and the action plans we put in place to reinforce our ethical and compliance culture.

We collect data on the Group's ethical channels every quarter in relation to the number and type of reports received, and the measures taken.

An external auditor reviews those data regularly to ensure their traceability and integrity.

In 2024, 4,437 reports were received, including 216 reports from third parties (163 from customers and 53 from vendors).

	2024
Reports received^A	4,437
reports received over total headcount	2.1%
Categories of received reports	
Breaches to the GCC	2,286
Marketing of products and services	321
Relative to privacy/security and confidentiality of information	116
Internal fraud	292
Harassment ^B	1,094
Equal opportunities and non-discrimination	132
Conflicts of interest/activities outside the Group	219
Other breaches to the GCC ^C	112
Cases of Human Resources^D	1,754
Other typologies^E	397
Closed reports	4,122
Disciplinary actions	715
which led to dismissals	393
Dismissals over total headcount	0.2%

A. Scope includes companies in: Argentina, Brazil, Chile, Spain, Mexico, Poland, Portugal, United Kingdom, United States, Uruguay, Colombia, Peru, Switzerland, Bahamas, and Digital Consumer Bank subsidiaries and SCIB branches. In 2023, reports received were 3,611. The increase in the number of cases received is due to the fact that in 2024 a wider perimeter of business units was taken into account, including banking and non-banking units.

- B. Harassment (according to CSRD regulation) is defined as a situation where an unwanted conduct related to a protected ground of discrimination (for example, gender under Directive 2006/54/EC of the European Parliament and of the Council (15), or workplace harassment among others) occurs with the purpose or effect of violating the dignity of a person, and of creating an intimidating, hostile, degrading, humiliating or offensive environment. Over the total communications received in this category, 89% were of workplace harassment.
- C. It includes reports relative to Anti-money laundering and terrorist financing and sanctions; cybersecurity, gifts and invitations, corruption and bribery, market abuse and antitrust. The Group received 14 reports in 2024 regarding corruption, which led to 3 dismissals.
- D. It includes reports relative to breach of corporate behaviours, labour regulations and serious acts of disrespect.
- E. It includes reports relative to external fraud, accounting and auditing and any other breach of the Group's legal or internal regulations, policies or procedures in relation to functional or organizational aspects not mentioned in the categories above.

In accordance with the established criteria⁷⁴, the Group:

- has no record of any judicial proceedings in relation to incidents of discrimination or violation of fundamental rights.
- has no record of cases involving employees that refer to serious human rights incidents.

4.4 Our suppliers

In this section we cover how Santander manages these IRO:

- I+** Promote responsible practices among vendors; engage with them, assess their ESG performance and give them recommendations and tools to improve.
- R** Potential risk from failing to ensure the operational resilience of the value chain by assessing vendors' solvency, reputation and compliance with the law.

4.4.1 Acting responsibly towards suppliers

Our outsourcing and third-party management model and third-party certification policy (which apply in all our markets) provide a methodology so that our suppliers meet the Group's minimum requirements to avoid risks that stem from substandard

operational resilience, solvency, reputational control and regulatory compliance.

Moreover, to promote responsible practices in our supply chain, we have a supplier ESG certification methodology⁷⁵ that supplements the third-party certification policy with the aim of identifying the suppliers that pose the greatest risk in terms of sustainability. This methodology also helps us determine which controls to adopt according to the risk identified.

As a driver of the Global Compact training programme, we're supporting our suppliers in their transition through courses to boost knowledge on sustainability and the resources needed to implement it.

Sustainability in procurement

In 2024, we began embedding the new ESG approval methodology in the Group, that enables us to:

⁷⁴ More detail see previous footnote.

⁷⁵ Applicable in accordance with local regulations.

- Pre-classify all our suppliers according to their sector's environmental and social exposure⁷⁶.
- Give our suppliers a final ESG risk classification as low, medium or high, through adjusting the pre-classification with a survey considering other factors as country risk, number of employees, and company-specific environmental traits.

As at 2024 year end, we had assessed 487 suppliers⁷⁷ identified with ESG risk. We plan to continue embedding this methodology and complete assessments by giving all our suppliers a final risk classification over the next two years.

This assessment includes such ESG aspects as carbon footprint calculation, inclusion in terms of gender and people with disabilities, flexi-working, minimum wage and good governance practices, codes of conduct and anti-corruption policies, human and labour rights recognition, and other elements set out in international standards such as the United Nations Global Compact.

We supplement our supplier assessments with remediation plans, where necessary, based on our findings. This helps our suppliers in their transformation and compliance with domestic, European and international ESG regulatory frameworks.

Sustainability in supplier negotiations

Negotiations to procure certain products and services such as cards, electricity and corporate vehicles include mandatory and specific sustainability requirements that we embed in purchasing specifications.

Moreover, we request ESG information in the tenders of other products and services that also have a vast environmental and social impact, such as purchases of ATMs (Automated Teller Machines) and hardware, and the transportation of cash. This information, which in 2024 we considered for illustrative purposes, includes the product's or service's carbon footprint, the use of recycled or renewable materials, energy efficiency, accessibility for people with disabilities, and compliance with social, labour and environmental laws in the supply chain.

Other key aspects

→ The Group has a corporate tool to enhance and standardize the certification of higher risk suppliers in all our core markets as well as to review key risks such as cybersecurity, business continuity, physical security, facilities and data protection, anti-bribery and corruption, data integrity and other additional risks.

→ We continue to build up expert teams in our markets to consider ESG standards in negotiations and risks assessments under the new methodology.

→ We're working to extend our ethical channels for suppliers to the rest of our core markets.

4.4.2 Supplier payments practices

→ **EUR 11.6 billion** paid to suppliers. 89% are local and account for 88%⁷⁸ of total procurement volume.

The Group fully complies with the maximum payment terms prescribed by law. Our average is 15 days (we paid 81% of invoices within the maximum period). We have a cost model that oversees payments to third parties, and is expected to be complemented with specific controls for SMEs. There are no significant differences found in payment terms to suppliers. Likewise, the Group has no record of any judicial or administrative proceedings related to non-payment to suppliers.⁷⁹

⁷⁶ Based on S&P's ESG Risk Atlas.

⁷⁷ New metric not comparable to 2023 information. Main companies of the Group in: Argentina, Brazil, Chile, Colombia, Germany, Mexico, Portugal, Peru, Spain, United Kingdom and Uruguay, and other geographies in which Digital Consumer Bank operates such as Italy.

⁷⁸ Main companies of the Group in: Argentina, Brazil, Chile, Colombia, Germany, Mexico, Portugal, Poland, Peru, Spain, United Kingdom, United States and Uruguay, and other geographies in which Digital Consumer Bank operates such as Italy and Nordics.

⁷⁹ Reference is made in this Sustainability statement to judicial and administrative proceedings related to non-payment to suppliers which are ongoing during 2024 and are relevant to the Group due to their materiality.

SUSTAINABILITY NOTES

SN 1. Introduction, basis of presentation of the Sustainability statement and other information

a) Introduction

This report is the 'Consolidated non-financial information statement and sustainability information' of Banco Santander, S.A. and its subsidiaries". It provides detailed information in accordance with Directive (EU) 2022/2464 on corporate information on sustainability and Commission Delegated Regulation (EU) 2023/2772. It also includes the information necessary to comply in accordance with Art.49, sections 5, 6, 7, 8 and 9 of the Spanish Commercial Code as amended by Act 11/2018, which transposes into Spanish law Directive 2014/95/EU of the European Parliament and of the Council of 22 October 2014 amending Directive

2013/34/EU as regards disclosure of non-financial and diversity information. The Sustainability statement forms part of the consolidated directors' report of Santander Group and the board of directors approved it on 25 February 2024.

b) Scope of information

The scope of this document covers the **core activities of the Group and its subsidiaries** from 1 January to 31 December 2024 and is prepared following the same consolidated basis (principles, accounting policies and criteria) as the financial statements and with the criteria differences set out in this table:

Topics	Scope of information
Climate, our transition plan (Environmental information)	
Supporting our customers in the green transition	
Green finance	Corporate & Investment Banking.
Financing of electric vehicles	Digital Consumer Bank auto loan portfolio.
Purchase of cards made of sustainable materials	Main companies of the Group in: Argentina, Brazil, Chile, México, Poland, Portugal, Spain, United Kingdom and Uruguay.
Embedding ESG in risk management	
Portfolio exposure to climatic sectors	Full Group scope
Equator Principles	Corporate & Investment Banking.
Aiming to align our activity with the Paris Agreement Goals	
Climate alignment	Corporate & Investment Banking for thermal coal, power generation, oil & gas, aviation, steel and auto manufacturing portfolios. Digital Consumer Bank for the auto loan portfolio. Commercial banking perimeter of Brazil for the agro portfolio. And perimeter of commercial banking in Spain and the United Kingdom for the portfolio of residential mortgages and real estate.
Environmental footprint	Full Group scope. Except for the calculation of Scope 3 emissions (categories 1, 2, 4 and 9) for which the information of main companies of the Group in: Argentina, Brazil, Chile, Colombia, Germany, Mexico, Portugal, Poland, Peru, Spain, United Kingdom, United States and Uruguay, and other geographies in which Digital Consumer Bank operates such as Italy.
EU Taxonomy	
Green Asset Ratio (GAR)	Scope based on the prudential consolidated group, in accordance with the Commission Delegated Regulation (EU) 2021/2178.
Supporting employees, communities and customers (social information)	
Acting responsibly towards our employees	
Headcount	Full Group scope (except for accident data where Santander Polska S.A. is not included)
Remuneration	Full Group scope

Training	Full Group scope
Employee engagement survey	Full Group scope
Communities sustainable development	
SRI AuMs	Wealth Management & Insurance: SAM and Private Banking
Support for higher education, employability and entrepreneurship	Main companies of the Group in: Argentina, Brazil, Chile, Germany, Mexico, Poland, Portugal, Spain, United Kingdom, United States, United Kingdom and Uruguay, in addition to Fundación Universia.
Other community support programmes	Main Group companies in: Germany, Argentina, Brazil, Colombia, Chile, Spain, United States, Mexico, Perú, Poland, Portugal, United Kingdom, Uruguay, and the rest of the countries in which Digital Consumer Bank operates, as well as Foundations associated to the Group (e.g. Fund. Banco Santander in Spain, Santander Foundation in the United Kingdom, etc.).
Acting responsibly towards customers	
Customers, offices and channels	Full Group scope
NPS (customer satisfaction)	Main Group companies in: Argentina, Brazil, Chile, Spain, United States, Mexico, Poland, Portugal, United Kingdom and Uruguay.
Customer complaints	All Group entities (>1% of reported claims volume in 2024).
Financial health and inclusion	Main companies of the Group in: Argentina, Brazil, Colombia, Chile, Chile, Germany, Mexico, Peru, Poland, Portugal, Spain, United Kingdom, United States and Uruguay.
Business conduct (governance information)	
Corporate governance	
Corporate governance	Banco Santander, S.A.
Communications with shareholders and investors	Banco Santander, S.A.
Ethical conduct	
Mandatory training on the GCC	Full Group scope
Tax contribution	Full Group scope
Financial crime compliance	Main Group companies with FCC obliged parties within the perimeter of GFCC (Group Financial Crime Compliance).
Litigation and penalties	Full Group scope
Ethical channels	
Ethical channel	Main Group companies in: Argentina, Brazil, Chile, Spain, Mexico, Poland, Portugal, United Kingdom, United States, Uruguay, Colombia, Peru, Switzerland, Bahamas, and Digital Consumer Bank subsidiaries and branches.
Acting responsibly towards suppliers	
Payments to suppliers	Main companies of the Group in: Argentina, Brazil, Chile, Colombia, Germany, Mexico, Portugal, Poland, Peru, Spain, United Kingdom, United States and Uruguay, and other geographies in which Digital Consumer Bank operates such as Italy and Nordics.
Evaluated suppliers identified with ESG risk	Main companies of the Group in: Argentina, Brazil, Chile, Colombia, Germany, Mexico, Portugal, Peru, Spain, United Kingdom and Uruguay, and other geographies in which Digital Consumer Bank operates such as Italy.

Significant changes in criteria with respect to the 2023 Sustainability Report are reflected in the corresponding section of this chapter, and generally in section h) of this note.

For a list of subsidiaries included in the consolidation that are exempt from individual or consolidated sustainability reporting pursuant to article 19a or 29a(8) of Directive 2013/34/EU, see Annex 1. Subsidiaries of Banco Santander, S.A. in the 'Audit report and consolidated annual accounts'. Of this list, the following companies are required to report sustainability information under CSRD:

- Santander Consumer Bank AS (in Norway)
- Santander Bank Polska S.A. (in Poland)
- Stellantis Banque France (in France)

Other companies that meet the requirements established by the standard but are located in countries where the directive has not been transposed are not considered obliged to report under the CSRD.

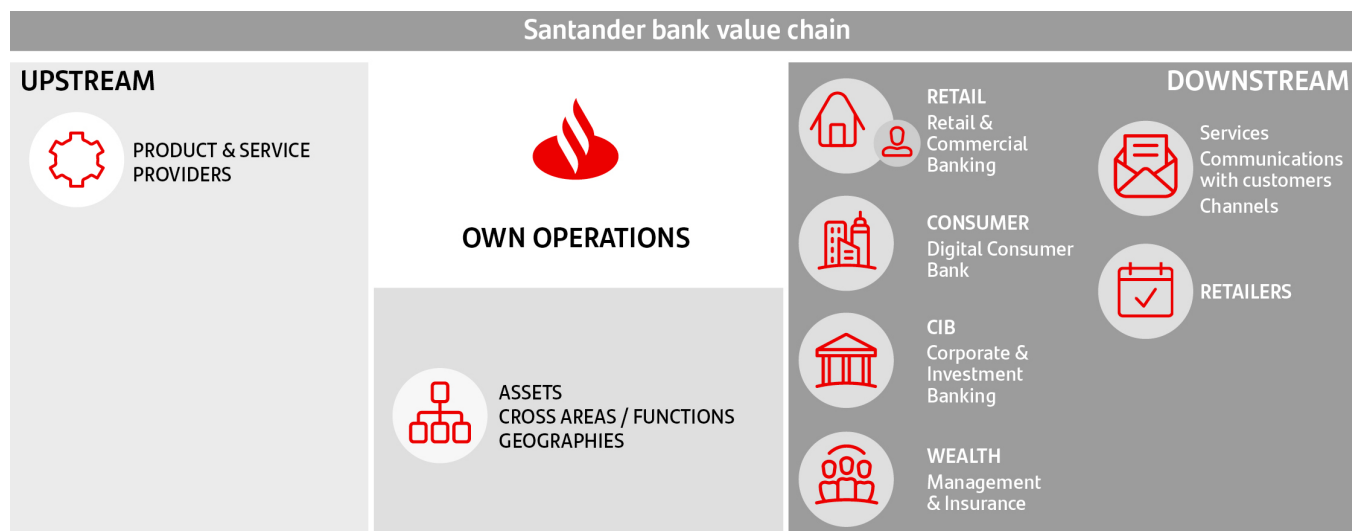
Moreover, the Group has not applied the exemption in relation to the breakdown of information on upcoming events or matters under negotiation.

From 1 January 2025 to the date on which we prepared this Consolidated non-Financial Information Statement, there were no additional events that could have a significant impact on the information set out in this report other than those described in the consolidated annual accounts.

For more details, see Notes [1](#), [2](#), [3](#) and [53](#) to the consolidated report and sections [3](#) and [4](#) of the 'Economic and financial review' chapter.

c) Value chain

Banco Santander has a defined value chain that identifies all the actors involved in it. It considers the entire consolidation scope set out in the bank's Annual Report. This chart illustrates our value chain. It is split into three main groups (upstream, own operations and downstream) and shows the actors in each one:



To define the value chain, the Group considered the indications of Regulation 2022/2464 (paragraph 33); Delegated Regulation 2023/2772 (ESRS 1); and the EFRAG (European financial reporting advisory group) Value Chain Implementation Guidance.

These are the definitions we used:

Upstream: Set of activities or processes carried out by companies that are part of the bank's upstream phases and that provide the inputs⁸⁰ that we use for the development and marketing of products and services. This includes companies with which the bank has a direct and indirect commercial relationship.

- **Financial institutions:** Monetary institution and public entity responsible for setting monetary policy that will impact on Banco Santander; regulating currency circulation; supervising the interbank market in which the bank operates; and providing liquidity, where required, for solvency purposes. For instance, the European Central Bank, Banco de España, Bundesbank, Narodowy Bank Polski, etc.
- **Product and service providers:** Companies that provide products and services that are subsequently marketed in later phases of the bank's value chain or that the bank uses to carry out its operations. For instance, insurance companies (e.g. suppliers of products that are marketed in the bank's downstream phase), technology providers, external audit and consulting service providers, materials suppliers and office landlords.

The Group continuously oversees the correct management and maintenance of its supplies to offer a high value added service to customers and to guarantee business continuity.

Own operations: Activities that the bank's functional areas and employees carry out in our markets and subsidiaries.

- **Assets:** Assets and properties that the bank owns. For instance, tangible assets such as offices.
- **Geographies:** Places where the bank and its subsidiaries carry out their operations. For instance, Brazil, Spain, United States, the United Kingdom, and Mexico.
- **Cross-cutting areas/functions:** Departments and areas within the bank whose function is to manage and develop the bank's operations. For instance, Compliance, Risk, Strategy, Human Resources, Procurement.

Downstream: Commercial relationships and the products and services that the bank sells to meet the needs of its customers and end users.

- **Retail and Commercial Banking:** A segment that focuses on meeting financial needs and offering a variety of products and services that are accessible and tailored to specific customer requirements. It covers all retail (individual) and commercial (SMEs, large corporates and institutions, excluding those in CIB) banking operations. For instance, savings accounts, mortgages, credit cards and financial services for SMEs.
- **Digital Consumer Bank:** A segment that aims to convert single product customers into complete banking customers through other products. This business brings together Openbank (online banking platform) and Santander Consumer Finance. For instance, auto loans, consumer loans and credit cards.
- **Corporate & Investment Banking (CIB):** A segment that provides a wide range of financial services to businesses,

⁸⁰ Resources that develop and/or help create products and enable us to operate as a bank (e.g. employees; capital; buildings, offices and other physical infrastructure; technology; and others).

institutions and governments. It includes global corporate banking, investment banking and markets worldwide, as well as globally managed treasuries and equities businesses. For instance, advice on mergers and acquisitions (M&A), corporate finance, investment banking, asset management and risk management.

- **Wealth Management & Insurance (Wealth):** A segment that provides specialized financial services to high net worth clients and those seeking to protect their assets through insurance. It comprises Santander Asset Management, Santander Private Banking, and Santander Insurance.
- **Payments:** A segment that provides digital payments and global technology solutions for the bank and new customers in the open market. It is structured into two businesses: PagoNxt and Cards (e.g. the cards platform).
- **Joint ventures, associates and other investments:** Entities that are not globally integrated in the annual accounts but in which the Group has decision-making capacity over their operating activities that have not been previously considered in the value chain.
- **Retailers:** Sales channels for companies in the final phases of the value chain that, through their own commercial network, are responsible for selling the bank's products and services to their customers. For instance, car dealerships.

d) Information not disclosed

In response to the request set out below, the Group has disclosed partial information. It is not possible to make further disclosure because it is confidential and sensitive information on the Group's strategy

- ESRS 2. Minimum Disclosure Requirement - Actions MDR-A - Actions and resources in relation to material sustainability matters. Paragraph 69 regarding disclosure of operating expenses (OpEx) or capital expenditure (CapEx) allocated to action plans.

The Group discloses certain metrics such as the amounts spent on employee training and energy efficiency initiatives and investment in community support, found in the corresponding sections of this report and our annual accounts.⁸¹

There is no other classified or sensitive information, or information relating to intellectual property, know-how or innovation results, that the Group has not included in the report.

e) Time horizons

In preparing this Sustainability statement (including the analysis of double materiality), we used the following time horizons:

- One year for the short term (this is the standard time horizon for the short term in the Group).
- One to five years for the medium term (financial planning).
- More than five years for the long term (strategic plan).

These horizons coincide with those provided for by the ESRS standards. We expressly indicate the different time horizons we use for processes or metrics described in this report.

f) Significant estimates and assumptions

The Group discloses metrics that incorporate value chain information, which includes both direct data sources (from customers or investees) and estimated data from third-party data providers or sector averages. In some instances, these estimates draw on factors that the Group is unable to influence and that may have a significant impact on the information disclosed.

The most significant estimates and assumptions relate to the Group's disclosure of GHG emissions, the measurement of which is subject to considerable uncertainty due to methodology and data limitations, including reliance on third-party data. Our analysis and climate target-setting uses estimates based on the recognized frameworks available at the time. As methods and data evolve, our data sources and figures may become outdated, and updates to methodologies and assumptions could lead to different conclusions. Thus, greenhouse gas emission factors are expected to increase once data becomes available and the corresponding companies are included in the calculations.

Climate-related targets, actions and initiatives require forward-looking parameters and long-term horizons. Our forward-looking statements reflect our current view of future events and are based on expectations, projections and estimations. These involve significant uncertainty and risk due to such factors as scientific developments, methodology developments, standards variation, future market conditions and technological advances (which vary across industries), as well as challenges in data availability and accuracy and regulatory changes. These assessments must evolve and should not be considered reliable indicators of future performance.

We expect improvements in data quality, coverage and availability in the coming years, driven by increased sustainability information reporting and disclosure obligations and other elements. We also expect new guidance, industry standards and scientific research in this area. For that reason, Grupo Santander reserves the right to review and update its targets, methodologies and approach regularly and as necessary.

The disclosure of EU Taxonomy reporting is also subject to uncertainty over data quality and the use of third-party data. For more details, see section NS 5. EU Taxonomy of this Sustainability Statement.

g) Comparative information, changes in the preparation or presentation of sustainability information

The Group has chosen to avail itself of the transitional provision relating to section 7.1 of NEIS 1 comparative reporting whereby the company is not required to disclose comparative information in the first year of application of the directive.. Except for information that is necessary to comply with Spanish Law 11/2018 and the perimeter of disclosure allows its comparability.

In order to comply as accurately as possible with the different requirements established by the regulation, the following

⁸¹ See sections [2.4.5 Our Environmental footprint](#), [3.1.1 Talent and Skills Development](#) and [3.2.4 Community Support](#) for this chapter; and notes [46](#) and [47](#) of the Annual Accounts.

indicators have been subject to modification in their calculation methodology. Therefore the information provided in this Sustainability statement is not comparable with the information provided in previous years.

- Number of calendar days lost due to work-related injuries and fatalities. Fatalities have been included in this metric. In previous years, only work-related accidents, common illnesses and non-work-related accidents were considered.
- Energy consumption (renewable and non-renewable). This is calculated based on the percentage of each generation source (nuclear, renewable and fossil fuels) in each of the countries where we consume energy and considers the renewable electricity that we buy and self-produce. Only electricity that has a renewable certificate is counted as renewable electricity.
- Scope 1 emissions. Emissions derived from refrigerant gas leaks are included for the first time.

Additionally, the reporting scope that applies to the related metrics has been modified:

- Internal consumption. The reporting scope is expanded with information from all subsidiaries. Now covering 100% of the Group's consolidated scope.
- Footprint compensation. Starting this year "2024", the Group compensates scopes 1 and 2 of 100% of the Group.

Finally, scope 1 and 2 emission reduction targets have been reviewed, based on the targets defined in the previous 2022-2025 plan. These targets are based on 2020 and have a horizon of 2030.

At the date of publication of this report, no material misstatements of information disclosed in prior periods have been detected.

h) Incorporation by reference

This report includes all the information necessary to comply with the requirements established in the ESRS, except in those cases in which such information is already included in the Group's audit report and consolidated annual accounts. In these cases, which are detailed below, the disclosure will be made by reference to that report.

- ESRS 2 - Disclosure requirement BP-1, paragraph 5.b).ii. Reference is made to [Appendix I](#) of the Group's consolidated annual accounts and audit report for the list of subsidiaries of Banco Santander, S.A.
- ESRS 2 - Disclosure Requirement SBM-3, paragraph 48.d). Reference is made to note [25.e\)](#) of the Group's consolidated annual accounts and audit report to complete the information relating to the financial effects derived from the amount of convictions or penalties.
- ESRS 2. Minimum Disclosure Requirement - Actions MDR-A - Actions and resources in relation to material sustainability matters. Paragraph 69 regarding disclosure of operating expenses (OpEx) or capital expenditure (CapEx) allocated to action plans. Reference is made to notes [46](#) and [47](#) of the Group's audit report and consolidated annual accounts for more details on the connection of sustainability information with annual accounts information.

- ESRS 2 - Minimum Disclosure Requirement - MDR-M parameters, in relation to the positive impact of 'Act responsibly and consider investors' interests and the impact on employees, broader society and the environment; pay taxes to support the distribution of wealth'. Reference is made to note [27](#) of the Group's audit report and consolidated annual accounts for more details on the Group's tax information.
- ESRS S1 - Disclosure Requirement S1-17, paragraphs 103(c), 104(b) and AR 105. Reference is made to note [25.e\)](#) of the Group's Annual Report and Consolidated Financial Statements to complete the disclosures regarding serious human rights incidents involving the company's personnel.
- ESRS S3 - Disclosure Requirements S3-1, paragraph 17 and AR 12; and S3-4, paragraph 36. Reference is made to note [25.e\)](#) of the Group's Consolidated Annual Report and Accounts for supplementary information on serious human rights incidents relating to affected groups.
- ESRS S4 - Disclosure Requirements S4-4, paragraph 35. Reference is made to note [25.e\)](#) of the Group's Consolidated Annual Report and Accounts for supplementary information on serious human rights incidents relating to consumers or end-users.
- ESRS G1- G1-4, paragraphs 24.a) and 25.d). Reference is made to note [25.e\)](#) of the Group's Annual Report and Consolidated Financial Statements to complete the information regarding convictions and fines for breaches of anti-corruption and anti-bribery laws.

Sustainability note [11. 'Directive \(EU\) 2022/2464 content index'](#) provides the sections of this report and of the Group's Annual Report and Consolidated Financial Statements where the information that responds to each of the requirements defined by the ESRS can be found.

i) Use of phase-in provisions in accordance with Appendix C of ESRS 1

The following table details those requirements for which Grupo Santander has opted to not disclosure in this first year of preparing its sustainability report in accordance with the Commission's delegated regulation (EU) 2023/2772.

ESRS	Disclosure requirement	Description
ESRS 2	SBM-1, paragraph 40, b(and c)	Total revenue/Revenue by significant ESRS Sectors
ESRS 2	SBM-3, paragraph 48 e)	Potential financial effects
ESRS E1	E1-9	Potential financial effects from material physical and transition risks and potential climate-related opportunities
ESRS S1	S1-7	Characteristics of non-employee workers in the undertaking's own workforce
ESRS S1	S1-14	Health and safety: information on non-employee workers
ESRS S1	S1-15	Work-life balance

List of datapoints in cross-cutting and topical standards that derive from other EU legislation

The table below illustrates the data points covered by ESRS 2 and the thematic ESRS derived from other EU legislation. For each data point, in the last column, it is indicated whether or not it is material and if it is, where in the report the information is located.

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Materiality of the data point and location in the report
ESRS 2 GOV-1 Board's gender diversity paragraph 21 (d)	Indicator number 13 of Table #1 of Annex 1		Commission Delegated Regulation (EU) 2020/1816 (5), Annex II		Sustainability notes. SN2. Sustainability governance
ESRS 2 GOV-1 Percentage of board members who are independent paragraph 21 (e)			Delegated Regulation (EU) 2020/1816, Annex II		Sustainability notes. SN2. Sustainability governance
ESRS 2 GOV-4 Statement on due diligence paragraph 30	Indicator number 10 Table #3 of Annex 1				1. Sustainability at Grupo Santander 1.4 Sustainability governance (1.4.2 Human rights due diligence).
ESRS 2 SBM-1 Involvement in activities related to fossil fuel activities paragraph 40 (d) i	Indicators number 4 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 (6) Table 1: Qualitative information on Environmental risk and Table 2: Qualitative information on Social risk	Delegated Regulation (EU) 2020/1816, Annex II		Sustainability notes SN 11. Commission Delegated Regulation (EU) 2023/2772 on sustainability reporting standards content index (SBM-1 – Strategy, business model and value chain)
ESRS 2 SBM-1 Involvement in activities related to chemical production paragraph 40 (d) ii	Indicator number 9 Table #2 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to controversial weapons paragraph 40 (d) iii	Indicator number 14 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1818 (7), Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS 2 SBM-1 Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv			Delegated Regulation (EU) 2020/1818, Article 12(1) Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS E1-1 Transition plan to reach climate neutrality by 2050 paragraph 14				Regulation (EU) 2021/1119, Article 2(1)	2. Our climate transition plan Sustainability notes SN 4. Our transition plan
ESRS E1-1 Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g)		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12.1 (d) to (g), and Article 12.2		Sustainability notes SN 4. Our transition plan

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Materiality of the data point and location in the report
ESRS E1-4 GHG emission reduction targets paragraph 34	Indicator number 4 Table #2 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 6		2. Our climate transition plan 2.4 Aiming to align our activity with the Paris Agreement Goals Sustainability notes SN 4. Our transition plan
ESRS E1-5 Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38	Indicator number 5 Table #1 and Indicator n. 5 Table #2 of Annex 1				Sustainability notes SN 7.1 Green transition (Table 2. Environmental footprint 2023-2024)
ESRS E1-5 Energy consumption and mix paragraph 37	Indicator number 5 Table #1 of Annex 1				Sustainability notes SN 7.1 Green transition (Table 2. Environmental footprint 2023-2024)
ESRS E1-5 Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43	Indicator number 6 Table #1 of Annex 1				Sustainability notes SN 7.1 Green transition (Table 2. Environmental footprint 2023-2024)
ESRS E1-6 Gross Scope 1, 2, 3 and Total GHG emissions paragraph 44	Indicators number 1 and 2 Table #1 of Annex 1	Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Delegated Regulation (EU) 2020/1818, Article 5(1), 6 and 8(1)		Sustainability notes SN 7.1 Green transitions (Table 3. Gross scopes 1, 2, 3 and total GHG emissions)
ESRS E1-6 Gross GHG emissions intensity paragraphs 53 to 55	Indicators number 3 Table #1 of Annex 1	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics	Delegated Regulation (EU) 2020/1818, Article 8(1)		Sustainability notes SN 7.1 Green transitions (Table 3. Gross scopes 1, 2, 3 and total GHG emissions)
ESRS E1-7 GHG removals and carbon credits paragraph 56				Regulation (EU) 2021/1119, Article 2(1)	Sustainability notes SN 7.1 Green transitions (Table 3. Gross scopes 1, 2, 3 and total GHG emissions)
ESRS E1-9 Exposure of the benchmark portfolio to climate-related physical risks paragraph 66			Delegated Regulation (EU) 2020/1818, Annex II Delegated Regulation (EU) 2020/1816, Annex II		Phase-in (partially) 2. Our climate transition plan 2.3.4 Potential financial effects

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Materiality of the data point and location in the report
ESRS E1-9 Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a) ESRS E1-9 Location of significant assets at material physical risk paragraph 66 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk.			Phase-in (partially) 2. Our climate transition plan 2.3.4 Potential financial effects
ESRS E1-9 Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c).		Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34; Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral			Phase-in (partially) 2. Our climate transition plan 2.3.4 Potential financial effects
ESRS E1-9 Degree of exposure of the portfolio to climate-related opportunities paragraph 69			Delegated Regulation (EU) 2020/1818, Annex II		Phase-in
ESRS E2-4 Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28	Indicator number 8 Table #1 of Annex 1 Indicator number 2 Table #2 of Annex 1 Indicator number 1 Table #2 of Annex 1 Indicator number 3 Table #2 of Annex 1				Not material
ESRS E3-1 Water and marine resources paragraph 9	Indicator number 7 Table #2 of Annex 1				Not material
ESRS E3-1 Dedicated policy paragraph 13	Indicator number 8 Table 2 of Annex 1				Not material
ESRS E3-1 Sustainable oceans and seas paragraph 14	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E3-4 Total water recycled and reused paragraph 28 (c)	Indicator number 6.2 Table #2 of Annex 1				Not material
ESRS E3-4 Total water consumption in m ³ per net revenue on own operations paragraph 29	Indicator number 6.1 Table #2 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (a) i	Indicator number 7 Table #1 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (b)	Indicator number 10 Table #2 of Annex 1				Not material
ESRS 2- SBM 3 - E4 paragraph 16 (c)	Indicator number 14 Table #2 of Annex 1				Not material
ESRS E4-2 Sustainable land / agriculture practices or policies paragraph 24 (b)	Indicator number 11 Table #2 of Annex 1				Not material

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Materiality of the data point and location in the report
ESRS E4-2 Sustainable oceans / seas practices or policies paragraph 24 (c)	Indicator number 12 Table #2 of Annex 1				Not material
ESRS E4-2 Policies to address deforestation paragraph 24 (d)	Indicator number 15 Table #2 of Annex 1				Not material
ESRS E5-5 Non-recycled waste paragraph 37 (d)	Indicator number 13 Table #2 of Annex 1				Not material
ESRS E5-5 Hazardous waste and radioactive waste paragraph 39	Indicator number 9 Table #1 of Annex 1				Not material
ESRS 2- SBM3 - S1 Risk of incidents of forced labour paragraph 14 (f)	Indicator number 13 Table #3 of Annex I				Not material
ESRS 2- SBM3 - S1 Risk of incidents of child labour paragraph 14 (g)	Indicator number 12 Table #3 of Annex I				Not material
ESRS S1-1 Human rights policy commitments paragraph 20	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex I				1. Sustainability at Grupo Santander (1.4.2 Human rights due diligence)
ESRS S1-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21			Delegated Regulation (EU) 2020/1816, Annex II		3.1 Our employees - Cross reference to: 1. Sustainability at Grupo Santander (1.4.2 Human rights due diligence)
ESRS S1-1 Processes and measures for preventing trafficking in human beings paragraph 22	Indicator number 11 Table #3 of Annex I				Not material
ESRS S1-1 Workplace accident prevention policy or management system paragraph 23	Indicator number 1 Table #3 of Annex I				3.1 Our employees 3.1.2 Working conditions (i. Employee health and well-being)
ESRS S1-3 Grievance/complaints handling mechanisms paragraph 32 (c)	Indicator number 5 Table #3 of Annex I				3.1 Our employees 3.1.4 Employee feedback and experience
ESRS S1-14 Number of fatalities and number and rate of work- related accidents paragraph 88 (b) and (c)	Indicator number 2 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Sustainability notes 7.3 Employees (Table 22. Occupational health & safety)
ESRS S1-14 Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e)	Indicator number 3 Table #3 of Annex I				Sustainability notes 7.3 Employees (Table 22. Occupational health & safety)
ESRS S1-16 Unadjusted gender pay gap paragraph 97 (a)	Indicator number 12 Table #1 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II		Sustainability notes 7.3 Employees (Table 16. Remuneration ratios)
ESRS S1-16 Excessive CEO pay ratio paragraph 97 (b)	Indicator number 8 Table #3 of Annex I				Sustainability notes 7.3 Employees (Table 16. Remuneration ratios)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Materiality of the data point and location in the report
ESRS S1-17 Incidents of discrimination paragraph 103 (a)	Indicator number 7 Table #3 of Annex I				3.1 Our employees 3.1.3 Inclusive culture 4. Business conduct 4.2 Ethical conduct
ESRS S1-17 Non-respect of UNGPs on Business and Human Rights and OECD paragraph 104 (a)	Indicator number 10 Table #1 and Indicator n. 14 Table #3 of Annex I		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818 Art 12 (1)		3.1 Our employees 3.1.3 Inclusive culture 4. Business conduct 4.2 Ethical conduct
ESRS 2- SBM3 – S2 Significant risk of child labour or forced labour in the value chain paragraph 11 (b)	Indicators number 12 and n. 13 Table #3 of Annex I				Not material
ESRS S2-1 Human rights policy commitments paragraph 17	Indicator number 9 Table #3 and Indicator n. 11 Table #1 of Annex 1				Not material
ESRS S2-1 Policies related to value chain workers paragraph 18	Indicator number 11 and n. 4 Table #3 of Annex 1				Not material
ESRS S2-1 Non-respect of UNGPs on Business and Human Rights principles and OECD guidelines paragraph 19	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S2-1 Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 19			Delegated Regulation (EU) 2020/1816, Annex II		Not material
ESRS S2-4 Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S3-1 Human rights policy commitments paragraph 16	Indicator number 9 Table #3 of Annex 1 and Indicator number 11 Table #1 of Annex 1				Not material
ESRS S3-1 non-respect of UNGPs on Business and Human Rights, ILO principles or and OECD guidelines paragraph 17	Indicator number 10 Table #1 Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		Not material
ESRS S3-4 Human rights issues and incidents paragraph 36	Indicator number 14 Table #3 of Annex 1				Not material
ESRS S4-1 Policies related to consumers and end-users paragraph 16	Indicator number 9 Table #3 and Indicator number 11 Table #1 of Annex 1				3.3 Our customers
ESRS S4-1 Non-respect of UNGPs on Business and Human Rights and OECD guidelines paragraph 17	Indicator number 10 Table #1 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II Delegated Regulation (EU) 2020/1818, Art 12 (1)		3.3 Our customers - Cross reference to: 1. Sustainability at Santander (1.4.2 Human rights due diligence)

Disclosure Requirement and related datapoint	SFDR ⁽¹⁾ reference	Pillar 3 ⁽²⁾ reference	Benchmark Regulation ⁽³⁾ reference	EU Climate Law ⁽⁴⁾ reference	Materiality of the data point and location in the report
ESRS S4-4 Human rights issues and incidents paragraph 35	Indicator number 14 Table #3 of Annex 1				Not material
ESRS G1-1 United Nations Convention against Corruption paragraph 10 (b)	Indicator number 15 Table #3 of Annex 1				4. Business conduct 4.2 Ethical conduct (4.2.3 Financial crime compliance)
ESRS G1-1 Protection of whistleblowers paragraph 10 (d)	Indicator number 6 Table #3 of Annex 1				4. Business conduct 4.3 Ethical channels
ESRS G1-4 Fines for violation of anti- corruption and anti-bribery laws paragraph 24 (a)	Indicator number 17 Table #3 of Annex 1		Delegated Regulation (EU) 2020/1816, Annex II)		4. Business conduct 4.2 Ethical conduct (4.2.3 Financial crime compliance)
ESRS G1-4 Standards of anti- corruption and anti-bribery paragraph 24 (b)	Indicator number 16 Table #3 of Annex 1				4. Business conduct 4.2 Ethical conduct (4.2.3 Financial crime compliance)

- (1) Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (Sustainable Finance Disclosures Regulation) (OJ L 317, 9.12.2019, p. 1).
- (2) Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation "CRR") (OJ L 176, 27.6.2013, p. 1).
- (3) Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29.6.2016, p. 1).
- (4) Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing the framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 ('European Climate Law') (OJ L 243, 9.7.2021, p. 1).
- (5) Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the explanation in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 3.12.2020, p. 1).
- (6) Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards the disclosure of environmental, social and governance risks (OJ L 324, 19.12.2022, p.1).
- (7) Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 supplementing Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks (OJ L 406, 3.12.2020, p. 17)."

SN 2. Sustainability governance

Board of directors

It consist of 15 members, of which 13 are non-executive directors and 2 are executive directors. The majority are independent directors (66.67% of the total members of the council).

Likewise, the board of directors shall ensure that the procedures to select members guarantee the individual and collective expertise of directors, encourage diversity in terms of gender, age, geographical origin, experience and knowledge, and do not carry any implicit bias that could lead to any form of discrimination on grounds such as disability, race or ethnic origin. The board currently has a balanced presence of both genders (women -men) with a diversity ratio of 67%.⁸² In terms of geographical origin/ international experience, 60% of the directors come from or studied in continental Europe, 60% in the US/UK, 13% in Latin America, and 7% in other regions. The Board also has extensive international experience, mainly in the markets where we operate (european market, US and UK markets, and latin american markets). The Board also has the skills and experience to monitor materiality issues (e.g. on issues related to sustainability, human resources, culture, talent and remuneration, as well as to business conduct and risk management). None of the directors are currently assigned a specific employee representation role.

The board of directors as the highest decision-making body in the Group performs the following functions:

- approves the Responsible Banking agenda and set the strategy;
- approves the culture policy and related policies on responsible business and sustainability matters and, in particular, on environmental and social matters;
- supervise that the responsible banking strategy is consistent with Group strategy;
- reviews the performance against the public objectives and that the metrics are covered within the responsible banking agenda;
- tracks key initiatives; and
- reviews subsidiaries' strategies.

For more details, see the Rules and Regulations of the board of Directors, available on the Group's corporate website; and section [4.2 'Board composition'](#) in the 'Corporate governance' chapter.

⁸² The diversity ratio is calculated by dividing the number of women by men. The percentage of each gender vs total membership is 40% women and 60% men.

Responsible banking, sustainability and cultural committee

The responsible banking, sustainability and cultural committee (RBSCC) assists the board in fulfilling its supervisory responsibilities regarding the responsible business strategy and sustainability issues of Banco Santander and its Group. In particular, it has the following functions:

- (i) advise the council on the design of the strategy and policies on responsible business and sustainability, in particular environmental and social matters, by monitoring, supervising and evaluating them;
- (ii) Advise the council in formulating the Group's strategy with interest groups; as well as supervise the involvement with them;
- (iii) ensure that adequate control processes are in place with respect to responsible banking practices, and that risks and opportunities related to sustainability and accountability are identified and managed; and
- (iv) to report regularly to the council on the progress made by the Group on responsible business practices and sustainability.

The responsible banking, sustainability and culture committee consists of five independent directors, 80% of whom are women. All of them have been appointed by the board of directors taking into account their knowledge, qualifications and experience in the areas for which the committee is responsible. Thus, its members have competence in issues relevant to this function as strategy and human resources, culture, talent and remuneration, responsible business and sustainability, risk management and also in issues related to education and universities.

In 2024, the committee held five meetings, and, among others, the following topics were discussed.

Environmental issues:

- Reviewed the Group's climate change strategy and alignment targets. Endorsed the Group priorities for 2024 in relation to sustainability, including supporting our customers in their green transition.
- Reviewed ESG factors introduced in the credit approval process, associated action plans and related achievements. Worked with the risk supervision, regulation and compliance committee to review the progress made in embedding climate-related and environmental risks, as well as to monitor the implementation of controls and processes to mitigate ESG risks.
- Reviewed the green finance strategy and its execution.
- Monitored our own environmental footprint, value chain emissions and carbon neutral claim.

Social issues:

- Reviewed our social agenda, which includes financial inclusion; financial health; business with social output; and corporate social responsibility or philanthropic activities. And reviewed the outcomes of the holistic human rights due diligence exercise.
- Reviewed the progress made within our community support strategy, which includes Santander Universidades strategy and its alignment with the Group's transformation agenda.

- Discussed People and Culture's activities and progress and proposals regarding inclusive culture in coordination with the nomination and remuneration committees, with a key focus on the representation of women in senior positions within the Group.

Governance issues:

- Identified priority sustainability areas for action based on the outcomes of a materiality assessment that the Sustainability team conducts every year. Verified that the proposed sustainability agenda and targets remained aligned with the Group's strategy. Monitored and assessed the Group's progress on its targets to control that its KPI remained relevant and aligned with committee expectations. And reviewed ESG global ratings' assessments of Banco Santander.
- Assisted the board in ensuring that sustainability targets and metrics were embedded in the Group's remuneration schemes. As part of that, reviewed, in coordination with the remuneration committee, a proposal to further increase the alignment of the long-term incentive for 2024-2026 with our sustainability agenda.
- Reviewed the progress made regarding the management of the supply chain in regards to ESG.
- Supported the audit committee on the supervision and assessment of the process to prepare and present non-financial information.
- Reviewed the main European and international financial regulatory and supervisory initiatives and priorities related to sustainability. Received information on local regulatory developments.

In addition, it received specific training in sustainability, with special attention to the new Corporate Sustainability Reporting Directive (CSRD).

For more details, see the Rules and Regulations of the board of Directors, available on the Group's corporate website; and sections [4.2 'Board composition'](#) and [4.9 'Responsible banking, sustainability and cultural committee activities in 2024'](#) in the 'Corporate governance' chapter.

Board audit committee

The board audit committee (BAC) assists the board in overseeing and reviewing the financial and sustainability information process, as well as internal control systems.

The audit committee consists of five independent directors, 60% of whom are women. All of them have been appointed by the board of directors based on their knowledge, qualifications and experience in the areas of finance, accounting and auditing, internal control, information technology, business or risk management.

In 2024, the committee held 15 meetings, including four joint sessions with the risk supervision, regulation and compliance committee. With regard to sustainability reporting, the committee oversaw the sustainability reporting process, receiving regular updates from the Group's Chief Accounting Officer (CAO) and the main functions responsible for sustainability reporting.

For more details, see the Rules and Regulations of the board of Directors, available on the Group's corporate website; and sections [4.2 'Board composition'](#) and [4.5 'Audit committee activities in 2024'](#) of the 'Corporate governance' chapter.

Risk supervision, regulation and compliance committee

The risk supervision, regulation and compliance committee supports and advises the board in defining and assessing risk policies that affect the Group and in determining the current and future risk appetite and the strategy and culture in this area, including proposing appropriate changes in view of internal or external circumstances that impact on the Group (both financial and non-financial risks), among other functions.

The risk supervision, regulation and compliance committee consists of five external directors (40% women), with three independent members, including its chair. All of them have been appointed by the board of directors based on their knowledge, qualifications and experience in the areas for which the committee is responsible. Thus, its members have competence in issues relevant to this function as banking, accounting, auditing and financing, strategy, risk management, governance and control, as well as in human resources, culture, talent and remuneration.

In 2024, the committee held 18 meetings, including one strategy session, four joint sessions with the audit committee, one joint session with the nomination committee and one joint session with the remuneration committee. It reviewed relevant topics on customer data protection, operational resilience, aspects of customer conduct, complaints and internal whistleblowing. Issues such as culture and internal control are also addressed.

For more information see: the Rules and Regulations of the Board of Directors, available on the Group's corporate website; and sections [4.2 'Board composition'](#) and [4.8 'Risk supervision, regulation and compliance committee activities in 2024'](#) in the 'Corporate governance' chapter.

Other committees of the Group board, such as the Nomination and Remuneration Committees, also support and review sustainability-related issues. For further details, see section [4. 'Board of Directors'](#) in the 'Corporate Governance' chapter.

Other governance bodies

The **corporate accounting and financial reporting, management and sustainability committee** performs these functions (among others):

- Approve the content and scope of sustainability disclosures.
- Analyze and validate or, when applicable, propose the approval of all significant sustainability information.

This committee meets monthly, or on an extraordinary basis when deemed appropriate.

The **risk control committee** (CCR) is responsible for controlling risks and providing a holistic view of them. Determines whether lines of business are managed according to the risk appetite approved by the board. It also identifies, tracks and evaluates the impact of current and emerging risks on the Group's risk profile.

The CCR is composed of senior management members in the functions of risk, compliance and conduct, financial and general intervention, among others.

Other forums and support functions

First line of defence

Business functions and all other functions that generate risk exposure are the first line of defence. The first line of defence identifies, measures, controls, tracks and reports the risks that originate and applies the policies, models and procedures that regulate risk management. Risk generation must be adjusted to the approved risk appetite and associated limits. The head of each unit that generates a risk has primary responsibility for managing it.

The **corporate sustainability function** works continuously to define, execute and monitor our sustainability strategy, and coordinates and drives the responsible banking agenda, with support from a senior adviser on responsible business practices who reports directly to the executive chair, as well as with the sustainability network in our core markets, global businesses and corporate functions.

The **accounting and management control function**, is responsible for (among others):

- establishing and maintaining the internal control system on the financial and sustainability information generated by the function; and
- Implementing the standards and policies reflected in the sustainability information sent to the Corporation.

It is the responsibility of the functions involved in executing the strategy and preparing information on sustainability (for example: Technology, Operations, Risks, Human Resources, Tax, and others) that the information provided is true and reliable, establishing the necessary controls and correcting any weaknesses.

Second line of defence

Risk and Compliance & Conduct functions, as the second line of defence, will provide independent challenge and oversight of the risk management activities performed by the first line of defence. This second line of defence should control, within their respective domains of responsibility, that risks are managed in accordance with the risk appetite defined by senior management and promote a strong risk culture throughout the organization.

The internal control function within the Enterprise Wide Risk Management (EWRM) function will be responsible for establishing the criteria and monitoring the implementation and effectiveness of the Santander Group Internal Control System. This will help to the adequacy and integrity of the internal controls established by the different functions to provide reasonable assurance in the achievement of the defined objectives (which include, among others, the reliability of financial and sustainability reporting).

Third line of defence

The internal audit function periodically assesses that policies, methods and procedures are adequate and effectively applied for the management and control of accounting, financial and management information. The annual audit plan, which was carried out on the basis of a robust risk assessment process (Top-down & Bottom-up methodology), provides reviews of the main aspects contained in this report.

In this way, issues related to climate risk and disclaimers are regularly verified as well as compliance with the rules and procedures established in the General Code of Conduct (GCC),

independently monitoring their adequacy and effectiveness and those of their local developments. The Open Channel is reviewed and specifically evaluates compliance with data protection regulations.

The audit function reports to the Audit Committee, which, among other functions, assists the board in the supervision and evaluation of the process of preparing and presenting financial and non-financial information, as well as internal control systems.

Risk management and internal controls over sustainability information

In order to control the quality and reliability of the information included in the Sustainability statement, Santander implemented an internal control system that complies with the most demanding international standards and complies with the guidelines established by the *Committee of Sponsoring Organisations of the Treadway Commission (COSO)*.

Like the Sustainability information itself, at Santander we are evolving our Internal Control System so that it covers all the material aspects identified for 2026.

First, we identify the most material risks and then establish the necessary controls, complying with the requirements regarding the disclosure of sustainability information.

The most significant aspects taken into account in the process of preparing sustainability information are the following:

- Identification and definition of quantitative and qualitative criteria that emanate from regulatory interpretation or our impacts risks and opportunities in areas where there are no consolidated market practices.

- The hypotheses, judgments, estimates and approximations used in the calculation and preparation of certain metrics.
- Ensuring the completeness of information and establishing perimeters for each metric or group of metrics.
- Difficulties in having, in certain respects, third-party information necessary for the construction of our narrative or metrics, especially in the value chain (emissions information from our portfolio, alignment information, supplier information, etc.).
- Calculation, processing and consolidation of both quantitative and qualitative information.

In addition, we also began to prepare reasonable assurance of several of the metrics to convergence in the quality standards of financial and sustainability information.

Similarly to the control of financial information, the implementation and supervision of the control system of sustainability information is carried out through the following bodies: Board of Directors, Audit committee, Risk Control committee and Corporate Accounting and Financial, Management and Sustainability Reporting committee.

For more details, see the introductory paragraph "Sustainability information" of the consolidated management report itself; section 8. '[Internal control over financial reporting \(ICFR\)](#)' in the 'Corporate governance' chapter; and section 1.5 '[Internal control system](#)' in the 'Risk management and compliance' chapter.

Internal control system for sustainability information



Control culture

Basis of Internal Control. Essential to provide reasonable assurance in achieving the objectives defined by the Group, acting responsibly.



Risk Assessment (RCSA)

Dynamic process of evaluating the risks associated with achieving the organization's objectives.



Control Activities

Actions established by policies and procedures that help that management instructions are carried out to mitigate identified risks.



Information and Communication

Accurate and timely information for decision-making, facilitating the escalation and governance of improvements and incidents.



Monitoring activities

Mechanisms and instruments to monitor the correct implementation and effectiveness of the internal control system, promoting a continuous evaluation of the same.

Cross-cutting regulations to embed ESG standards in our business model

Responsible banking framework

Establishes responsible banking as a strategic topic for Grupo Santander and all local units.

Accounting and Financial Reporting, Management and Sustainability information framework

Sets out the principles, directives and guidelines regarding the preparation of accounting, financial and management information that must be applied by all Group subsidiaries as an essential element of proper governance.

Responsible banking and sustainability policy

Sets out our sustainability principles, targets and strategy (including human rights protection) to create long-term stakeholder value.

Responsible banking model

Sets out the roles and responsibilities of the first, second and third line of defence in all responsible banking-related activity to drive our sustainability agenda, embed ESG standards and achieve our goals.

In addition to these regulations, which apply to all the Group's units and businesses, the following section of this chapter details the regulations that apply specifically to the management of each of the material topics and associated IROs:

- Climate change (see section [2. 'Our climate transition plan'](#));
- Own workforce (see section [3.1 'Our employees'](#));
- Consumers and end users (see section [3.3 'Our customers'](#));
- Affected communities (see section [3.2. 'Communities' sustainable development'](#));
- Business conduct (see section [4. 'Business conduct'](#)).

All regulations (corporate frameworks, models, policies and procedures) help maintain a high level of governance, and the highest standards in terms of their drafting, approval, and in the monitoring of their local transposition.

The approval of the regulations is responsibility of the Board of Directors or its committees, when the regulated matter falls within their scope of responsibility according to their rules and regulations. Corporate frameworks in all cases must be approved by the board of directors. The regulations approved by the board under this chapter are as follows:

- Relevant corporate frameworks related to sustainability: Responsible Banking, Risk; Cybersecurity; Compliance and conduct; Financial Crime and compliance; Human resources.
- Relevant policies related to sustainability: Responsible banking and sustainability; Code of conduct; Code of conduct in securities markets; Corporate Defence; Environmental, social and climate change risk; Tax; Conflict of interest; Defence sector; Anti-money laundering and countering the financing terrorism; Remuneration; Performance management; Group Succession; Culture.

For more details on the Group's key regulatory documents on sustainability, see our corporate website [santander.com](https://www.santander.com).

SN 3. Materiality assessment – Detailed methodology

The Group and subsidiaries' double materiality assessments are based on European Sustainability Regulatory Standards (ESRS) 1 and 2, and the Double Materiality Assessment Guide from the ERAG.

Our assessment comprised these phases:

1. Background and stakeholder analysis

General view of the bank, its operations and main lines of business, based on:

- **Information on the entity:** Sources include strategic and financial plans, financial statements and other published reports. This analysis considers operations, products and services, geographical footprint, business relationships and the value chain.
- **External information:** Public documents on sector trends, analyst and supervisor papers, and peers' sustainability reports.

To enhance this background analysis, we also use these **external sources**:

1. The UNEP FI impact analysis tool to uncover the impact of the Group's financing operations, including those related to climate change. This tool provides a in-built impact mappings that combined, with our internal data and context, enables us to identify the most significant impact areas of the portfolio.
2. The ENCORE (environmental risk assessment) database to obtain information on the bank customer's environmental dependencies.

ENCORE: a materiality database of dependencies between production processes and ecosystem services.

3. Human rights due diligence to spot the actual and potential impact of the bank's operations on human rights throughout the value chain.

We use the **stakeholder** analysis to identify directly affected stakeholders (customers, employees and investors) and readers of the report (supervisors and regulators, our communities and NGOs). We analyse information gathered during stakeholder engagement exercises and conduct surveys on sustainability matters to use as part of our materiality assessment.

2. Identification of impacts, risks and opportunities

The background analysis uncovered +100 IROs. We categorize every IRO and assign them to a topic, sub-topic or sub-sub-topic under ESRS 1, AR 16. For each IRO, we detail:

- the part of the value chain they touch and over what time frame.
- the dependencies between impacts and risks, assessing how each impact can lead to new risks and opportunities, with a special focus on the negative impacts of the human rights due diligence exercise; and
- who in the organization manages it.
- What is the type of financial effect for risks and opportunities.

3. Assessment of impacts, risks and opportunities

The methodology we use to measure materiality follows the EFRAG implementation guidance. After applying that methodology in this phase, 32 IROs were material.

Impact

We analyse the materiality of actual and potential impacts based on the likelihood and severity of occurrence and, in the case of negative impacts, include irreparable impacts.

- Scale (size of impact): split into five categories: Low, moderately low, medium, high, very high.
- Scope: split into four categories: Local, national, international, global.
- Irreparable impact (when negative): split into four levels; repairable, repairable with moderate effort, difficult to repair, and irreparable.

We estimate the likelihood of impact on a scale of 1 to 5.

Risks

We adapted our methodology according to the maturity of quantifying environmental and social risks.

- The climate materiality assessment includes a climate risk assessment (transition and physical) across several time horizons to align with the EBA's Guidelines on the management of ESG risks and other EU risk management directives. We used

this information to quantify the materiality of credit, market, operational, reputational and other risks.

- We assessed other environmental risks related to Pollution, Water and marine resources, Biodiversity and ecosystems and Resource use and circular economy through the exercise described in the section 2.3.5. "Our approach to nature and biodiversity". This assessment sought to identify connection between our portfolios and nature in line with target 15 of the Kunming-Montreal Global Biodiversity Framework adopted at the COP15 in 2022.

- For social and governance risks, we used the Sustainability Accounting Standards Board's (SASB) financial materiality and internal financial information.







Opportunities

We base the opportunities assessment on forecasts for all our global businesses. We mapped out projected ESG revenue against the identified opportunities and compared it to the Group's revenue on a scale of 1 to 5.

Stakeholder views

We supplement IROs assessments with stakeholder views (affected groups and readers of the report).

The number of specific inputs received within this exercise is detailed below. These inputs are part of the constant dialogue with our stakeholders, as detailed in section 1.2. Dialogue with our stakeholders.

					
Retail Customers	Investors	NGOs	Senior management	Employees	Regulators and supervisors ⁸³
N = 9000+	N = 8	N = 3	N = 8	N = c.200	N = 2

The survey results show agreement in prioritizing three areas: the fight against climate change and supporting the green transition; protecting customer data; information transparency and fostering financial inclusion. Specifically:

- Retail customers prioritize social (privacy and personal data security) and governance matters (transparency and honesty).
- Employees and senior management prioritize each ESG area equally.
- Investors, regulators and NGOs prioritize environmental matters.

4. Materiality thresholds

We set a threshold of 3.5 on a scale of 1 to 5 to classify an IRO as material (for impact perspective and financial materiality). This means that we consider IROs that sit between medium (3) and high (4) as material. Taken as a reference the score calculation for the impacts, the score values greater than 3.5 represent events of medium-high severity and events with medium-high probability of occurrence.

We also assessed the reasonability and coherence of the list of IROs identified as material. In quantitative terms assuming that the distribution of the events materiality follows a normal distribution (average=3 and standard deviation = 0.5), the probability of a score value of 3.5 is around 16%, which is considered reasonable for a material event.

⁸³ Hemos consultado a las dos principales funciones del Grupo que monitorean esta actividad

Information on impacts, risks and opportunities (IROs)

ESRS	IRO description	IRO type	Value chain	Summary of current/ potential effects (narrative)	People/ environment	Strategy- and business model-related impacts	Time horizon ¹	Linked to impact due to own operations or business relations ²	Systemic/ specific	Core activities that lead to positive impacts	Risks and/or opportunities stemming from impacts	More details
E1 - Climate change	Contribute to protecting the environment by driving an increase in the use of renewable energy and other low-carbon technology.	Positive impact	Downstream	- Promote the development of innovative, clean technology and our customers' transition	Environment	1. Help our customers in their green transition while also managing climate-related risks and impacts	Short/ medium term	Business relations	N/A	N/A	N/A	2.2 Supporting our customers in their transition goals
E1 - Climate change	Contribute to reducing the Group's scope 1 and 2 greenhouse gas emissions.	Positive impact	Own operations	- Reducing our environmental footprint	Environment	1. Help our customers in their green transition while also managing climate-related risks and impacts	Short/ medium term	Own operations	N/A	N/A	N/A	2.4 Aiming to align our activity with the Paris Agreement Goals - 2.4.5 Our environmental footprint
E1 - Climate change	Adverse impact on the environment due to the bank's financing of, or investment in, non-sustainable assets and activities	Negative impact	Downstream	- Adverse environmental impact	Environment	1. Help our customers in their green transition while also managing climate-related risks and impacts	Short/ medium term	Business relations	N/A	N/A	N/A	2.4 Aiming to align our activity with the Paris Agreement Goals
E1 - Climate change	Growth in the financing of renewable energy and other energy transition solutions.	Opportunity	Downstream	- Support clean technology through our financial product proposition	N/A	N/A	N/A	N/A	N/A	N/A	✓	2.2 Supporting our customers in their transition goals
E1 - Climate change	Revenue growth by providing our customers with sustainable solutions in such sectors as construction, mobility or agriculture.	Opportunity	Downstream	- Grow our revenue by providing sustainable solutions in several sectors and partnering our customers in their transition	N/A	N/A	N/A	N/A	N/A	N/A	✓	2.2 Supporting our customers in their transition goals
E1 - Climate change	Reputational risk based on the perception of our progress with climate-related policies and objectives	Risk	Own operations and downstream	- Potential reputational damage if risks materialize	N/A	N/A	N/A	N/A	N/A	N/A	✓	2.3 Embedding climate in risk management - 2.3.3 Reputational risk
S1 - Own workforce	Promote the health, well-being and security of our employees in a safe and inclusive work place; facilitate a positive work-life balance through flexible working.	Positive impact	Own operations	- Contribute positively to a workplace that promotes flexible working, health and well-being	People	2. Help our employees develop by promoting diversity and learning and providing fair working conditions.	Short/ medium term	Own operations	N/A	Global health and well-being strategy that sets out how we protect the health, safety and well-being of our employees and promote a healthy lifestyle.	N/A	3.1 Our employees - 3.1.1 Working conditions - i. Employee health and well-being
S1 - Own workforce	Promote a workforce that reflects the society we live in and encourages collaboration; guarantee the same opportunities for all our employees, irrespective of gender, disability or other characteristics.	Positive impact	Own operations	- Contribute positively to an inclusive environment that offers equal opportunity for all	People	2. Help our employees develop by promoting diversity and learning and providing fair working conditions.	Short/ medium term	Own operations	N/A	Global inclusive culture strategy for 2020-2025 that drives us to act ethically, purposefully and transparently.	N/A	3.1 Our employees - 3.1.2 Equal opportunity for all

ESRS	IRO description	IRO type	Value chain	Summary of current/ potential effects (narrative)	People/ environment	Strategy- and business model-related impacts	Time horizon ¹	Linked to impact due to own operations or business relations ²	Systemic/ specific	Core activities that lead to positive impacts	Risks and/or opportunities stemming from impacts	More details
S1 - Own workforce	Promote continuous career development and personal growth through learning and development programmes	Positive impact	Own operations	- Promote training, development and personal growth among employees	People	2. Help our employees develop by promoting diversity and learning and providing fair working conditions.	Short/ medium term	Own operations	N/A	Create talent programmes to promote individual growth while considering business demands.	N/A	3.1 Our employees - 3.1.3 Talent and skills development
S1 - Own workforce	Promote the general well-being of employees and provide appropriate remuneration under equal conditions based on merit and market rates	Positive impact	Own operations	- Promote appropriate and equal remuneration	People	2. Help our employees develop by promoting diversity and learning and providing fair working conditions.	Short/ medium term	Own operations	N/A	Remuneration framework that combines fixed and variable pay schemes based on targets for employees and the Group.	N/A	3.1 Our employees - 3.1.1 Working conditions - ii. Remuneration and corporate benefits
S1 - Own workforce	Harm employees through discriminatory conduct, inadequate working conditions, harassment or corruption	Negative impact	Own operations	- Potential harm to employees through an inadequate working environment and conditions.	People	2. Help our employees develop by promoting diversity and learning and providing fair working conditions.	Short/ medium term	Own operations	Systemic	N/A	N/A	3.1 Our employees - 3.1.2 Equal opportunity for all
S1 - Own workforce	Potential risk of conflict with employees due to poor management or ethical or conducts failings	Risk	Own operations	- Potential harm if risks materialize	N/A	N/A	N/A	N/A	N/A	N/A	✓	3.1 Our employees - 3.1.1 Working conditions - i. Employee health and well-being
S4 - Consumers and end users	The customer benefits from the bank's development of products and services that adapt to their needs and expectations and promote financial inclusion and health.	Positive impact	Own operations	- Promote customer inclusion through products and services that adapt to their needs	People	4. Be a trusted partner to our customers, with products and services that adapt to their needs, while applying responsible practices, supporting their financial inclusion, and protecting their information.	Short/ medium term	Own operations	N/A	Develop products and services and special programmes to achieve financial health and inclusion	N/A	3.3 Our customers - 3.3.2 Financial health and inclusion - i. Financial inclusion
S4 - Consumers and end users	Education on, and awareness of, cyber security to understand potential threats and ways to repel them	Positive impact	Own operations	Knowledge and awareness of cybersecurity matters to help reduce online threats	People	4. Be a trusted partner to our customers, with products and services that adapt to their needs, while applying responsible practices, supporting their financial inclusion, and protecting their information.	Short/ medium term	Own operations	N/A	Interactive campaigns, awareness workshops, corporate sponsorship, podcasts	N/A	3.3 Our customers - 3.3.3 Privacy, data protection and cybersecurity
S4 - Consumers and end users	Negative impact on the customer if they do not have access to complaints channels or if, after making a complaint, the bank fails to take the necessary action	Negative impact	Own operations	- Potential breakdown of trust and long-term relationships with customers	People	4. Be a trusted partner to our customers, with products and services that adapt to their needs, while applying responsible practices, supporting their financial inclusion, and protecting their information.	Short/ medium term	Own operations	Systemic	N/A	N/A	3.3 Our customers - 3.3.1 Customer conduct

ESRS	IRO description	IRO type	Value chain	Summary of current/ potential effects (narrative)	People/ environment	Strategy- and business model-related impacts	Time horizon ¹	Linked to impact due to own operations or business relations ²	Systemic/ specific	Core activities that lead to positive impacts	Risks and/or opportunities stemming from impacts	More details
S4 - Consumers and end users	Negative impact on the customer if the bank fails to provide sufficient information on the product or service they are signing up for	Negative impact	Downstream	- Potential breakdown of trust and long-term relationships with customers	People	4. Be a trusted partner to our customers, with products and services that adapt to their needs, while applying responsible practices, supporting their financial inclusion, and protecting their information.	Short/ medium term	Business relations	Systemic	N/A	N/A	3.3 Our customers - 3.3.1 Customer conduct
S4 - Consumers and end users	Negative impact stemming from a potential infringement of customers', employees' or shareholders' rights due to a lack of appropriate technical or organizational measures to protect their personal data according to law and the practices set by the Group	Negative impact	Upstream	- Potential breakdown of trust and long-term relationships with customers	People	4. Be a trusted partner to our customers, with products and services that adapt to their needs, while applying responsible practices, supporting their financial inclusion, and protecting their information.	Short/ medium term	Business relations	Systemic	N/A	N/A	3.3 Our customers - 3.3.3 Privacy, data protection and cybersecurity
S4 - Consumers and end users	Negative impact on the customer by failing to guarantee access to, or the use of, products and services that may present certain obstacles or weak spots	Negative impact	Own operations	- Potential breakdown of trust and long-term relationships with customers	People	4. Be a trusted partner to our customers, with products and services that adapt to their needs, while applying responsible practices, supporting their financial inclusion, and protecting their information.	Short/ medium term	Own operations	Systemic	N/A	N/A	3.3 Our customers - 3.3.1 Customer conduct - iv. Vulnerable customers
S4 - Consumers and end users	Potential losses due to sanctions or a reduction in the number of customers because of a failure to detect or respond effectively to breaches of privacy	Risk	Downstream	- Potential harm if risks materialize	N/A	N/A	N/A	N/A	N/A	N/A	✓	3.3 Our customers - 3.3.3 Privacy, data protection and cybersecurity
S4 - Consumers and end users	Potential losses due to claims or a reduction in the numbers of customers because of substandard customer practices throughout their life cycle	Risk	Downstream	- Potential harm if risks materialize	N/A	N/A	N/A	N/A	N/A	N/A	✓	3.3 Our customers - 3.3.1 Customer conduct

ESRS	IRO description	IRO type	Value chain	Summary of current/ potential effects (narrative)	People/ environment	Strategy- and business model-related impacts	Time horizon ¹	Linked to impact due to own operations or business relations ²	Systemic/ specific	Core activities that lead to positive impacts	Risks and/or opportunities stemming from impacts	More details
S3 - Affected communities	Contribution to education, employability and entrepreneurship, as well as to community development through support programmes	Positive impact	Own operations	- Enhance education, employability and entrepreneurship opportunities, and contribute positively to addressing social needs in the communities we serve	People	3. Contribute to the economic, financial and social development of our communities, with a special focus on education, employability and entrepreneurship.	Short/ medium term	Own operations	N/A	- Education: Grants and scholarships for students and researchers to access and complete their studies; and support to universities in overcoming their key challenges (i.e. digitalization) - Employability: Support lifelong learning; and facilitate access to employment in the early stages of people's career. - Entrepreneurship: Provide access to the training, advice and resources (including benefits).	N/A	3.2 Supporting our communities' sustainable development - 3.2.4 Supporting communities
S3 - Affected communities	Drive economic growth and job creation in the regions where we operate and provide credit to people and businesses	Positive impact	Downstream	- Grow the economy by helping people and businesses	People	3. Contribute to the economic, financial and social development of our communities, with a special focus on education, employability and entrepreneurship.	Short/ medium term	Business relations	N/A	Lending to create or grow businesses; microloans to microentrepreneurs to support the start-up and expansion of their businesses; and mortgages and loans for other items.	N/A	3.2 Supporting our communities' sustainable development - 3.2.1 Supporting our economy and the social development of our communities
S3 - Affected communities	Contribution to sustainable development through financing and investment that promotes sustainable performance in companies, addresses societal challenges, mitigates a specific issue, or pursues positive societal outcomes	Positive impact	Downstream	- Grow the economy, with a focus on activities that promote ESG performance; address social challenges; mitigate a specific social issue; or pursue positive social outcomes	People	3. Contribute to the economic, financial and social development of our communities, with a special focus on education, employability and entrepreneurship.	Short/ medium term	Business relations	N/A	- Label operations. - Propose investment that covers ESG factors and sustainability objectives.	N/A	3.2 Supporting our communities' sustainable development - 3.2.2 Socially responsible investment and lending

ESRS	IRO description	IRO type	Value chain	Summary of current/ potential effects (narrative)	People/ environment	Strategy- and business model-related impacts	Time horizon ¹	Linked to impact due to own operations or business relations ²	Systemic/ specific	Core activities that lead to positive impacts	Risks and/or opportunities stemming from impacts	More details
S3 - Affected communities	Finance activities (in any customer segment) that breach of the bank's policies and jeopardize the well-being of present and future generations	Negative impact	Downstream	- Potential damage to people's well-being	People	3. Contribute to the economic, financial and social development of our communities, with a special focus on education, employability and entrepreneurship.	Short/ medium term	Business relations	Systemic	N/A	N/A	3.2 Supporting our communities' sustainable development - 3.2.3 Environmental, social and climate change management
S3 - Affected communities	Potentially negative impact on the environment or society by failing to sufficiently involve stakeholders or use suitable customer identification and management mechanisms when providing finance to a customer or project	Negative impact	Own operations	- Potential damage to people's well-being and/or to the environment	People/ environment	3. Contribute to the economic, financial and social development of our communities, with a special focus on education, employability and entrepreneurship.	Short/ medium term	Own operations	Systemic	N/A	N/A	3.2 Supporting our communities' sustainable development - 3.2.3 Environmental, social and climate change management
G1 - Business conduct	Act responsibly and consider investors' interests and the impact on employees, broader society and the environment; pay taxes to support the distribution of wealth	Positive impact	Own operations	- Promote decision-making that considers all stakeholders' interests	People/ environment	5. Act responsibly through a strong culture, governance and conduct.	Short/ medium term	Own operations	N/A	N/A	N/A	4.2 Ethical behaviour
G1 - Business conduct	Protect the confidentiality of users of the bank's ethical channel and have an effective reporting system in place that follows robust principles and procedures	Positive impact	Own operations	- Availability of mechanisms for stakeholders to escalate confidentially and/or anonymously (and according to regulatory requirements) substandard practices by the bank and its people	People	5. Act responsibly through a strong culture, governance and conduct.	Short/ medium term	Own operations	N/A	N/A	N/A	4.3 Ethical channels
G1 - Business conduct	Promote responsible practices among vendors; engage with them, assess their ESG performance and give them recommendations and tools to improve	Positive impact	Own operations	- Promote responsible practice in our value chain	People/ environment	5. Act responsibly through a strong culture, governance and conduct.	Short/ medium term	Own operations	N/A	N/A	N/A	4.4 Our suppliers

ESRS	IRO description	IRO type	Value chain	Summary of current/ potential effects (narrative)	People/ environment	Strategy- and business model-related impacts	Time horizon ¹	Linked to impact due to own operations or business relations ²	Systemic/ specific	Core activities that lead to positive impacts	Risks and/or opportunities stemming from impacts	More details
G1 - Business conduct	Negative impact on the environment or broader society by failing to implement measures to resolve incidents through complaints or reporting channels or due to a lack of continuous improvement actions	Negative impact	Own operations	- Potential harm to people and/or the environment; loss of stakeholders' trust in the channel's effectiveness	People/ environment	5. Act responsibly through a strong culture, governance and conduct.	Short/ medium term	Own operations	N/A	N/A	N/A	4.3 Ethical channels
G1 - Business conduct	Harm broader society through bribery or corruption	Negative impact	Own operations	- Potential loss of customers' and other stakeholders' trust	People	5. Act responsibly through a strong culture, governance and conduct.	Short/ medium term	Own operations	N/A	N/A	N/A	4.2 Ethical behaviour
G1 - Business conduct	Potential risk from failing to ensure the operational resilience of the value chain by assessing vendors' solvency, reputation and compliance with the law	Risk	Own operations	- Potential harm if risks materialize	N/A	N/A	N/A	N/A	N/A	N/A	✓	4.4 Our suppliers
G1 - Business conduct	Risk stemming from improper conduct that makes illicit funds or assets appear legitimate and, therefore, facilitates illegal activity or benefits from it.	Risk	Own operations	- Potential harm if risks materialize	N/A	N/A	N/A	N/A	N/A	N/A	✓	4.2 Ethical behaviour

1. For more information on time horizons, see section [1.3 Materiality assessment](#).

2. Own operations are the bank's internal activities; Business relations primarily centre on upstream and downstream value chain activities.

SN 4. Our transition plan

i. Alignment targets details

Target types: To help our customers' transition to a low-carbon economy, we employ physical emissions intensity for setting targets in the power generation, steel, aviation and auto sectors. For the oil & gas sector, we choose the absolute emissions metric. We prioritize engagement over divestment. We recognize that in certain situations, establishing alignment targets may inadvertently discourage the transition. For example, when they increase their leverage to undertake significant capex programs to align their operations, while the alignment benefits will only materialise over the medium term. To prevent undesirable outcomes like the one described, we evaluate each case individually and base our decisions on a long-term perspective. However, due to the absence of a widely accepted "transition finance taxonomy", we consider alignment targets to be an effective tool for informing portfolio decisions, provided that each case is managed individually. For the different targets' design choices taken, we considered inputs from several different internal and external stakeholders.

Scenarios:⁸⁴ To set 2030 science-based alignment targets for our financed sectors, we choose a credible scenario that draws a pathway to reach net zero emissions by 2050 and will limit temperature increase to 1.5° C in line with the Paris Agreement. The scenario we have chosen for the sectors for which we have released alignment targets is the "International Energy Agency - Net Zero Emissions by 2050 Scenario" (IEA-NZE). Our aviation target is consistent with the expected adoption of current technologies. This scenario takes into account the technological, regulatory and market changes that need to take place. Regarding our scope 1 and 2 own emission reduction objective by 2030, it is aligned with the cross-sector absolute reduction method considered by SBTi, going beyond the minimum ambition of a linear annual reduction of a 4.2% linear annual reduction between the base year and target year.

Target coverage:⁸⁵ All CIB portfolio targets and metrics are global and include our core subsidiaries. SCF's target is European and includes its passenger car portfolio (including loans and leasing) in

16 units (13 countries in Europe). This is the same scope we use to measure emissions performance and progress with our targets, though we are working on obtaining information and tracking emissions for other vehicle types.

Baseline years: We use 2019 as the baseline year for the four initial sectors and 2020 and 2022 for auto manufacturing and auto lending in Europe, respectively. We chose those years to be representative of our portfolios at that time. For our own operations emissions (Scopes 1 & 2) reduction objectives, we use 2020 as the baseline considering the deadline of the plan set to 2030, and the guidelines criteria for setting science-based targets.

Financed emissions: According to the methodology and design we chose for each target we calculate financed emissions based on PCAF⁸⁶. Since the emissions information of our customers or assets financed is not available in the same way as their financial information, there is a lag of at least one year in the emissions data.

ii. Disclosed financed emissions

Santander discloses financed emissions from its loan portfolio for different uses. In the context of portfolio alignment, we calculate the financed emissions of the portfolios of the most relevant sectors, following market standards and practices, focusing on the parts of the value chain of each industry that are most polluting and actionable through alignment strategies. For this purpose it is necessary to use information to monitor alignment strategies and their effectiveness.

Additionally, obligations arising from regulatory or supervisory requirements need to cover financed emissions from wider perimeters. For this, we also use other sources and methodologies, including average emission factors per sector based on market-recognised methodologies (such as PCAF).

We also calculate the financed emissions of our long-term investments in equity and sovereign debt, which are material exposures in our balance sheet.

⁸⁴ The latest IEA's net-zero scenario was published in the World Energy Outlook in October 2024. The reference data for 2030 are 0.19 tCO₂/MWh in power (-58% vs. 2019), 23% reduction vs. 2019 in oil & gas (which implies 18.27 mtCO₂ applied to Santander baseline), 1.29 tCO₂e/tS in steel (-18% vs. 2019), 60.59 gCO₂e/RPK in aviation (-29% vs. 2019) and 116 gCO₂/vkm in automotive (-40% vs. 2020). For own emission reduction reference data for 2030 is 136.929 ton (-42% vs. 2020).

⁸⁵ From our total lending on the balance sheet, about 9% of our exposure comprises sectors for which Santander published emissions alignment targets for high-emitting sectors (Power generation, oil and gas, aviation, steel, auto manufacturing and auto lending. Excluding the thermal-coal phase out) and around 18% of total CIB lending. Using baselines exposures with different time horizons as per the above table, and balance sheet exposures as at December 2023. Our objectives and alignment targets have been externally assured only in the verification process of the present report.

⁸⁶ PCAF: "Partnership for Carbon Accounting Financials" is a global partnership of financial institutions that work together to develop and implement a harmonized approach to assess and disclose the greenhouse gas (GHG) emissions associated with their loans and investments. Santander joined PCAF in 2021.

2. Financed emissions for alignment^A

Sector	Year ^B	Exposure (drawn amount €bn) ^C	Emissions scope	Absolute emissions (mtCO ₂ e)	Physical emissions intensity	Financial emissions intensity (mtCO ₂ e/ EUR bn lent)	Overall PCAF score ^D
Power generation	2020	10.31	1	4.59	0.17 tCO ₂ e/MWh	0.45	2.5
	2021	10.23		4.24	0.19 tCO ₂ e/MWh	0.41	2.8
	2022	11.88		3.82	0.16 tCO ₂ e/MWh	0.32	3.0
	2023	10.75		3.14	0.15 tCO ₂ e/MWh	0.29	3.2
Oil & gas	2020	6.67	1 + 2 + 3 ^E	22.58	73.60 tCO ₂ e/TJ	3.38	3.6
	2021	8.25		27.43	74.36 tCO ₂ e/TJ	3.33	3.9
	2022	6.89		20.94	73.28 tCO ₂ e/TJ	3.04	3.0
	2023	6.82		20.27	72.97 tCO ₂ e/TJ	2.97	3.0
Aviation	2020	2.44	1 + 2	1.08	93.05 gCO ₂ e/RPK	0.44	3.7
	2021	2.02		0.84	97.21 gCO ₂ e/RPK	0.42	3.2
	2022	1.65		1.35	81.09 gCO ₂ e/RPK	0.82	3.0
	2023	0.70		0.58	82.99 gCO ₂ e/RPK	0.83	3.0
Steel	2020	1.31	1 + 2	2.14	1.40 tCO ₂ e/tS	1.63	3.1
	2021	1.42		1.90	1.36 tCO ₂ e/tS	1.33	3.1
	2022	1.96		1.88	1.24 tCO ₂ e/tS	0.96	3.1
	2023	2.04		1.84	1.38 tCO ₂ e/tS	0.90	3.3
Auto - manufacturing	2020	4.45	3 ^E	3.49	149 gCO ₂ /vkm	0.79	3.1
	2021	3.90		2.67	138 gCO ₂ /vkm	0.68	3.0
	2022	3.95		2.74	133 gCO ₂ /vkm	0.70	3.0
	2023	4.02		2.74	134 gCO ₂ /vkm	0.68	3.0
Agro ^F	2022	1.80	1 + 2	6.20	7.04 tCO ₂ e/ton	3.52	3.3
	2023	3.58		9.83	6.59 tCO ₂ e/ton	2.75	3.1
Auto - lending ^G	2022	55.27	1 + 2	5.84	137 gCO ₂ e/vkm	0.11	3.2
	2023	62.40		6.78	133 gCO ₂ e/vkm	0.11	2.7
Mortgages ^H	2022	211.05	1 + 2	2.63	39.72 kgCO ₂ e/m ²	0.01	3.3
	2023	262.45		1.93	21.06 kgCO ₂ e/m ²	0.01	3.5
Commercial Real Estate	2023	18.26	1+2	0.19	22.89 kgCO ₂ e/m ²	0.01	4.0

A. In the case of corporate business loans, Banco Santander calculates the Total Value of the Company (used to obtain the emissions attribution factor) by adding the total equity and debt of the company in order to avoid the high volatility in market capitalization.

B. Obtaining emissions data from our customers is a challenge. As they disclose more non-financial information worldwide, the quality of our reporting on finance emissions will improve. In some other retail sectors, we rely on availability of emissions information for the different asset types as well as business information.

C. For power generation it includes Corporates and Project Finance in operation.

D. Scores illustrate the data quality used to calculate the financed emissions (with 1 being the best). Financed emissions information comes from a wide range of sources for emissions, physical intensity, and production data. For CIB portfolios CDP is the main source for GHG emissions and Trucost for fossil fuel production, we also used Asset Impact and Annual Reports as secondary sources to cover information gaps. We rely on Transition Pathway Initiative to measure physical intensity for certain sectors, such as Autos, O&G and Steel. In other retail sectors, we rely on the good quality of business information but also on data suppliers to improve and expand their emission databases.

E. Scope 3 - category 11: use of sold products.

F. Agriculture portfolio in Brazil. It includes financing for livestock (such as raising cattle for meat and dairy), agricultural activity (such as planting perennial and temporary crops for soybeans, corn, rice, and vegetables) and land use change. Since there is no specific methodology for agriculture, the PCAF score was adapted considering the data available in primary production portfolio that made possible to measure land management emissions. Financed emissions of the Brazil agriculture portfolio as of March 2022 and December 2023.

G. Consumer lending for the acquisition of passenger cars, covering a significant majority of the exposure in Europe.

H. Mortgage portfolio in the United Kingdom for 2022, and in the United Kingdom and Spain for 2023. Assessment includes Scope 1 and 2 emissions based on actual (where available) and modelled EPC's.

I. Commercial real estate portfolios in the United Kingdom and Spain. Assessment includes Scope 1 and 2 emissions based on actual (where available) and modelled EPC's.

More detail regarding other financed emissions calculations from our balance sheet, see section [SN 7.1 Green transition](#).

iii. Internal carbon pricing

Internal carbon pricing is a tool that helps internalize the external costs of carbon emissions and align operations with broader sustainability objectives. Setting an internal carbon price does not appear to be the most appropriate approach for our type of operations and core business model as we strive to help our customers go green. Nonetheless, we do consider carbon pricing in

several of our internal review and assessment tools, such as scenario analyses and transition risk calculations. These processes reflect the "real world" costs in our prices. A "fictitious" internal carbon price would cause disparity between the customer's actual ability to pay debt and internal valuations. We encourage the creation of carbon prices in real economies to facilitate the transition to a low-carbon economy.

Grupo Santander's strategy to lessen the environmental impact of our operations involves reducing CO₂e emissions and offsetting the emissions that we're unable to reduce. We follow a strict carbon credits selection process that includes due diligence on compliance and consistency with our environmental, social and climate change policy. Credits are certified under some of the industry's most well-known standards. Moreover, the carbon credits we purchase are ratified by an independent rating agency to validate their integrity. We actively monitor the voluntary carbon credit market to adapt our offsetting strategy to best practice.

Offsetting serves to internalize the cost of emissions (scopes 1 and 2) from our own operations.

iv. EU Paris-aligned benchmarks

Because of our financing and investment operations, Santander is not excluded from the EU Paris-aligned benchmarks. These benchmarks are designed to align investment with the Paris Agreement's goals and include undertakings that meet special sustainability standards. They exclude undertakings that do not meet those standards.

We disclose our exposure to undertakings excluded from those benchmarks in section '10.4 Credit quality of exposures' of our

Pillar 3 disclosures report in accordance with points (d) to (g) of Article 12(1) and (2) of Regulation (EU) 2020/1818.

v. Locked-in GHG emissions

Our double materiality assessment shows that our direct emissions do not have a negative impact on, or pose material risk to, the environment. Regarding locked-in GHG emissions from key assets,⁸⁷ the nature of our financing and investment activity means that none of our key assets are sources of scope 1 and 2 emissions. Nonetheless, the Group takes carbon footprint reduction measures to help make a positive contribution to the environment.

As detailed in the [2.4.5 'Our environmental footprint'](#) section regarding indirect GHG emissions (scope 3), the only material category under this scope was category 3.15 (financed emissions), with a weighting of over 99% of the total scope 3 emissions. Regarding locked-in GHG emissions from key products,⁸⁸ the category Scope 3.11 "Use of sold products emissions" is not material to the bank.

With regard to locked-in GHG emissions in category 3.15, there is currently no information available to have a reliable estimation due to lack of information from counterparties. In future exercises, its evaluation will be assessed based on the availability of data.

SN 5. EU Taxonomy

Information on Article 8 of the EU Taxonomy Regulation

In 2020, the European Union adopted the Taxonomy Regulation that sets out a list of activities that can qualify as environmentally sustainable⁸⁹ and stipulates that companies subject to the Corporate Sustainability Reporting Directive (CSRD⁹⁰) must disclose how their operations align with the EU Taxonomy.

→ GAR, financial institutions:

Financial institutions have been disclosing their Green Asset Ratio (GAR) since 2023. This ratio measures the financing granted to Taxonomy-aligned activities as the numerator and the total balance sheet as the denominator.

To be considered aligned, activities must meet specific taxonomy criteria and ensure that they do not cause no significant harm (DNSH) to any of the other environmental objectives and meet minimum social safeguards (MSS).

Santander's GAR is 3.04% (turnover-based)⁹¹ and 3.28% (CapEx-based)⁹²

The European Taxonomy criteria do not reflect the full reality of companies' transition efforts. Many activities that contribute to the transition to a greener economy do not meet the Taxonomy's alignment criteria. Thus, we cannot include them in the ratio (for instance, certain types of hybrid cars, which, despite being an undoubted improvement on petrol cars, are not admitted in all cases).

Moreover, the limitations in the design of the ratio and in financial institutions' implementation of the Taxonomy lead to reduced numbers:

- The numerator and denominator are not symmetric. While the denominator reflects the balance sheet total, the numerator only includes financing in relation to four portfolios: financial institutions; non-financial institutions subject to the CSRD; households (mortgages, auto and renovations); and local governments. Thus, the numerator does not consider green loans to SMEs or the majority of non-European entities.
- The available data is limited. In Latin America and even in European countries such as Poland (key markets for the Group), energy efficiency certificates are either non-existent or very limited, which makes it impossible to account for aligned mortgages in the ratio. There are also significant gaps in companies' alignment information.

⁸⁷ Estimates of future GHG emissions that could arise during the useful life of a company's key assets. The term "key assets" refers to existing or planned assets that a company owns or controls (e.g. fixed or mobile installations and equipment) and that are direct or indirect energy-related sources of GHG emissions.

⁸⁸ Estimates of future GHG emissions as the direct GHG emissions from the use of products sold throughout their useful life (category 3.11).

⁸⁹ These are: 1) climate change mitigation; 2) climate change adaptation; 3) sustainable use and protection of water and marine resources; 4) transition to a circular economy; 5) pollution prevention and control and protection; and 6) restoration of biodiversity and ecosystems.

⁹⁰ The CSRD applies to large companies, listed companies, banks, or insurance companies that meet certain criteria, such as having a balance sheet total greater than EUR 20 million, a turnover greater than EUR 40 million, or an average number of employees greater than 500 during the fiscal year.

⁹¹ Calculation for the two climate-related objectives. For the flow of volumes, the Green Asset Ratio is 2.6% (turnover-based) and 3.4% (CapEx-based).

⁹² Eligibility for the climate-related targets is 34.0% (based on both turnover and CapEx) and, for the remaining four targets, is 0.04% based on turnover and 0.03% based on CapEx.

- DNSH (do not cause no significant harm) and MSS (minimum social safeguards) implementation criteria are complex and in no way reflect the reality of a bank. These criteria compel financial institutions to collect evidence that shows the counterparty meets certain standards for each transaction. This results in an inability to include specific aligned financing (e.g. project finance) in the numerator.

Based on a voluntary approach and to mitigate the first limitation mentioned above, we complement disclosure, we complement the GAR with an additional ratio (European and symmetric):

- The numerator follows the same criteria than the previous ratio but only covers European exposures aligned with the Taxonomy.
- The denominator is symmetric and only includes portfolios where we can currently label exposures as environmentally sustainable: European financial and non-financial corporations subject to the CSRD, households, and local governments. We excluded (non-exhaustive list): Non-CSRD companies (since they do not have reporting obligations), cash & interbank loans, derivatives, goodwill and others.

(EUR million)	2024	2023
GAR stock^A	3.04%	2.42%
Taxonomy aligned activities	39,656	31,142
Total GAR denominator	1,306,542	1,288,300
European & Symmetric - GAR^A	7.90%	6.09%
Taxonomy aligned activities	39,287	30,037
Total GAR denominator	497,604	493,167

^A Turnover-based ratio

→ Other businesses' GAR (asset management, insurance and investment services):

In addition to the credit institutions GAR that has already been published, we included the GAR for asset management, insurance⁹³ and investment services businesses according to the European Commission's requirements⁹⁴

- Our key performance indicator for asset management is 1.59% (based on turnover) and 2.60% (based on CapEx).⁹⁵
- Our key performance indicator for insurance⁹⁶ is 1.45% (based on turnover) and 2.05% (based on CapEx).⁹⁷
- Regarding the investment services KPI, we analysed the turnover of the Group's companies in relation to the total, noting that it accounts for less than 3% and is, therefore immaterial⁹⁸.

→ Consolidated KPI:

Last, per the European Commission's communiqué, we publish a consolidated KPI of all businesses, calculated as the weighted average of the applicable KPI of each business (credit institutions, asset management, insurance and investment services) based on turnover and CapEx, with weightings according to the proportion of revenue stemming from the activities covered by the corresponding KPI in their total turnover.⁹⁹

Our consolidated KPI is 2.99% (based on turnover) and 3.24% (based on CapEx).

We considered net interest income and fees for the weighting of the turnover-based KPI.

Please find the complete disclosure on the following pages, including the templates set out in the Taxonomy Regulation.



For more details on how our financial strategy, product design and relations with customers and counterparties comply with the EU Taxonomy, please see the sections 2. 'Supporting the green transition' and 10.9 'GFANZ transition planning'.



For more details about GAR, please see the section "SN 7.2 EU taxonomy tables".

⁹³ For the asset management and insurer KPI, we included eligible and aligned transactions based on the eligibility and alignment ratios of counterparties (both in terms of CapEx and turnover).

⁹⁴ C/2024/6691

⁹⁵ Eligibility for climate-related targets is 10.9% based on turnover and 10.6% based on CapEx. For the remaining four objectives, eligibility is 1.0% based on turnover and 0.5% based on CapEx.

⁹⁶ European Commission requirements dictate the disclosure of a KPI relating to investment and underwriting. Since the Group does not engage in underwriting relating to non-life insurance (but only markets these products), we only disclose an investment KPI.

⁹⁷ Eligibility for climate-related targets is 11.7% based on turnover and 12.4% based on CapEx. For the remaining four objectives, eligibility is 0.3% (based on both turnover and CapEx).

⁹⁸ As part of detailed analysis, we identified the companies under this activity and reviewed a significant volume of revenue derived from it. Following our review, we conclude that this indicator is of little relevance to the Group's sustainability disclosures and, thus, decided not to publish the templates in this regard. Of the analysed revenue samples, 80% comes from customers who are not required to disclose taxonomy information and, therefore, do not publish alignment information. For customers who do publish taxonomy information, the percentage of aligned revenues of the total subject to this KPI is around 0.3%.

⁹⁹ Based on turnover and CapEx, with weightings according to the proportion of revenue stemming from the activities covered by the corresponding KPI in their total turnover.

SN 6. Sustainable finance and investment classification system (SFICS)

Sustainable finance is key to meeting our climate ambition. We continue to build on our sustainable finance guidelines, which we first published in February 2022, and that we continue updating based on developments in regulation and market practice. Since 2024 it also includes socially responsible investment standards and is now called the Sustainable finance and investment classification system (SFICS).

The SFICS outlines common standards to consider an asset or activity as environmental, social or sustainable in all the Group's units and businesses. It draws on such international market guidelines, standards and principles as the EU Taxonomy (including the four new environmental targets for 2023), ICMA (International Capital Market Association) Principles, LMA (Loan Market Association) Principles, UNEP FI Framework and the Climate Bonds Standard.

The SFICS enables us to track our sustainable activity, support product development and mitigate greenwashing risk.

We updated the SFICS based on lessons learned and market trends. It now features:



A sustainability approach for customers that complements the activity-based approach.



Additional details on manufacturing, real estate, sustainable agriculture and other activities.



New activities that come to light on the back of developments in the EU Taxonomy and to cover new environmental goals related to water, waste, the circular economy and biodiversity.

We will continue working to evolve the SFICS in line with market developments and business practice, to have a comprehensive set of criteria that enables us to classify green and transition activities to support our customers transition and contribute to our climate ambition.

Internationally recognized sector principles and guidelines that the SFICS draws on

EU taxonomy	ICMA Green/ Social Bond Principles	LMA Green Loan Principles	LMA Sustainability Linked Loan Principles	ICMA Sustainability Linked Bond Principles	Febraban taxonomy (Brazil)	UNEP FI framework	Climate Bond Standards
-------------	------------------------------------------	---------------------------------	----------------------------------------------------	-----------------------------------------------------	----------------------------------	----------------------	---------------------------

Eligible products

Dedicated purpose

- Proceeds go towards **eligible environmental and social activities and initiatives**.
- Eligibility criteria: **Activities with a specific environmental and social purpose under accepted standards** that follow internationally recognized sector guidelines and principles (ICMA, LMA, Climate Bonds Standard) and the EU taxonomy.

Sustainability-linked financing

- **Sustainability-linked transactions** designed to help our customers achieve their ESG objectives.
- Transaction structured to achieve **pre-determined sustainability performance targets** (ESG ratings and metrics).
- Alignment with sector standards (ICMA and LMA).

Update in 2023 to the Green, social and sustainability funding global framework

Updated in 2023, this framework is the reference for all environmental, social and sustainability-labelled funding instruments traded in sustainable capital markets and enables all Grupo Santander entities to issue based on it. It replaces our previous Global sustainable bond and Green bond frameworks. Consistent with best market practice and investor expectations, it covers use of proceeds, project assessment and selection, management of proceeds and reporting in line with the International Capital Market Association's (ICMA) and Loan Market Association's (LMA) guidelines. It is also consistent with the SFICS.

SN 7. Our progress in figures

SN 7.1 Green transition	124	SN 7.4 Customers	185
Table 1. Green finance	124	Table 21. Group customers	185
Table 2. Environmental footprint	124	Table 22. Dialogue by channel	185
Table 3. Gross scopes 1, 2, 3 and total GHG emissions	125	Table 23. NPS ranking by country	185
Table 4. GHG mitigation projects financed through carbon credits	127	Table 24. Total complaints	186
Table 5 Equator principles	128	SN 7.5 Financial inclusion	186
SN 7.2 EU taxonomy tables	129	Table 25. People financially included	186
SN 7.3 Employees	180	Table 26. Microfinance	186
Table 6. Employees by region	180	SN 7.6 Community investment	186
Table 7. Employees by gender	180	Table 27. Community support	186
Table 8. Employees by management group and gender	181	Table 28. Outputs and outcomes	187
Table 9. Employees by age bracket	181	SN 7.7 Tax contribution	188
Table 10. Employees by employment contract	182	Table 29. Total taxes paid	188
Table 11. Collective bargaining coverage and social dialogue	182		
Table 12. Turnover by region	182		
Table 13. Average remuneration by management group, gender and age bracket	183		
Table 14. Remuneration ratios	183		
Table 15. Average remuneration of senior management	183		
Table 16. Average remuneration of senior management linked to long-term objectives	183		
Table 17. Senior management composition	184		
Table 18. Training	184		
Table 19. Hours of training by gender and management group	184		
Table 20. Occupational health and safety	184		

SN 7.1 Green transition

1. Green finance^A

EUR bn	2024	2023	2022	2021
Raised and facilitated	24.1	20.9	28.8	31.9
Accumulated since 2019	139.4	115.3	94.5	65.7

A. From January to December 2024, CIB contributed EUR 24.1 billion to the green finance target. According to Infralogic, Bloomberg, Dealogic, TFX and Mergermarket league tables. This refers to all roles undertaken by Banco Santander in the same project. It does not include financial inclusion and entrepreneurship. Green Finance raised and facilitated is not a synonym of EU Taxonomy.

2. Environmental footprint^A

	2024	2023	Var. 2024-2023 (%)
Consumption			
Total internal energy consumption (MWh)	1,012,554	-	
Total fossil energy consumption (MWh)	179,258	-	
Share of fossil sources in total energy consumption (%)	17.7%	-	
Consumption from nuclear sources (MWh)	6,457	-	
Share of nuclear sources in total energy consumption (%)	0.6%	-	
Total certified renewable energy consumption (MWh)	793,136	-	
Share of certified renewable sources in total energy consumption (%)	78.3%	-	
Fuel consumption by renewable source, such as biomass (MWh)	0	-	
Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	780,356	-	
Consumption of self-generated non-fuel renewable energy (MWh)	12,780	-	
Total not certified renewable energy consumption (MWh)	33,703	-	
Share of not certified renewable sources in total energy consumption (%)	3.3%	-	
Total electricity (millions of kwh)	856.65	805.31	6.4
Electricity from non-renewable sources (millions of kwh)	63.52	25.63	147.8
Electricity from renewable sources (millions of kwh)	793.14	779.68	1.7
Percentage of contractual instruments (contracts for renewable electricity guaranteed by utility) used for the procurement of renewable electricity.	53%		
Percentage of contractual instruments (PPAs_ Power Purchase Agreements) used for the purchase of renewable electricity	9%		
Percentage of contractual instruments (IRECs (International Renewable Electricity Certificates or DoO) used for the procurement of renewable electricity	38%		
Water (m ³) ^B	1,961,149	1,858,645	5.5
Paper (t)	6,023	4,932	22.1
Recycled or certified paper (t)	5,000	4,417	13.2

A. For 2024, information is included for 100% of the Group's average employees in all the countries we operate. The entities listed under ESRS Requirement E1, paragraph 50.b) (investees with operational control), are not material to Santander.

B. Santander consumes water basically from public water supply networks.

3. Gross scopes 1, 2, 3 and total GHG emissions (excluding financed emissions)

	Retrospective				Milestones and target years ⁱ			
	Base year (2020) ^g	Comparative (2023) ^h	N (2024)	% N / N-1	2025	2030	2050	Annual Target % / Base Year
Scope 1 GHG emissions^{A,B}								
Gross scope 1 GHG emissions (tCO ₂ e)	35,961	25,755	35,503	37.8%	-	33,303	-	0.7 %
Scope 2 GHG emissions^{A,C}								
Gross location-based Scope 2 GHG emissions (tCO ₂ e)	295,739	205,292	194,276	(5.4%)	-	172,276	-	4.2 %
Gross market-based Scope 2 GHG emissions (tCO ₂ e)	142,156	21,516	24,350	13.2%	-	12,350	-	9.1 %
Significant scope 3 GHG emissions^D								
Total Gross indirect (Scope 3) GHG emissions (tCO ₂ e)	-	125,441	1,116,061	-	-	-	-	-
1 Purchased goods and services ^E	-	-	698,768	-	-	-	-	-
2 Capital goods ^E	-	-	216,388	-	-	-	-	-
4 Upstream transportation and distribution ^E	-	-	52,835	-	-	-	-	-
6 Business travel ^{A,F}	-	50,061	52,150	4.2%	-	-	-	-
7 Employee commuting ^{A,F}	-	75,380	82,569	9.5%	-	-	-	-
9 Downstream transportation ^E	-	-	13,350	-	-	-	-	-
Total GHG emissions (excluding financed emissions)^{A,J}								
Total GHG emissions (location-based) (tCO ₂ e)	-	356,488	1,345,841	277.5%	-	-	-	-
Total GHG emissions (market-based) (tCO ₂ e)	-	172,711	1,175,915	580.9 %	-	-	-	-

A. For 2024, information is included for 100% of the Group's average employees in all the countries we operate. The entities listed under ESRS Requirement E1, paragraph 50.b) (investees with operational control), are not material to Santander.

B. These emissions include those derived from direct energy consumption: Natural gas, diesel as well as the fuel consumption of the fleets where it is applicable (Argentina, Mexico, Brazil, Chile and Poland this year) and fugitive emissions of refrigerant gases according to the GHG Protocol standard. For the calculation of these emissions, emission factors from DEFRA (Department for Environment, Food and Rural Affairs) 2024 for the financial year 2024 and DEFRA 2023 for the financial year 2023 have been applied. For Brazil's own fuels, the factors of the Brazilian GHG Protocol Program are used. Santander does not use biomass as fuel and therefore does not produce direct biogenic emissions. Santander does not manage emissions subject to regulated Emission Trading Schemes (ETS), including the EU-ETS, national ETS and non-EU ETS. The direct emissions in tCO₂e disaggregated by country are: Argentina 1,554, Brazil 2,772, Chile 564, Germany 2,270, Mexico 6,609, Nordics 3, Poland 6,652, Portugal 231, Spain 5,995, UK 2,676, USA 5,109, Others 1,067.

C. These emissions include those derived from electricity consumption and the use of district heating and correspond to Scope 2 defined by the GHG Protocol standard. In 2024 they have been calculated with emission factors of the 2024 edition of the IEA, for 2023 the emission factors of the 2023 edition were used. For the calculation of district heating in Poland and Norway, local public emission factors for 2024 different from DEFRA were used. Data on biogenic emissions is not included as information on these emissions is not available in the EIA emission factor database.

- Indirect emissions Electricity – market-based: For the calculation of these emissions, only renewable electricity is considered as renewable electricity that can be certified by any type of contract or product recognized as such, but not the share of the country energy mix obtained from IEA data (i.e. where non-renewable electricity is purchased expressly).
- Indirect Emissions Electricity – location-based: The IEA emission factor for each country has been applied for all electricity purchased, regardless of its source of origin (renewable or non-renewable).

The indirect emissions in tCO₂e disaggregated by country are:

- Market-based: Argentina 441, Brazil 115, Chile 44, Germany 2,008, Mexico 1,613, Nordics 8, Poland 12,021, Portugal 309, Spain 1,371, UK 1,103, USA 0, Others 5,316.
- Location-based: Argentina 12,444, Brazil 17,577, Chile 7,350, Germany 5,824, Mexico 51,629, Nordics 36, Poland 26,826, Portugal 3,041, Spain 29,338, UK 16,408, USA 18,486, Others 5,316.

D. The assessment we conducted to determine the materiality of indirect GHG emissions (scope 3) found that the only material category under this scope was category 3.15 (financed emissions), with a weighting of 99% of the total. The other categories are identified as not relevant, given its low representativeness. In addition, the categories disclosed in this table are defined as relevant, and the following categories are identified as not relevant, given their low representativeness: 3.3 - Fuel and energy-related activities (not included in Scope 1 or 2); 3.5 - waste generated in operations; 3.8 - upstream leased assets; 3.10 - processing of sold products; 3.11 - use of sold products; 3.12 - end-of-life treatment of sold products; 3.14 - franchises.

Biogenic emissions are not included as information on these emissions is not available in the databases we use to calculate any of the categories.

E. Supply chain emissions are calculated using a spend-based approach considering the payments to our suppliers in the current year. For that non primary data obtained from suppliers has been used. These are calculated using the Supply Chain Greenhouse Gas Emission Factors v1.3 from the U.S. Environmental Protection Agency. Our supplier taxonomies are mapped to the sectors considered in the database and then converted into emissions through spend-based emissions factors. Then, different spending taxonomies are grouped based on the GHG scope 3 categories based on their nature (purchased goods and services, capital goods, upstream and downstream transportation).

F. For the calculation of these emission factors DEFRA 2023 for fiscal year 2023 and DEFRA 2022 for fiscal year 2022 have been applied. For Brazil's specific fuels, emissions factors from the Brazilian GHG Protocol Program have been applied.

G. Base year is 2020. Emissions disclosed that year were reviewed to consider the same circumstances as the disclosed in this report 2024: equal perimeter (all countries and businesses that have employees, formerly G10) and considering fugitive emissions equivalent to current emissions (recently included in emissions footprint).

H. Data with no information for 2023 are first reported in 2024.

I. Our reduction objectives have been externally assured only in the verification process of the present report.

J. To comply with the regulatory requirements we have extended the financed emissions calculations, in most cases based on factors and other proxies. More details see table below 3.2. The total absolute financed emissions (scope 3, categories 15 and 13) of this broad scope, including scope 1, 2 and 3 are 283.8 mtCO₂e. And the total GHG emissions (market-based) are 285.0 mtCO₂e. With this figure, the ratio of "GHG total emissions / Total income" is: 4.6 mtCO₂e/bn€ (Total income figure as disclosed in the Consolidated Income Statements).

3.1. Financed emissions of non-financial corporations, as disclosed in Pillar 3

Sector	Gross carrying amount (€bn)	GHG financed emissions (scope 1 and scope 2 of the counterparty) (mtCO ₂ e)	GHG financed emissions (scope 3 of the counterparty) (mtCO ₂ e)	GHG emissions: gross carrying amount percentage of the portfolio derived from company-specific reporting
Exposures towards sectors that highly contribute to climate change^A	259.3	58.6	159.3	10.1%
A - Agriculture, forestry and fishing	8.5	8.1	3.8	0.5%
B - Mining and quarrying	11	11.8	41.5	28.2%
C - Manufacturing	53.7	13.7	63.2	14.3%
D - Electricity, gas, steam and air conditioning supply	13.9	10.7	7.2	23.6%
E - Water supply; sewerage, waste management and remediation activities	1.7	1.1	0.5	3.8%
F - Construction	18.7	0.9	4.8	2.7%
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	77.7	6.1	31	12.1%
H - Transportation and storage	17.3	4.4	5.6	9.4%
I - Accommodation and food service activities	11.3	0.5	1.4	1.3%
L - Real estate activities	45.6	1.3	0.3	1.0%
Exposures towards sectors other than those that highly contribute to climate change^A	79.2			
K - Financial and insurance activities	0			
Exposures to other sectors (NACE codes J, M - U)	79.2			
TOTAL	338.5	58.6	159.3	7.8%

A. In accordance with the Commission delegated regulation (EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006.

3.2. Financed emissions estimated from balance sheet^A

Asset	Gross carrying amount assessed (EUR bn)	GHG financed emissions (scope 1 and scope 2) (mtCO ₂ e)	GHG Scope 1 and 2 mtCO ₂ e/exposure (EUR bn)	GHG financed emissions (scope 3) (mtCO ₂ e)	GHG Scope 3 mtCO ₂ e/exposure (EUR bn)	PCAF Score ^I
Non-financial corporations (Pillar 3) ^B	338.5	58.6	0.18	159.3	0.66	4.8
Mortgages ^C	350.5	3.6	0.01	0.0	0.01	3.8
Motor vehicle loans ^D	170.2	27.0	0.16	0.0	0.16	4.2
Sovereign debt ^E	155.2	33.9	0.22	0.0	0.22	2.2
Corporate bonds ^F	45.7	0.3	0.006	0.7	0.02	5.0
Equity instruments ^G	6.8	0.01	0.002	0.1	0.01	5.0
Investments: joint ventures and associated ^H	7.3	0.02	0.003	0.2	0.03	4.0
TOTAL	1,065.6	123.5	0.12	160.3	0.27	

A. This includes scope 3 - category 13 and 15 emissions for regulatory purposes.

B. These are the financed emissions reported under the EBA Pillar 3 exercise, which should not be confused with the portfolio alignment financed emissions, as the scope and supporting data of the two exercises is different.

C. Mortgage financed emissions. Calculated as of 2023, for the UK and Spain, and as of 2024 for Poland. Also extending calculation to rest of group's mortgage portfolio (2024 data).

D. Motor vehicle loans financed emissions from loans and leases. That includes the current auto-lending alignment target scope, calculated as of 2023, and other auto exposures within EU consumer finance business and auto-lending in America, calculated with 2024 financial data.

E. Sovereign debt at fair value or amortized cost. Financed emissions calculated covers scope 1 including 'Land Use, Land-Use Change and Forestry' (LULUCF), following the recommendations by PCAF methodology and using the United Nations Framework Convention on Climate Change (UNFCCC) official reported emissions factors from the PCAF database.

F. Private fixed-income instruments at fair value or amortized cost, excluding the exposures included in the Pillar 3 reporting. Financed emissions calculated covers scope 1, 2 and 3 from the issuers, following the recommendations by PCAF methodology and using the emissions factors from the PCAF database.

G. Equity instruments at fair value, excluding the exposures included in the Pillar 3 reporting. Financed emissions calculated covers scope 1, 2 and 3 from the issuers, following the recommendations by PCAF methodology and using the emissions factors from the PCAF database.

H. Investments in joint ventures and associated. Financed emissions calculated covers scope 1, 2 and 3 from the companies, following the recommendations by PCAF methodology and using the emissions factors from the PCAF database.

I. As explained below, we had to extrapolate the emissions calculations for near 20% of the exposure assessed for 'Financed emissions estimated from balance sheet'. The PCAF score is an approximation assuming the extrapolations account for PCAF score 5 (worse quality), and the rest is calculated following the PCAF standard recommendations.

Santander discloses for the first time financed emissions of new categories from our balance sheet in this annual report, and we extend the scope from the emissions calculated with PCAF methodology to a broader scope to cover almost all balance sheet exposures subject to

financed emissions calculations, with the only purpose of complying with the disclosure regulation. In the '[SN. 4 Our transition plan](#)' we disclose the financed emissions of portfolio alignment with reasonable quality of data, with the aim of managing our portfolios with alignment purposes. In this section, we prioritize the completeness of the sustainability information disclosed. This means that the calculations where primarily supported by emissions factors, proxies or approximations, instead of actual reported emissions, to extend the calculation of financed emissions as reasonable as possible. This calculation helps us reach the figures we disclose, although we will continue to work on improving the available data and calculations in the future.

For all these reasons, we could expect some volatility in the financed emissions disclosed as better information becomes available over time or as some of the proxies/factors provided by external parties are updated.

4. GHG mitigation projects financed through carbon credits





Carbon credits cancelled and used for scopes 1+2 compensation	N (2024)
Total (tCO ₂ e) ^A	59,858
Share from removal projects ^B (%)	15 %
Share from reduction projects (%)	85 %
Share of projects validated by Verra's VCS	13 %
Share of projects validated by Climate Action Reserve	15 %
Share of projects validated by Gold Standard	72 %
Share from projects within the EU (%)	— %
Share of carbon credits that qualify as corresponding adjustments (%) ^C	— %

A. Since emissions offsetting is done by country, the upward rounding of tCO₂e means that the total amount of credits is slightly higher than the total sum of emissions.

B. In 2024, all GHG phase-out mitigation projects are nature-based (biogenic) solutions projects. Santander cancels all credits after purchase in the year. In 2024, 71,300 new credits were acquired and cancelled: 16.5% validated by Climate Action Reserve (removal projects) and 83.5% validated by Gold Standard (reduction projects). The existing contractual agreements Santander has in different countries will enable us to obtain 70.259 carbon credits between from now to 2073 year. Cancellation of such credits will be based on the mitigation approach at the time.

C. It is reported 0% since Article 6 is not yet applicable.

5. Equator Principles

Number of projects	Project Finance			Project Related Corporate Loans			Project-Related Refinance and Project-Related Acquisition for Project Finance		
Category	A	B	C	A	B	C	A	B	C
TOTAL	3	9	3	2	3	1	0	0	0
 Sector									
Mining	0	0	0	0	0	0	0	0	0
Infrastructure	1	1	3	0	0	0	0	0	0
Oil & gas	1	0	0	0	0	0	0	0	0
Power	1	6	0	1	2	1	0	0	0
Others	0	2	0	1	1	0	0	0	0
 Region									
Americas	1	2	0	1	2	0	0	0	0
Europe, Middle East & Africa	2	7	3	1	0	1	0	0	0
Asia pacific	0	0	0	0	1	0	0	0	0
 Type									
Designated countries ^A	2	9	3	0	2	1	0	0	0
Non-designated countries	1	0	0	2	1	0	0	0	0
 Independent review									
Yes	3	8	1	2	2	0	0	0	0
No	0	1	2	0	1	1	0	0	0

A. In accordance with the definition of designated countries included in the Equator Principles, with solid environmental and social governance, legislation and institutions to protect their inhabitants and the environment.

Category A – Projects with potential significant adverse environmental and social risks and/or impacts that are diverse, irreversible or unprecedented;

Category B – Projects with potential limited adverse environmental and social risks and/or impacts that are few in number, generally site-specific, largely reversible and readily addressed through mitigation measures;

Category C – Projects with minimal or no adverse environmental and social risks and/or impacts.

SN 7.2 EU taxonomy tables¹⁰⁰

0. Summary of KPI to be disclosed by credit institutions under Article 8 Taxonomy Regulation - 2024

		Total de activos medioambientalmente sostenibles (1)	Indicador (3)	Indicador (4)	% % cobertura (sobre los activos totales) (5)	% of assets excluded from the numerator of the GAR (Article 7.2 and 7.3 and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7.1 and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	39,656	3.04	3.28	69.8	34.0	30.2
		Total de activos medioambientalmente sostenibles (2)	Indicador	Indicador	% % cobertura (sobre los activos totales)	% of assets excluded from the numerator of the GAR (Article 7.2 and 7.3 and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7.1 and Section 1.2.4 of Annex V)
Additional KPI	GAR (flow)	7,862	2.63	3.35	65.9	40.7	34.1
	Trading book(6)						
	Financial guarantees	249	1.47	3.46			
	Assets under management	2,047	1.3	2.14			
	Fees and commissions income(6)						

(1) Total environmentally sustainable assets used for turnover KPI. Total environmentally sustainable assets used for Capex KPI amounts to EUR 42,834 million.

(2) Total environmentally sustainable assets used for turnover KPI. Total environmentally sustainable assets used for Capex KPI amounts to EUR 10,009 million for GAR flow, EUR 585 million for financial guarantees and EUR 3,360 million for assets under management .

(3) Based on the Turnover KPI of the counterparty.

(4) Based on the CapEx KPI of the counterparty.

(5) % of assets covered by the KPI over banks' total assets.

(6) Fees and Commissions and Trading Book KPIs shall only apply starting 2026.

¹⁰⁰ Perimeter calculation for GAR, in accordance with the Commission Delegated Regulation (EU) 2021/2178, is based on the prudential consolidated group. In this context, the entities within the Santander Group are consolidated using the full consolidation method, except for jointly controlled entities, which are proportionately consolidated. Companies that cannot be consolidated due to their activity are included using the equity method. The difference between the total assets of the public and prudential perimeters is not significant. This difference is due to the exclusion of non-financial entities and the inclusion of multi-group and intergroup entities, in accordance with this consolidation criterion.

0. Summary of KPI to be disclosed by credit institutions under Article 8 Taxonomy Regulation - 2023

		Total environmentally sustainable assets (1)	KPI (3)	KPI (4)	% coverage (over total assets) (5)	% of assets excluded from the numerator of the GAR (Article 7.2 and 7.3 and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7.1 and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	31,151	2.4	2.6	70.3	33.9	29.7
		Total environmentally sustainable activities (2)	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7.2 and 7.3 and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7.1 and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	7,079	1.6	1.9	50.6	36.0	49.4
	Trading book(6)						
	Financial guarantees	142	0.9	1.8			
	Assets under management	829	0.6	1.1			
	Fees and commissions income(6)						

(1) Total environmentally sustainable assets used for turnover KPI. Total environmentally sustainable assets used for Capex KPI amounts to EUR 33,422 million

(2) Total environmentally sustainable assets used for turnover KPI. Total environmentally sustainable assets used for Capex KPI amounts to EUR 8,435 million for GAR flow, EUR 289 million for financial guarantees and EUR 1,550 million for assets under management

(3) Based on the Turnover KPI of the counterparty

(4) Based on the CapEx KPI of the counterparty

(5) % of assets covered by the KPI over banks' total assets

(6) Fees and Commissions and Trading Book KPIs shall only apply starting 2026

1. Assets for the calculation of GAR (Capex) - 2024

Million EUR		2024														
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
		Total [gross] carrying amount	Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	664,610	447,158	42,818	36,969	9,508	2,202	101	17	0	3	447,259	42,834	36,969	9,508	2,206
2	Financial undertakings	25,544	5,704	1,600	0	28	432	27	2	0	0	5,732	1,602	0	28	432
3	Credit institutions	18,208	3,332	312	0	1	12	24	2	0	0	3,356	314	0	1	12
4	Loans and advances	16,848	3,097	293	0	1	12	11	2	0	0	3,108	295	0	1	12
5	Debt securities, including UoP (Use of Proceeds)	1,360	235	19	0	0	0	13	0	0	0	248	19	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
7	Other financial corporations	7,336	2,372	1,288	0	28	420	4	0	0	0	2,376	1,289	0	28	420
8	of which investment firms	2,300	975	878	0	0	233	0	0	0	0	975	878	0	0	233
9	Loans and advances	1,778	528	439	0	0	136	0	0	0	0	528	439	0	0	136
10	Debt securities, including UoP	523	447	439	0	0	98	0	0	0	0	447	439	0	0	98
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
12	of which management companies	258	101	8	0	0	5	0	0	0	0	102	8	0	0	5
13	Loans and advances	176	61	3	0	0	3	0	0	0	0	61	3	0	0	3
14	Debt securities, including UoP	80	41	5	0	0	2	0	0	0	0	41	5	0	0	2
15	Equity instruments	2	0	0		0	0	0	0		0	0	0		0	0
16	of which insurance undertakings	2,050	246	9	0	0	0	2	0	0	0	247	9	0	0	0
17	Loans and advances	1,931	246	9	0	0	0	2	0	0	0	247	9	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	119	0	0		0	0	0	0		0	0	0		0	0
20	Non-financial undertakings	28,232	11,539	4,248	0	648	1,771	73	15	0	3	11,612	4,263	0	648	1,774
21	Loans and advances	26,333	10,918	3,827	0	646	1,508	65	6	0	3	10,983	3,833	0	646	1,511
22	Debt securities, including UoP	1,891	620	420	0	1	262	8	8	0	1	628	428	0	1	263
23	Equity instruments	8	1	1		0	0	0	0	0	0	1	1		0	0
24	Households	609,668	428,942	36,969	36,969	8,832	0	0	0	0	0	428,942	36,969	36,969	8,832	0
25	of which loans collateralised by residential immovable property	362,813	331,277	28,137	28,137	0	0	0	0	0	0	331,277	28,137	28,137	0	0
26	of which building renovation loans	1,189	1,189	0	0	0	0	0	0	0	0	1,189	0	0	0	0
27	of which motor vehicle loans	96,477	96,477	8,832	8,832	8,832	0					96,477	8,832	8,832	8,832	0

Million EUR		2024													
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
28	Local governments financing	1,166	973	0	0	0	0	0	0	0	0	973	0	0	0
29	Housing financing	155	153	0	0	0	0	0	0	0	0	153	0	0	0
30	Other local government financing	1,012	819	0	0	0	0	0	0	0	0	819	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	4,825	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	637,106	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and Non-financial undertakings	438,149													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	134,206													
35	Loans and advances	132,387													
36	of which loans collateralised by commercial immovable property	23,620													
37	of which building renovation loans	1,704													
38	Debt securities	1,575													
39	Equity instruments	244													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	303,944													
41	Loans and advances	276,247													
42	Debt securities	24,306													
43	Equity instruments	3,391													
44	Derivatives	5,772													
45	On demand interbank loans	12,146													
46	Cash and cash-related assets	9,252													
47	Other categories of assets (e.g. Goodwill, commodities etc.)	171,788													
48	Total GAR assets	1,306,542	447,158	42,818	36,969	9,508	2,202	101	17	0	3	447,259	42,834	36,969	9,508
49	Assets not covered for GAR calculation	565,848													
50	Central governments and Supranational issuers	142,309													
51	Central banks exposure	193,354													

Million EUR		2024														
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
		Total [gross] carrying amount	Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling			
52	Trading book	230,185														
53	Total assets	1,872,390	447,158	42,818	36,969	9,508	2,202	101	17	0	3	447,259	42,834	36,969	9,508	2,206
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	16,898	1,282	570	0	47	387	39	15	0	4	1,320	585	0	47	390
55	Assets under management ¹⁰¹	156,908	13,238	3,345	0	184	1,419	348	15	0	1	13,586	3,360	0	184	1,420
56	Of which debt securities	71,062	8,288	1,665	0	96	752	292	2	0	0	8,580	1,668	0	96	752
57	Of which equity instruments	63,320	4,744	1,616	0	86	642	54	12	0	1	4,798	1,628	0	86	643

¹⁰¹ The assets under management taken into account in this template covers the whole Group.

1. Assets for the calculation of GAR (Turnover) - 2024

Million EUR		2024															
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
		Total [gross] carrying amount				Of which Use of Proceeds	Of which transitional	Of which enabling				Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional
GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	664,610	444,137	39,615	36,969	8,952	1,412	365	41	0	18	444,503	39,656	36,969	8,952	1,431	
2	Financial undertakings	25,544	4,921	776	0	3	280	289	21	0	2	5,210	798	0	3	281	
3	Credit institutions	18,208	3,265	280	0	0	5	25	2	0	0	3,290	281	0	0	5	
4	Loans and advances	16,848	3,028	260	0	0	5	12	2	0	0	3,040	262	0	0	5	
5	Debt securities, including UoP	1,360	237	19	0	0	0	13	0	0	0	250	19	0	0	0	
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	
7	Other financial corporations	7,336	1,656	497	0	2	274	264	20	0	2	1,919	516	0	2	276	
8	of which investment firms	2,300	392	263	0	0	141	43	4	0	2	435	268	0	0	143	
9	Loans and advances	1,778	174	68	0	0	47	43	4	0	2	217	72	0	0	49	
10	Debt securities, including UoP	523	218	196	0	0	94	0	0	0	0	218	196	0	0	94	
11	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0	
12	of which management companies	258	122	6	0	0	4	0	0	0	0	122	6	0	0	4	
13	Loans and advances	176	120	6	0	0	4	0	0	0	0	121	6	0	0	4	
14	Debt securities, including UoP	80	1	0	0	0	0	0	0	0	0	1	0	0	0	0	
15	Equity instruments	2	0	0		0	0	0	0		0	0	0		0	0	
16	of which insurance undertakings	2,050	244	7	0	0	0	219	15	0	0	462	22	0	0	0	
17	Loans and advances	1,931	244	7	0	0	0	219	15	0	0	462	22	0	0	0	
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Equity instruments	119	0	0		0	0	0	0		0	0	0		0	0	
20	Non-financial undertakings	28,232	9,302	1,869	0	117	1,133	76	20	0	17	9,378	1,889	0	117	1,149	
21	Loans and advances	26,333	9,014	1,648	0	117	936	70	16	0	16	9,084	1,664	0	117	952	
22	Debt securities, including UoP	1,891	288	221	0	0	197	7	3	0	0	294	224	0	0	197	
23	Equity instruments	8	0	0		0	0	0	0		0	0	0		0	0	
24	Households	609,668	428,942	36,969	36,969	8,832	0	0	0	0	0	428,942	36,969	36,969	8,832	0	
25	of which loans collateralised by residential immovable property	362,813	331,277	28,137	28,137	0	0	0	0	0	0	331,277	28,137	28,137	0	0	
26	of which building renovation loans	1,189	1,189	0	0	0	0	0	0	0	0	1,189	0	0	0	0	
27	of which motor vehicle loans	96,477	96,477	8,832	8,832	8,832	0					96,477	8,832	8,832	8,832	0	
28	Local governments financing	1,166	973	0	0	0	0	0	0	0	0	973	0	0	0	0	

Million EUR		2024														
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
		Total [gross] carrying amount		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
29	Housing financing	155	153	0	0	0	0	0	0	0	0	153	0	0	0	0
30	Other local government financing	1,012	819	0	0	0	0	0	0	0	0	819	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	4,825	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	637,106	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and Non-financial undertakings	438,149														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	134,206														
35	Loans and advances	132,387														
36	of which loans collateralised by commercial immovable property	23,620														
37	of which building renovation loans	1,704														
38	Debt securities	1,575														
39	Equity instruments	244														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	303,944														
41	Loans and advances	276,247														
42	Debt securities	24,306														
43	Equity instruments	3,391														
44	Derivatives	5,772														
45	On demand interbank loans	12,146														
46	Cash and cash-related assets	9,252														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	171,788														
48	Total GAR assets	1,306,542	444,137	39,615	36,969	8,952	1,412	365	41	0	18	444,503	39,656	36,969	8,952	1,431
49	Assets not covered for GAR calculation	565,848														
50	Central governments and Supranational issuers	142,309														
51	Central banks exposure	193,354														
52	Trading book	230,185														

Million EUR		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
53	Total assets	1,872,390	444,137	39,615	36,969	8,952	1,412	365	41	0	18	444,503	39,656	36,969	8,952	1,431
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	16,898	809	218	0	1	166	67	31	0	31	876	249	0	1	197
55	Assets under management ¹⁰²	156,908	12,858	1,994	0	78	844	861	53	0	19	13,719	2,047	0	78	863
56	Of which debt securities	71,062	8,627	912	0	37	367	520	20	0	11	9,147	931	0	37	378
57	Of which equity instruments	63,320	4,061	1,040	0	40	462	328	32	0	8	4,389	1,072	0	40	470

¹⁰² The assets under management taken into account in this template covers the whole Group.

1. Assets for the calculation of GAR (Capex) - 2023

Million EUR		2023														
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
		Total [gross] carrying amount	Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	661,433	465,892	33,416	29,115	6,975	1,640	60	7	0	5	465,953	33,422	29,115	6,975	1,645
2	Financial undertakings	28,156	7,544	510	0	11	349	4	0	0	0	7,548	510	0	11	349
3	Credit institutions	22,517	6,241	3	0	0	2	4	0	0	0	6,245	3	0	0	2
4	Loans and advances	20,257	5,232	3	0	0	2	4	0	0	0	5,236	3	0	0	2
5	Debt securities, including UoP	2,261	1,009	0	0	0	0	0	0	0	0	1,009	0	0	0	0
6	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
7	Other financial corporations	5,639	1,303	507	0	10	347	0	0	0	0	1,303	507	0	10	347
8	of which investment firms	1,987	438	349	0	0	307	0	0	0	0	438	349	0	0	307
9	Loans and advances	1,455	138	49	0	0	7	0	0	0	0	138	49	0	0	7
10	Debt securities, including UoP	313	300	300	0	0	300	0	0	0	0	300	300	0	0	300
11	Equity instruments	219	0	0	0	0	0	0	0	0	0	0	0	0	0	0
12	of which management companies	141	102	11	0	1	1	0	0	0	0	102	11	0	1	1
13	Loans and advances	141	102	11	0	1	1	0	0	0	0	102	11	0	1	1
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
16	of which insurance undertakings	1,892	318	0	0	0	0	0	0	0	0	318	0	0	0	0
17	Loans and advances	1,892	318	0	0	0	0	0	0	0	0	318	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
20	Non-financial undertakings	25,910	10,901	3,791	0	395	1,291	56	7	0	5	10,957	3,798	0	395	1,296
21	Loans and advances	24,347	10,367	3,315	0	395	1,063	49	7	0	5	10,416	3,322	0	395	1,068
22	Debt securities, including UoP	1,563	534	476	0	0	228	7	0	0	0	541	476	0	0	228
23	Equity instruments	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
24	Households	607,245	447,326	29,115	29,115	6,569	0	0	0	0	0	447,326	29,115	29,115	6,569	0
25	of which loans collateralised by residential immovable property	366,626	356,979	22,545	22,545	0	0	0	0	0	0	356,979	22,545	22,545	0	0
26	of which building renovation loans	528	528	0	0	0	0	0	0	0	0	528	0	0	0	0
27	of which motor vehicle loans	89,820	89,820	6,569	6,569	6,569	0					89,820	6,569	6,569	6,569	0

Million EUR		2023													
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)			
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)			
		Total [gross] carrying amount		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling
28	Local governments financing	122	122	0	0	0	0	0	0	0	0	122	0	0	0
29	Housing financing	75	75	0	0	0	0	0	0	0	0	75	0	0	0
30	Other local government financing	46	46	0	0	0	0	0	0	0	0	46	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	5,595	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	621,271	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and Non-financial undertakings	478,101													
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	141,389													
35	Loans and advances	139,095													
36	of which loans collateralised by commercial immovable property	22,909													
37	of which building renovation loans	141													
38	Debt securities	2,140													
39	Equity instruments	155													
40	Non-EU country counterparties not subject to NFRD disclosure obligations	296,567													
41	Loans and advances	272,256													
42	Debt securities	21,525													
43	Equity instruments	2,787													
44	Derivatives	5,421													
45	On demand interbank loans	11,911													
46	Cash and cash-related assets	8,621													
47	Other categories of assets (e.g. Goodwill, commodities etc.)	117,217													
48	Total GAR assets	1,288,300	465,892	33,416	29,115	6,975	1,640	60	7	0	5	465,953	33,422	29,115	6,975
49	Assets not covered for GAR calculation	545,242													
50	Central governments and Supranational issuers	137,606													
51	Central banks exposure	230,835													

Million EUR			2023													
			Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
			Total [gross] carrying amount	Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
52	Trading book	176,800														
53	Total assets	1,833,542	465,892	33,416	29,115	6,975	1,640	60	7	0	5	465,953	33,422	29,115	6,975	1,645
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	15,573	644	285	0	4	152	26	0	0	0	669	286	0	4	152
55	Assets under management	137,531	4,979	1,550	0	77	665	36	0	0	0	5,015	1,550	0	77	665
56	Of which debt securities	39,836	3,613	837	0	26	440	7	0	0	0	3,621	837	0	26	440
57	Of which equity instruments	43,158	1,365	713	0	52	225	29	0	0	0	1,394	713	0	52	225

1. Assets for the calculation of GAR (Turnover) - 2023

Million EUR		2023														
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
		Total [gross] carrying amount	Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	661,433	464,201	31,142	29,115	6,834	799	474	9	0	8	464,675	31,151	29,115	6,834	807
2	Financial undertakings	28,156	7,899	310	0	4	208	373	0	0	0	8,272	310	0	4	208
3	Credit institutions	22,517	6,892	1	0	0	0	15	0	0	0	6,907	1	0	0	0
4	Loans and advances	20,257	5,883	1	0	0	0	15	0	0	0	5,898	1	0	0	0
5	Debt securities, including UoP	2,261	1,009	0	0	0	0	0	0	0	0	1,009	0	0	0	0
6	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
7	Other financial corporations	5,639	1,006	309	0	4	208	358	0	0	0	1,365	309	0	4	208
8	of which investment firms	1,987	280	172	0	0	155	41	0	0	0	321	172	0	0	155
9	Loans and advances	1,455	127	19	0	0	2	41	0	0	0	168	19	0	0	2
10	Debt securities, including UoP	313	153	153	0	0	153	0	0	0	0	153	153	0	0	153
11	Equity instruments	219	0	0		0	0	0	0		0	0	0		0	0
12	of which management companies	141	99	17	0	0	0	0	0	0	0	99	17	0	0	0
13	Loans and advances	141	99	17	0	0	0	0	0	0	0	99	17	0	0	0
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
15	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
16	of which insurance undertakings	1,892	317	0	0	0	0	317	0	0	0	634	0	0	0	0
17	Loans and advances	1,892	317	0	0	0	0	317	0	0	0	634	0	0	0	0
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
19	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
20	Non-financial undertakings	25,910	8,855	1,718	0	260	591	101	9	0	7	8,955	1,727	0	260	598
21	Loans and advances	24,347	8,617	1,509	0	258	552	83	9	0	7	8,700	1,518	0	258	560
22	Debt securities, including UoP	1,563	237	208	0	2	39	18	0	0	0	255	208	0	2	39
23	Equity instruments	0	0	0		0	0	0	0		0	0	0		0	0
24	Households	607,245	447,326	29,115	29,115	6,569	0	0	0	0	0	447,326	29,115	29,115	6,569	0
25	of which loans collateralised by residential immovable property	366,626	356,979	22,545	22,545	0	0	0	0	0	0	356,979	22,545	22,545	0	0
26	of which building renovation loans	528	528	0	0	0	0	0	0	0	0	528	0	0	0	0
27	of which motor vehicle loans	89,820	89,820	6,569	6,569	6,569	0					89,820	6,569	6,569	6,569	0
28	Local governments financing	122	122	0	0	0	0	0	0	0	0	122	0	0	0	0

Million EUR		2023														
		Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)						Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)						Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				
		Total [gross] carrying amount		Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling			Of which Use of Proceeds	Of which transitional	Of which enabling		
29	Housing financing	75	75	0	0	0	0	0	0	0	0	75	0	0	0	0
30	Other local government financing	46	46	0	0	0	0	0	0	0	0	46	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	5,595	0	0	0	0	0	0	0	0	0	0	0	0	0	0
32	Assets excluded from the numerator for GAR calculation (covered in the denominator)	621,271	0	0	0	0	0	0	0	0	0	0	0	0	0	0
33	Financial and Non-financial undertakings	478,101														
34	SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations	141,389														
35	Loans and advances	139,095														
36	of which loans collateralised by commercial immovable property	22,909														
37	of which building renovation loans	141														
38	Debt securities	2,140														
39	Equity instruments	155														
40	Non-EU country counterparties not subject to NFRD disclosure obligations	296,567														
41	Loans and advances	272,256														
42	Debt securities	21,525														
43	Equity instruments	2,787														
44	Derivatives	5,421														
45	On demand interbank loans	11,911														
46	Cash and cash-related assets	8,621														
47	Other categories of assets (e.g. Goodwill, commodities etc.)	117,217														
48	Total GAR assets	1,288,300	464,201	31,142	29,115	6,834	799	474	9	0	8	464,675	31,151	29,115	6,834	807
49	Assets not covered for GAR calculation	545,242														
50	Central governments and Supranational issuers	137,606														
51	Central banks exposure	230,835														
52	Trading book	176,800														

Million EUR		2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)					
		Total [gross] carrying amount			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling		
53	Total assets	1,833,542	464,201	31,142	29,115	6,834	799	474	9	0	8	464,675	31,151	29,115	6,834	807
Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations																
54	Financial guarantees	15,573	494	142	0	3	98	6	0	0	0	500	142	0	3	99
55	Assets under management	137,531	4,302	825	0	57	431	406	4	0	4	4,708	829	0	57	435
56	Of which debt securities	39,836	3,308	445	0	11	269	233	0	0	0	3,541	446	0	11	269
57	Of which equity instruments	43,158	993	380	0	46	162	173	3	0	3	1,167	384	0	46	165

2. GAR sector information (Capex)

Breakdown by sector - NACE 4 digits level (code and label)		2024											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
1	A Agriculture, forestry and fishing	25	0			0	0			25	0		
2	B610 - Extraction of crude petroleum	67	53			0	0			67	53		
3	B910 - Support activities for petroleum and natural gas extraction	354	261			1	0			354	261		
4	B Mining and quarrying	50	4			0	0			51	4		
5	C2410 - Manufacture of basic iron and steel and of ferro-alloys	61	55			0	0			61	55		
6	C2511 - Manufacture of metal structures and parts of structures	121	120			0	0			121	120		
7	C2732 - Manufacture of other electronic and electric wires and cables	129	98			0	0			129	98		
8	C2733 - Manufacture of wiring devices	66	55			0	0			66	55		
9	C2910 - Manufacture of motor vehicles	443	147			0	0			443	147		
10	C3020 - Manufacture of railway locomotives and rolling stock	134	34			0	0			134	34		
11	C3030 - Manufacture of air and spacecraft and related machinery	60	0			0	0			60	0		
12	C Manufacturing	622	278			3	3			625	281		
13	D3511 - Production of electricity	971	726			0	0			972	726		
14	D3513 - Distribution of electricity	400	362			0	0			400	362		
15	D3514 - Trade of electricity	471	328			0	0			471	328		
16	D3521 - Manufacture of gas	136	46			0	0			136	46		
17	D Electricity, gas, steam and air conditioning supply	92	38			0	0			92	38		
18	E Water supply	78	3			0	0			78	3		
19	F4110 - Development of building projects	80	1			0	0			80	1		
20	F4211 - Construction of roads and motorways	149	35			3	0			152	35		

2024

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
	Mn EUR	Of which environmentally sustainable (CCM) Mn EUR	Mn EUR	Of which environmentally sustainable (CCA) Mn EUR	Mn EUR	Of which environmentally sustainable (CCM+CCA) Mn EUR
21 F4299 - Construction of other civil engineering projects n.e.c.	88	10	2	0	90	10
22 F4312 - Site preparation	390	2	0	0	390	2
23 F Construction	162	38	1	0	164	38
24 G4511 - Sale of cars and light motor vehicles	551	81	0	0	552	81
25 G4519 - Sale of other motor vehicles	101	23	0	0	101	23
26 G4641 - Wholesale of textiles	58	0	0	0	58	0
27 G4711 - Retail sale in non-specialised stores with food, beverages or tobacco predominating	132	11	0	0	132	11
28 G4778 - Other retail sale of new goods in specialised stores	103	1	0	0	103	1
29 G Wholesale and retail trade	403	69	8	0	412	69
30 H4950 - Transport via pipeline	148	134	0	0	148	134
31 H5210 - Warehousing and storage	83	0	0	0	83	0
32 H5221 - Service activities incidental to land transportation	267	7	0	0	267	7
33 H Transport and storage	158	30	0	0	159	30
34 I5510 - Hotels and similar accommodation	182	0	0	0	182	0
35 I Accommodation and food service activities	50	0	0	0	50	0
36 J6120 - Wireless telecommunications activities	348	30	31	1	379	31
37 J6399 - Other information service activities n.e.c.	472	0	0	0	472	0
38 J Information and communication	160	12	2	2	163	14
39 L6810 - Buying and selling of own real estate	140	73	7	0	148	73
40 L6820 - Renting and operating of own or leased real estate	175	0	0	0	175	1
41 L Real estate activities	22	0	0	0	22	0
42 M7010 - Activities of head offices	929	554	8	8	937	562

Breakdown by sector - NACE 4 digits level (code and label)		2024											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
43	M7490 - Other professional, scientific and technical activities n.e.c.	196	88			3	0			199	88		
44	M Professional, scientific and technical activities	156	69			1	0			157	69		
45	N7711 - Renting and leasing of cars and light motor vehicles	723	119			0	0			723	119		
46	N8211 - Combined office administrative service activities	84	30			0	0			84	30		
47	N8299 - Other business support service activities n.e.c.	230	90			0	0			230	90		
48	N Administrative and support service activities	105	0			0	0			105	0		
49	O Public administration and defence, compulsory social security	0	0			0	0			0	0		
50	P Education	18	0			0	0			18	0		
51	Q Human health services and social work activities	14	2			0	0			14	2		
52	R Arts, entertainment and recreation	20	0			0	0			20	0		
53	S9609 - Other personal service activities n.e.c.	83	19			0	0			83	19		
54	S Other services	275	111			1	0			276	111		

1. Exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty. A threshold above 0.5% of the eligible exposure has been set for reporting NACE at level 4. All other NACEs outside this threshold are reported at level 1.

2. GAR sector information (Turnover)

Breakdown by sector - NACE 4 digits level (code and label)		2024											
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
1	A Agriculture, forestry and fishing	25	0			0	0			25	0		
2	B910 - Support activities for petroleum and natural gas extraction	186	76			1	0			187	76		
3	B Mining and quarrying	46	6			0	0			46	6		
4	C2351 - Manufacture of cement	67	1			0	0			67	1		
5	C2410 - Manufacture of basic iron and steel and of ferro-alloys	88	3			0	0			88	3		
6	C2442 - Aluminium production	138	35			0	0			138	35		
7	C2511 - Manufacture of metal structures and parts of structures	150	0			0	0			150	0		
8	C2732 - Manufacture of other electronic and electric wires and cables	100	44			0	0			100	44		
9	C2910 - Manufacture of motor vehicles	432	36			0	0			432	36		
10	C3011 - Building of ships and floating structures	68	16			0	0			68	16		
11	C3020 - Manufacture of railway locomotives and rolling stock	134	37			0	0			134	37		
12	C3030 - Manufacture of air and spacecraft and related machinery	73	0			0	0			73	0		
13	C3313 - Repair of electronic and optical equipment	49	0			0	0			49	0		
14	C Manufacturing	318	60			0	0			318	60		
15	D3511 - Production of electricity	613	348			2	0			615	348		
16	D3513 - Distribution of electricity	236	165			0	0			236	165		
17	D3514 - Trade of electricity	235	163			0	0			235	163		
18	D3521 - Manufacture of gas	99	5			0	0			99	5		
19	D Electricity, gas, steam and air conditioning supply	52	19			0	0			52	19		
20	E3600 - Water collection, treatment and supply	51	0			0	0			51	0		

2024

Breakdown by sector - NACE 4 digits level (code and label)	Climate Change Mitigation (CCM)		Climate Change Adaptation (CCA)		TOTAL (CCM + CCA)	
	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)	SMEs and other NFC not subject to NFRD
	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount	[Gross] carrying amount
	Mn EUR	Of which environmentally sustainable (CCM) Mn EUR	Mn EUR	Of which environmentally sustainable (CCA) Mn EUR	Mn EUR	Of which environmentally sustainable (CCM+CCA) Mn EUR
21 E Water supply	28	4	1	0	29	4
22 F4110 - Development of building projects	81	2	0	0	81	2
23 F4120 - Construction of residential and non-residential buildings	51	11	0	0	51	11
24 F4211 - Construction of roads and motorways	175	71	8	0	183	71
25 F4299 - Construction of other civil engineering projects n.e.c.	93	19	4	0	97	19
26 F4312 - Site preparation	374	0	1	0	374	0
27 F Construction	111	33	6	0	117	33
28 G4511 - Sale of cars and light motor vehicles	272	24	0	0	272	24
29 G4519 - Sale of other motor vehicles	99	11	0	0	99	11
30 G4614 - Agents involved in the sale of machinery, industrial equipment, ships and aircraft	63	0	0	0	63	0
31 G Wholesale and retail trade	174	16	0	0	174	16
32 H4950 - Transport via pipeline	50	36	0	0	50	36
33 H5210 - Warehousing and storage	83	0	0	0	83	0
34 H5221 - Service activities incidental to land transportation	265	10	0	0	265	10
35 H Transport and storage	124	7	0	0	124	7
36 I5510 - Hotels and similar accommodation	167	0	0	0	167	0
37 I Accommodation and food service activities	41	0	0	0	41	0
38 J6120 - Wireless telecommunications activities	453	90	20	3	473	93
39 J6399 - Other information service activities n.e.c.	472	0	0	0	472	0
40 J Information and communication	138	3	12	3	150	7
41 L6810 - Buying and selling of own real estate	158	61	0	0	158	61
42 L6820 - Renting and operating of own or leased real estate	185	0	4	4	189	4
43 L Real estate activities	22	0	0	0	22	0

Breakdown by sector - NACE 4 digits level (code and label)		2024									
		Climate Change Mitigation (CCM)			Climate Change Adaptation (CCA)			TOTAL (CCM + CCA)			
		Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	Non-Financial corporates (Subject to NFRD)		SMEs and other NFC not subject to NFRD	
		[Gross] carrying amount		[Gross] carrying amount	[Gross] carrying amount		[Gross] carrying amount	[Gross] carrying amount		[Gross] carrying amount	
		Mn EUR	Of which environmentally sustainable (CCM)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)	Mn EUR	Of which environmentally sustainable (CCM+CCA)
44	M7010 - Activities of head offices	767	179		4	3		772	183		
45	M7112 - Engineering activities and related technical consultancy	67	29		1	0		68	29		
46	M7490 - Other professional, scientific and technical activities n.e.c.	145	62		4	0		149	62		
47	M Professional, scientific and technical activities	59	27		6	4		65	31		
48	N7711 - Renting and leasing of cars and light motor vehicles	716	41		0	0		716	41		
49	N7712 - Renting and leasing of trucks	49	0		0	0		49	0		
50	N8211 - Combined office administrative service activities	58	4		0	0		58	4		
51	N8299 - Other business support service activities n.e.c.	196	65		0	0		196	65		
52	N Administrative and support service activities	79	0		0	0		79	0		
53	O Public administration and defence, compulsory social security	0	0		0	0		0	0		
54	P Education	18	0		0	0		18	0		
55	Q Human health services and social work activities	13	1		0	0		13	1		
56	R Arts, entertainment and recreation	15	0		0	0		15	0		
57	S9609 - Other personal service activities n.e.c.	70	3		0	0		70	3		
58	S Other services	210	44		2	2		212	46		

1. Exposures in the banking book towards those sectors covered by the Taxonomy (NACE sectors 4 levels of detail), using the relevant NACE Codes on the basis of the principal activity of the counterparty. A threshold above 0.5% of the eligible exposure has been set for reporting NACE at level 4. All other NACEs outside this threshold are reported at level 1.

3. GAR KPI stock (Capex) - 2024

		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	67.3%	6.4%	5.6%	1.4%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	67.3%	6.4%	5.6%	1.4%	0.3%
2	Financial undertakings	22.3%	6.3%	0.0%	0.1%	1.7%	0.1%	0.0%	0.0%	0.0%	0.0%	22.4%	6.3%	0.0%	0.1%	1.7%
3	Credit institutions	18.3%	1.7%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	18.4%	1.7%	0.0%	0.0%	0.1%
4	Loans and advances	18.4%	1.7%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.0%	0.0%	18.4%	1.7%	0.0%	0.0%	0.1%
5	Debt securities, including UoP	17.3%	1.4%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	18.2%	1.4%	0.0%	0.0%	0.0%
6	Equity instruments	30.9%	3.4%		0.0%	0.0%	0.1%	0.0%		0.0%	0.0%	31.0%	3.5%		0.0%	0.0%
7	Other financial corporations	32.3%	17.6%	0.0%	0.4%	5.7%	0.0%	0.0%	0.0%	0.0%	0.0%	32.4%	17.6%	0.0%	0.4%	5.7%
8	of which investment firms	42.4%	38.2%	0.0%	0.0%	10.1%	0.0%	0.0%	0.0%	0.0%	0.0%	42.4%	38.2%	0.0%	0.0%	10.1%
9	Loans and advances	29.7%	24.7%	0.0%	0.0%	7.6%	0.0%	0.0%	0.0%	0.0%	0.0%	29.7%	24.7%	0.0%	0.0%	7.6%
10	Debt securities, including UoP	85.5%	84.0%	0.0%	0.0%	18.7%	0.0%	0.0%	0.0%	0.0%	0.0%	85.5%	84.0%	0.0%	0.0%	18.7%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
12	of which management companies	39.3%	3.0%	0.0%	0.0%	1.9%	0.0%	0.0%	0.0%	0.0%	0.0%	39.3%	3.0%	0.0%	0.0%	1.9%
13	Loans and advances	34.6%	1.7%	0.0%	0.0%	1.6%	0.0%	0.0%	0.0%	0.0%	0.0%	34.6%	1.7%	0.0%	0.0%	1.6%
14	Debt securities, including UoP	50.7%	5.7%	0.0%	0.0%	2.6%	0.0%	0.0%	0.0%	0.0%	0.0%	50.7%	5.7%	0.0%	0.0%	2.6%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
16	of which insurance undertakings	12.0%	0.5%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	12.1%	0.5%	0.0%	0.0%	0.0%
17	Loans and advances	12.7%	0.5%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	12.8%	0.5%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
20	Non-financial undertakings	40.9%	15.0%	0.0%	2.3%	6.3%	0.3%	0.1%	0.0%	0.0%	0.0%	41.1%	15.1%	0.0%	2.3%	6.3%
21	Loans and advances	41.5%	14.5%	0.0%	2.5%	5.7%	0.2%	0.0%	0.0%	0.0%	0.0%	41.7%	14.6%	0.0%	2.5%	5.7%
22	Debt securities, including UoP	32.8%	22.2%	0.0%	0.1%	13.9%	0.4%	0.4%	0.0%	0.0%	0.0%	33.2%	22.7%	0.0%	0.1%	13.9%
23	Equity instruments	9.6%	9.5%		0.0%	4.6%	0.0%	0.0%		0.0%	0.0%	9.6%	9.5%		0.0%	4.6%
24	Households	70.4%	6.1%	6.1%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.4%	6.1%	6.1%	1.4%	0.0%
25	of which loans collateralised by residential immovable property	91.3%	7.8%	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	91.3%	7.8%	7.8%	0.0%	0.0%
26	of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	100.0%	9.2%	9.2%	9.2%	0.0%										

		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which transitional	Of which enabling		Proportion of total assets covered
28	Local governments financing	83.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	83.4%	0.0%	0.0%	0.0%	0.0%	0.1%
29	Housing financing	99.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	99.1%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	81.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	81.0%	0.0%	0.0%	0.0%	0.0%	0.1%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
32	Total GAR assets	34.2%	3.3%	2.8%	0.7%	0.2%	0.0%	0.0%	0.0%	0.0%	34.2%	3.3%	2.8%	0.7%	0.2%	69.8%

3. GAR KPI stock (Turnover) - 2024

		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	66.8%	6.0%	5.6%	1.3%	0.2%	0.1%	0.0%	0.0%	0.0%	0.0%	66.9%	6.0%	5.6%	1.3%	0.2%
2	Financial undertakings	19.3%	3.0%	0.0%	0.0%	1.1%	1.1%	0.1%	0.0%	0.0%	0.0%	20.4%	3.1%	0.0%	0.0%	1.1%
3	Credit institutions	17.9%	1.5%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	18.1%	1.5%	0.0%	0.0%	0.0%
4	Loans and advances	18.0%	1.5%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	18.0%	1.6%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	17.4%	1.4%	0.0%	0.0%	0.0%	1.0%	0.0%	0.0%	0.0%	0.0%	18.4%	1.4%	0.0%	0.0%	0.0%
6	Equity instruments	31.0%	3.2%		0.0%	0.0%	0.1%	0.0%		0.0%	0.0%	31.1%	3.3%		0.0%	0.0%
7	Other financial corporations	22.6%	6.8%	0.0%	0.0%	3.7%	3.6%	0.3%	0.0%	0.0%	0.0%	26.2%	7.0%	0.0%	0.0%	3.8%
8	of which investment firms	17.1%	11.4%	0.0%	0.0%	6.1%	1.9%	0.2%	0.0%	0.1%	0.1%	18.9%	11.6%	0.0%	0.0%	6.2%
9	Loans and advances	9.8%	3.8%	0.0%	0.0%	2.7%	2.4%	0.3%	0.0%	0.1%	0.1%	12.2%	4.1%	0.0%	0.0%	2.7%
10	Debt securities, including UoP	41.7%	37.4%	0.0%	0.0%	18.0%	0.0%	0.0%	0.0%	0.0%	0.0%	41.7%	37.4%	0.0%	0.0%	18.0%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
12	of which management companies	47.1%	2.4%	0.0%	0.0%	1.5%	0.2%	0.0%	0.0%	0.0%	0.0%	47.3%	2.4%	0.0%	0.0%	1.5%
13	Loans and advances	68.4%	3.4%	0.0%	0.0%	2.1%	0.3%	0.0%	0.0%	0.0%	0.0%	68.7%	3.4%	0.0%	0.0%	2.1%
14	Debt securities, including UoP	1.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.2%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
16	of which insurance undertakings	11.9%	0.3%	0.0%	0.0%	0.0%	10.7%	0.7%	0.0%	0.0%	0.0%	22.6%	1.1%	0.0%	0.0%	0.0%
17	Loans and advances	12.6%	0.4%	0.0%	0.0%	0.0%	11.3%	0.8%	0.0%	0.0%	0.0%	23.9%	1.1%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
20	Non-financial undertakings	32.9%	6.6%	0.0%	0.4%	4.0%	0.3%	0.1%	0.0%	0.1%	0.1%	33.2%	6.7%	0.0%	0.4%	4.1%
21	Loans and advances	34.2%	6.3%	0.0%	0.4%	3.6%	0.3%	0.1%	0.0%	0.1%	0.1%	34.5%	6.3%	0.0%	0.4%	3.6%
22	Debt securities, including UoP	15.2%	11.7%	0.0%	0.0%	10.4%	0.3%	0.2%	0.0%	0.0%	0.0%	15.6%	11.9%	0.0%	0.0%	10.4%
23	Equity instruments	6.0%	4.3%		0.0%	3.0%	0.0%	0.0%		0.0%	0.0%	6.0%	4.3%		0.0%	3.0%
24	Households	70.4%	6.1%	6.1%	1.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	70.4%	6.1%	6.1%	1.4%	0.0%
25	of which loans collateralised by residential immovable property	91.3%	7.8%	7.8%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	91.3%	7.8%	7.8%	0.0%	0.0%
26	of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	100.0%	9.2%	9.2%	9.2%	0.0%										

% (compared to total covered assets in the denominator)		2024														Proportion of total assets covered
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling							
28	Local governments financing	83.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	83.4%	0.0%	0.0%	0.0%	0.0%	0.1%
29	Housing financing	99.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	99.1%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	81.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	81.0%	0.0%	0.0%	0.0%	0.0%	0.1%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.3%
32	Total GAR assets	34.0%	3.0%	2.8%	0.7%	0.1%	0.0%	0.0%	0.0%	0.0%	34.0%	3.0%	2.8%	0.7%	0.1%	69.8%

3. GAR KPI stock (Capex) - 2023

% (compared to total covered assets in the denominator)		2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling								
GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	70.4	5.1	4.4	1.1	0.2	0.0	0.0	0.0	0.0	70.4	5.1	4.4	1.1	0.2	36.1	
2	Financial undertakings	26.8	1.8	0.0	0.0	1.2	0.0	0.0	0.0	0.0	26.8	1.8	0.0	0.0	1.2	1.5	
3	Credit institutions	27.7	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	27.7	0.0	0.0	0.0	0.0	1.2	
4	Loans and advances	25.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	25.8	0.0	0.0	0.0	0.0	1.1	
5	Debt securities, including UoP	44.6	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	44.6	0.0	0.0	0.0	0.0	0.1	
6	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	
7	Other financial corporations	23.1	9.0	0.0	0.2	6.2	0.0	0.0	0.0	0.0	23.1	9.0	0.0	0.2	6.2	0.3	
8	of which investment firms	22.0	17.6	0.0	0.0	15.4	0.0	0.0	0.0	0.0	22.0	17.6	0.0	0.0	15.4	0.1	
9	Loans and advances	9.5	3.4	0.0	0.0	0.5	0.0	0.0	0.0	0.0	9.5	3.4	0.0	0.0	0.5	0.1	
10	Debt securities, including UoP	96.0	96.0	0.0	0.0	96.0	0.0	0.0	0.0	0.0	96.0	96.0	0.0	0.0	96.0	0.0	
11	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	
12	of which management companies	72.0	7.7	0.0	0.9	0.5	0.0	0.0	0.0	0.0	72.0	7.7	0.0	0.9	0.5	0.0	
13	Loans and advances	72.0	7.7	0.0	0.9	0.5	0.0	0.0	0.0	0.0	72.0	7.7	0.0	0.9	0.5	0.0	
14	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
15	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	
16	of which insurance undertakings	16.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.8	0.0	0.0	0.0	0.0	0.1	
17	Loans and advances	16.8	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	16.8	0.0	0.0	0.0	0.0	0.1	
18	Debt securities, including UoP	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	
19	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	
20	Non-financial undertakings	42.1	14.6	0.0	1.5	5.0	0.2	0.0	0.0	0.0	42.3	14.7	0.0	1.5	5.0	1.4	
21	Loans and advances	42.6	13.6	0.0	1.6	4.4	0.2	0.0	0.0	0.0	42.8	13.6	0.0	1.6	4.4	1.3	
22	Debt securities, including UoP	34.2	30.4	0.0	0.0	14.6	0.4	0.0	0.0	0.0	34.6	30.4	0.0	0.0	14.6	0.1	
23	Equity instruments	0.0	0.0		0.0	0.0	0.0	0.0		0.0	0.0	0.0		0.0	0.0	0.0	
24	Households	73.7	4.8	4.8	1.1	0.0	0.0	0.0	0.0	0.0	73.7	4.8	4.8	1.1	0.0	33.1	
25	of which loans collateralised by residential immovable property	97.4	6.1	6.1	0.0	0.0	0.0	0.0	0.0	0.0	97.4	6.1	6.1	0.0	0.0	20.0	
26	of which building renovation loans	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0	
27	of which motor vehicle loans	100.0	7.3	7.3	7.3	0.0					100.0	7.3	7.3	7.3	0.0	4.9	

		2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which transitional	Of which enabling		Proportion of total assets covered
% (compared to total covered assets in the denominator)																
28	Local governments financing	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0
29	Housing financing	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0
30	Other local government financing	100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	100.0	0.0	0.0	0.0	0.0	0.0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.3
32	Total GAR assets	36.2	2.6	2.3	0.5	0.1	0.0	0.0	0.0	0.0	36.2	2.6	2.3	0.5	0.1	70.3

3. GAR KPI stock (Turnover) - 2023

% (compared to total covered assets in the denominator)		2023															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Proportion of total assets covered
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling								
GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	70.2	4.7	4.4	1	0.1	0.1	0	0	0	70.3	4.7	4.4	1	0.1	36.1	
2	Financial undertakings	28.1	1.1	0	0	0.7	1.3	0	0	0	29.4	1.1	0	0	0.7	1.5	
3	Credit institutions	30.6	0	0	0	0	0.1	0	0	0	30.7	0	0	0	0	1.2	
4	Loans and advances	29	0	0	0	0	0.1	0	0	0	29.1	0	0	0	0	1.1	
5	Debt securities, including UoP	44.6	0	0	0	0	0	0	0	0	44.6	0	0	0	0	0.1	
6	Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0	
7	Other financial corporations	17.8	5.5	0	0.1	3.7	6.4	0	0	0	24.2	5.5	0	0.1	3.7	0.3	
8	of which investment firms	14.1	8.7	0	0	7.8	2.1	0	0	0	16.1	8.7	0	0	7.8	0.1	
9	Loans and advances	8.7	1.3	0	0	0.1	2.8	0	0	0	11.5	1.3	0	0	0.1	0.1	
10	Debt securities, including UoP	49	49	0	0	49	0	0	0	0	49	49	0	0	49	0	
11	Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0	
12	of which management companies	70.2	12	0	0	0	0	0	0	0	70.2	12	0	0	0	0	
13	Loans and advances	70.2	12	0	0	0	0	0	0	0	70.2	12	0	0	0	0	
14	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
15	Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0	
16	of which insurance undertakings	16.7	0	0	0	0	16.8	0	0	0	33.5	0	0	0	0	0.1	
17	Loans and advances	16.7	0	0	0	0	16.8	0	0	0	33.5	0	0	0	0	0.1	
18	Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	
19	Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0	
20	Non-financial undertakings	34.2	6.6	0	1	2.3	0.4	0	0	0	34.6	6.7	0	1	2.3	1.4	
21	Loans and advances	35.4	6.2	0	1.1	2.3	0.3	0	0	0	35.7	6.2	0	1.1	2.3	1.3	
22	Debt securities, including UoP	15.2	13.3	0	0.2	2.5	1.2	0	0	0	16.3	13.3	0	0.2	2.5	0.1	
23	Equity instruments	0	0		0	0	0	0		0	0	0		0	0	0	
24	Households	73.7	4.8	4.8	1.1	0	0	0	0	0	73.7	4.8	4.8	1.1	0	33.1	
25	of which loans collateralised by residential immovable property	97.4	6.1	6.1	0	0	0	0	0	0	97.4	6.1	6.1	0	0	20	
26	of which building renovation loans	100	0	0	0	0	0	0	0	0	100	0	0	0	0	0	
27	of which motor vehicle loans	100	7.3	7.3	7.3	0					100	7.3	7.3	7.3	0	4.9	

		2023														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
%		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which transitional	Of which enabling		Proportion of total assets covered
28	Local governments financing	100	0	0	0	0	0	0	0	0	100	0	0	0	0	0
29	Housing financing	100	0	0	0	0	0	0	0	0	100	0	0	0	0	0
30	Other local government financing	100	0	0	0	0	0	0	0	0	100	0	0	0	0	0
31	Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.3
32	Total GAR assets	36	2.4	2.3	0.5	0.1	0	0	0	0	36.1	2.4	2.3	0.5	0.1	70.3

4. GAR KPI flow (Capex)

% (compared to total covered assets in the denominator)		2024															
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)						
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)						
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)						Proportion of total new assets covered
		Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling								
GAR - Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	58.1%	8.8%	5.5%	4.2%	1.3%	0.0%	0.0%	0.0%	0.0%	58.2%	8.8%	5.5%	4.2%	1.3%	25.0%	
2	Financial undertakings	25.5%	10.2%	0.0%	0.2%	2.6%	0.2%	0.0%	0.0%	0.0%	25.7%	10.2%	0.0%	0.2%	2.6%	2.0%	
3	Credit institutions	17.8%	1.8%	0.0%	0.0%	0.1%	0.2%	0.0%	0.0%	0.0%	18.0%	1.8%	0.0%	0.0%	0.1%	2.0%	
4	Loans and advances	17.5%	1.8%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	17.5%	1.8%	0.0%	0.0%	0.1%	2.0%	
5	Debt securities, including UoP	27.2%	2.5%	0.0%	0.0%	0.0%	5.3%	0.0%	0.0%	0.0%	32.5%	2.5%	0.0%	0.0%	0.0%	0.0%	
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
7	Other financial corporations	57.3%	44.6%	0.0%	1.2%	13.2%	0.0%	0.0%	0.0%	0.0%	57.3%	44.6%	0.0%	1.2%	13.2%	0.0%	
8	of which investment firms	92.7%	91.2%	0.0%	0.0%	21.2%	0.0%	0.0%	0.0%	0.0%	92.7%	91.2%	0.0%	0.0%	21.2%	0.0%	
9	Loans and advances	71.1%	66.5%	0.0%	0.0%	20.3%	0.0%	0.0%	0.0%	0.0%	71.1%	66.5%	0.0%	0.0%	20.3%	0.0%	
10	Debt securities, including UoP	97.3%	96.4%	0.0%	0.0%	21.4%	0.0%	0.0%	0.0%	0.0%	97.3%	96.4%	0.0%	0.0%	21.4%	0.0%	
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
12	of which management companies	54.5%	7.7%	0.0%	0.0%	4.9%	0.0%	0.0%	0.0%	0.0%	54.5%	7.7%	0.0%	0.0%	4.9%	0.0%	
13	Loans and advances	70.3%	15.7%	0.0%	0.0%	14.1%	0.1%	0.0%	0.0%	0.0%	70.4%	15.7%	0.0%	0.0%	14.1%	0.0%	
14	Debt securities, including UoP	50.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
20	Non-financial undertakings	37.9%	20.5%	0.0%	3.9%	9.0%	0.2%	0.1%	0.0%	0.0%	38.1%	20.6%	0.0%	3.9%	9.1%	3.0%	
21	Loans and advances	38.2%	19.8%	0.0%	4.3%	8.2%	0.2%	0.0%	0.0%	0.0%	38.4%	19.9%	0.0%	4.3%	8.2%	3.0%	
22	Debt securities, including UoP	35.3%	26.9%	0.0%	0.0%	17.2%	0.6%	0.6%	0.0%	0.1%	36.0%	27.5%	0.0%	0.0%	17.3%	0.0%	
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	
24	Households	64.4%	6.9%	6.9%	4.7%	0.0%	0.0%	0.0%	0.0%	0.0%	64.4%	6.9%	6.9%	4.7%	0.0%	20.0%	
25	of which loans collateralised by residential immovable property	93.1%	6.1%	6.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	93.1%	6.1%	6.1%	0.0%	0.0%	7.0%	
26	of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
27	of which motor vehicle loans	100.0%	15.4%	15.4%	15.4%	0.0%					100.0%	15.4%	15.4%	15.4%	0.0%	6.0%	

		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which transitional	Of which enabling		Proportion of total new assets covered
% (compared to total covered assets in the denominator)																
28	Local governments financing	97.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	97.7%	0.0%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	94.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	94.4%	0.0%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	98.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	98.1%	0.0%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	22.2%	3.3%	2.1%	1.6%	0.5%	0.0%	0.0%	0.0%	0.0%	22.2%	3.3%	2.1%	1.6%	0.5%	65.9%

4. GAR KPI flow (Turnover)

		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which transitional	Of which enabling	Of which Use of Proceeds			Of which transitional	Of which enabling
GAR - Covered assets in both numerator and denominator																
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	56.6%	6.9%	5.5%	3.8%	0.8%	0.0%	0.0%	0.0%	0.0%	0.0%	56.7%	6.9%	5.5%	3.8%	0.8%
2	Financial undertakings	21.2%	5.3%	0.0%	0.0%	2.1%	0.2%	0.0%	0.0%	0.0%	0.0%	21.4%	5.3%	0.0%	0.0%	2.1%
3	Credit institutions	18.4%	2.0%	0.0%	0.0%	0.0%	0.2%	0.0%	0.0%	0.0%	0.0%	18.6%	2.0%	0.0%	0.0%	0.0%
4	Loans and advances	18.1%	1.9%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	18.1%	2.0%	0.0%	0.0%	0.0%
5	Debt securities, including UoP	27.2%	2.5%	0.0%	0.0%	0.0%	5.3%	0.0%	0.0%	0.0%	0.0%	32.5%	2.5%	0.0%	0.0%	0.0%
6	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
7	Other financial corporations	33.0%	18.9%	0.0%	0.1%	10.6%	0.1%	0.0%	0.0%	0.0%	0.0%	33.1%	18.9%	0.0%	0.1%	10.6%
8	of which investment firms	42.5%	37.2%	0.0%	0.0%	18.3%	0.0%	0.0%	0.0%	0.0%	0.0%	42.5%	37.2%	0.0%	0.0%	18.3%
9	Loans and advances	20.8%	10.0%	0.0%	0.0%	7.0%	0.0%	0.0%	0.0%	0.0%	0.0%	20.8%	10.0%	0.0%	0.0%	7.0%
10	Debt securities, including UoP	47.1%	43.0%	0.0%	0.0%	20.7%	0.0%	0.0%	0.0%	0.0%	0.0%	47.1%	43.0%	0.0%	0.0%	20.7%
11	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
12	of which management companies	18.0%	6.1%	0.0%	0.0%	3.8%	0.5%	0.0%	0.0%	0.0%	0.0%	18.5%	6.1%	0.0%	0.0%	3.8%
13	Loans and advances	85.3%	30.1%	0.0%	0.2%	19.2%	2.4%	0.0%	0.0%	0.0%	0.0%	87.6%	30.1%	0.0%	0.2%	19.2%
14	Debt securities, including UoP	1.5%	0.2%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	1.5%	0.2%	0.0%	0.0%	0.0%
15	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
16	of which insurance undertakings	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
17	Loans and advances	0.0%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.0%
18	Debt securities, including UoP	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
19	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
20	Non-financial undertakings	28.2%	8.1%	0.0%	0.6%	5.1%	0.2%	0.0%	0.0%	0.0%	0.0%	28.5%	8.1%	0.0%	0.6%	5.1%
21	Loans and advances	29.7%	7.6%	0.0%	0.7%	4.3%	0.2%	0.0%	0.0%	0.0%	0.0%	30.0%	7.6%	0.0%	0.7%	4.3%
22	Debt securities, including UoP	14.0%	13.0%	0.0%	0.0%	12.3%	0.5%	0.3%	0.0%	0.0%	0.0%	14.5%	13.2%	0.0%	0.0%	12.3%
23	Equity instruments	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%	0.0%	0.0%		0.0%	0.0%
24	Households	64.4%	6.9%	6.9%	4.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	64.4%	6.9%	6.9%	4.7%	0.0%
25	of which loans collateralised by residential immovable property	93.1%	6.1%	6.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	93.1%	6.1%	6.1%	0.0%	0.0%
26	of which building renovation loans	100.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	100.0%	0.0%	0.0%	0.0%	0.0%
27	of which motor vehicle loans	100.0%	15.4%	15.4%	15.4%	0.0%						100.0%	15.4%	15.4%	15.4%	0.0%

		2024														
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
		Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
		Of which Use of Proceeds	Of which transitional	Of which enabling			Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which transitional	Of which enabling		Proportion of total new assets covered
% (compared to total covered assets in the denominator)																
28	Local governments financing	97.7%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	97.7%	0.0%	0.0%	0.0%	0.0%
29	Housing financing	94.4%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	94.4%	0.0%	0.0%	0.0%	0.0%
30	Other local government financing	98.1%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	98.1%	0.0%	0.0%	0.0%	0.0%
31	Collateral obtained by taking possession: residential and commercial immovable properties	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
32	Total GAR assets	21.6%	2.6%	2.1%	1.5%	0.3%	0.0%	0.0%	0.0%	0.0%	0.0%	21.6%	2.6%	2.1%	1.5%	65.9%

5. KPI off-balance sheet exposures (Capex stock)

		2024													
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
		Of which Use of Proceeds Of which transitional Of which enabling				Of which Use of Proceeds Of which enabling				Of which Use of Proceeds Of which transitional Of which enabling					
1	Financial guarantees (FinGuar KPI)	7.6%	3.4%	0.0%	0.3%	2.3%	0.2%	0.1%	0.0%	0.0%	7.8%	3.5%	0.0%	0.3%	2.3%
2	Assets under management (AuM KPI)	8.4%	2.1%	0.0%	0.1%	0.9%	0.2%	0.0%	0.0%	0.0%	8.7%	2.1%	0.0%	0.1%	0.9%

5. KPI off-balance sheet exposures (Turnover stock)

		2024													
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)				
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)	4.8%	1.3%	0.0%	0.0%	1.0%	0.4%	0.2%	0.0%	0.2%	5.2%	1.5%	0.0%	0.0%	1.2%
2	Assets under management (AuM KPI)	8.2%	1.3%	0.0%	0.0%	0.5%	0.5%	0.0%	0.0%	0.0%	8.7%	1.3%	0.0%	0.0%	0.5%

5. KPI off-balance sheet exposures (Capex flow)

		2024													
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
% (compared to total eligible off-balance sheet assets)			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				
			Of which Use of Proceeds		Of which transitional	Of which enabling	Of which Use of Proceeds		Of which enabling	Of which Use of Proceeds		Of which transitional	Of which enabling		
1	Financial guarantees (FinGuar KPI)	13.4%	5.5%	0.0%	1.0%	4.0%	0.7%	0.3%	0.0%	0.0%	14.1%	5.8%	0.0%	1.0%	4.0%
2	Assets under management (AuM KPI)	9.7%	2.1%	0.0%	0.1%	0.9%	0.4%	0.0%	0.0%	0.0%	10.0%	2.1%	0.0%	0.1%	0.9%

5. KPI off-balance sheet exposures (Turnover flow)

		2024													
		Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)					
% (compared to total eligible off-balance sheet assets)		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					
		Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					
			Of which Use of Proceeds	Of which transitional	Of which enabling		Of which Use of Proceeds	Of which enabling		Of which Use of Proceeds	Of which transitional	Of which enabling			
1	Financial guarantees (FinGuar KPI)	7.0%	2.5%	0.0%	0.0%	2.0%	0.1%	0.0%	0.0%	0.0%	7.1%	2.5%	0.0%	0.0%	2.0%
2	Assets under management (AuM KPI)	9.1%	1.2%	0.0%	0.1%	0.5%	0.6%	0.0%	0.0%	0.0%	9.7%	1.3%	0.0%	0.1%	0.5%

6. The proportion of the insurance or reinsurance undertaking's investments that are directed at funding, or are associated with, Taxonomy-aligned in relation to total investments - 2024

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:

Turnover-based: %	1.4%
CapEx-based: %	2.1%

The percentage of assets covered by the KPI relative to total investments of insurance or reinsurance undertakings (total AuM). Excluding investments in sovereign entities.

Coverage ratio: %	38.9%
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Additional, complementary disclosures: breakdown of denominator of the KPI

The percentage of derivatives relative to total assets covered by the KPI.

X %	0.7%
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The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:

For non-financial undertakings:	1.4%
For financial undertakings:	26.0%

The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:

For non-financial undertakings:	1.7%
For financial undertakings:	1.4%

The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:

For non-financial undertakings:	4.6%
For financial undertakings:	17.4%

The proportion of exposures to other counterparties over total assets covered by the KPI:

X %	46.9%
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The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities: X %

X %	80.9%
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The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:

X %	88.3%
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The value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI:

X %	10.3%
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Additional, complementary disclosures: breakdown of numerator of the KPI

The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:

For non-financial undertakings:

The weighted average value of all the investments of insurance or reinsurance undertakings that are directed at funding, or are associated with Taxonomy-aligned economic activities, with following weights for investments in undertakings per below:

Turnover-based: [EUR million]	125
CapEx-based: [EUR million]	177

The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.

Coverage: [EUR million]	8,654
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The value in EUR millions of derivatives:.

[EUR million]	61
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Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:

For non-financial undertakings: [EUR million]	122
For financial undertakings: [EUR million]	2,249

Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:

For non-financial undertakings: [EUR million]	145
For financial undertakings: [EUR million]	121

Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:

For non-financial undertakings: [EUR million]	394
For financial undertakings: [EUR million]	1,502

Value of exposures to other counterparties:

[EUR million]	4,060
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The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned economic activities:

[EUR million]	6,999
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Value of all the investments that are funding economic activities that are not Taxonomy-eligible:

[EUR million]	7,639
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Value of all the investments that are funding Taxonomy-eligible economic activities, but not taxonomy-aligned:

[EUR million]	890
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Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:

For non-financial undertakings:

Turnover-based: %	0.5%	Turnover-based: [EUR million]	47
Capital expenditures-based: %	0.9%	Capital expenditures-based: [EUR million]	74
For financial undertakings:		For financial undertakings:	
Turnover-based: %	0.9%	Turnover-based: [EUR million]	78
Capital expenditures-based: %	1.2%	Capital expenditures-based: [EUR million]	103
The proportion of the insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:		Value of insurance or reinsurance undertaking's investments other than investments held in respect of life insurance contracts where the investment risk is borne by the policy holders, that are directed at funding, or are associated with, Taxonomy-aligned:	
Turnover-based: %	*	Turnover-based: [EUR million]	*
Capital expenditures-based: %	*	Capital expenditures-based: [EUR million]	*
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of taxonomy-aligned exposures to other counterparties:	
Turnover-based: %	0%	Turnover-based: [EUR million]	0%
Capital expenditures-based: %	0%	Capital expenditures-based: [EUR million]	0%
Breakdown of the numerator of the KPI per environmental objective			
Taxonomy-aligned activities –:			
(1) Climate change mitigation	Turnover: 1.4%	Transitional activities turnover: A%	0.0%
		Transitional activities capex: A%	0.1%
	CapEx: 2.0%	Enabling activities turnover: B%	0.7%
		Enabling activities capex: B%	0.7%
(2) Climate change adaptation	Turnover: 0.0%	Enabling activities turnover: A%	0.0%
	CapEx: 0.0%	Enabling activities capex: B%	0.0%

* The value of these investments is 89M€ (1%) turnover-based and 125€ (1,4%) CapEx based. The calculation is based on the proportion of these investments with respect to the total portfolio.

7. Template: KPI for Asset Managers¹⁰³ - 2024

Standard template for the disclosure required under Article 8 of Regulation (EU) 2020/852 (asset managers)			
The weighted average value of all the investments that are directed at funding, or are associated with Taxonomy-aligned economic activities relative to the value of total assets covered by the KPI, with following weights for investments in undertakings per below:		The weighted average value of all the investments that are directed at funding, or are associated with taxonomy-aligned economic activities, with following weights for investments in undertakings per below:	
Turnover-based: %	1.6%	Turnover-based: [EUR million]	2,003
CapEx—based: %	2.6%	CapEx-based: [EUR million]	3,278
The percentage of assets covered by the KPI relative to total investments (total AuM). Excluding investments in sovereign entities.		The monetary value of assets covered by the KPI. Excluding investments in sovereign entities.	
Coverage ratio: %	62.10%	Coverage: [EUR million]	125,892
Additional, complementary disclosures: breakdown of denominator of the KPI			
The percentage of derivatives relative to total assets covered by the KPI.		The value in EUR millions of derivatives:.	
X %	0.00%	[EUR million]	37
The proportion of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	15.8%	For non-financial undertakings: [EUR million]	19,863
For financial undertakings:	18.7%	For financial undertakings: [EUR million]	23,489
The proportion of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings from non-EU countries not subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	9.4%	For non-financial undertakings: [EUR million]	11,776
For financial undertakings:	17.7%	For financial undertakings: [EUR million]	22,301
The proportion of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:	9.2%	For non-financial undertakings: [EUR million]	11,637
For financial undertakings:	29.1%	For financial undertakings: [EUR million]	36,665
The proportion of exposures to other counterparties over total assets covered by the KPI:		Value of exposures to other counterparties:	
X %	0.1%	[EUR million]	124
The value of all the investments that are funding economic activities that are not Taxonomy-eligible relative to the value of total assets covered by the KPI:		Value of all the investments that are funding economic activities that are not Taxonomy-eligible:	
X %	89.3%	[EUR million]	112,424
The value of all the investments that are funding taxonomy-eligible economic activities, but not taxonomy-aligned relative to the value of total assets covered by the KPI:		Value of all the investments that are funding Taxonomy- eligible economic activities, but not taxonomy-aligned:	
X %	9.1%	[EUR million]	11,465
Additional, complementary disclosures: breakdown of numerator of the KPI			
The proportion of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU over total assets covered by the KPI:		Value of Taxonomy-aligned exposures to financial and non-financial undertakings subject to Articles 19a and 29a of Directive 2013/34/EU:	
For non-financial undertakings:		For non-financial undertakings:	
Turnover-based: %	0.8%	Turnover-based: [EUR million]	959

¹⁰³ Only assets under management from asset managers are included.

Capital expenditures-based: %	2.9%	Capital expenditures-based: [EUR million]	3,609
For financial undertakings:		For financial undertakings:	
Turnover-based: %	0.8%	Turnover-based: [EUR million]	1,044
Capital expenditures-based: %	2.3%	Capital expenditures-based: [EUR million]	2,947
The proportion of exposures to other counterparties and assets over total assets covered by the KPI:		Value of taxonomy-aligned exposures to other counterparties:	
Turnover-based: %	0.0%	Turnover-based: [EUR million]	5
Capital expenditures-based: %	0.0%	Capital expenditures-based: [EUR million]	5
Breakdown of the numerator of the KPI per environmental objective			
Taxonomy-aligned activities –:			
(1) Climate change mitigation	Turnover: 1.5%	Transitional activities turnover: A%	0.10%
		Transitional activities capex: A%	0.70%
	CapEx: 2,5%	Enabling activities turnover: B%	0.10%
		Enabling activities capex: B%	1.00%
(2) Climate change adaptation	Turnover: 0.0%	Enabling activities turnover: A%	0.00%
	CapEx: 0,0%	Enabling activities capex: B%	0.00%

8. Consolidated KPI - 2024

	Revenue	Proportion of total group revenue	KPI per Business segment			
			KPI turnover based	KPI CapEx based	KPI turnover based weighted	KPI CapEx based weighted
Asset management	1,258	2.1%	1.6%	2.6%	0.0%	0.1%
Banking activities	57,526	97.0%	3.0%	3.3%	2.9%	3.2%
Investment firms	111	0.2%	0.0%	0.0%	0.0%	0.0%
Insurance undertakings	440	0.7%	1.4%	2.1%	0.0%	0.0%
Total	59,335	100.0%				
Average KPI					3.0%	3.2%

9. Nuclear and fossil gas related activities - 2024 (credit institution)

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

9. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (denominator) - Capex - 2024

Nuclear energy related activities	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4	0.0%	4	0.0%	0	0.0%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	28	0.0%	28	0.0%	0	0.0%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	1	0.0%	0	0.0%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	42,800	3.3%	42,784	3.3%	17	0.0%
8 Total applicable KPI	42,834	3.3%	42,818	3.3%	17	0.0%

Note 1: The denominator of the applicable KPI is 1.306.541.919.505 euros

9. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (denominator) - Turnover - 2024

Nuclear energy related activities	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	36	0.0%	36	0.0%	0	0.0%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	39,620	3.0%	39,578	3.0%	41	0.0%
8 Total applicable KPI	39,656	3.0%	39,615	3.0%	41	0.0%

Note 1: The denominator of the applicable KPI is 1.306.541.919.505 euros

9. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (numerator) - Capex - 2024

Nuclear energy related activities	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	4	0.0%	4	0.0%	0	0.0%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	28	0.1%	28	0.1%	0	0.0%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	1	0.0%	1	0.0%	0	0.0%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	42,800	99.9%	42,784	99.9%	17	0.0%
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	42,834	100.0%	42,818	100.0%	17	0.0%

9. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (numerator) - Turnover - 2024

Nuclear energy related activities	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	36	0.1%	36	0.1%	0	0.0%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	39,620	99.9%	39,578	99.8%	41	0.1%
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	39,656	100.0%	39,615	99.9%	41	0.1%

9. Nuclear and fossil gas related activities: Taxonomy-eligible but not taxonomy-aligned economic activities - Capex- 2024

Nuclear energy related activities	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	17	0.0%	17	0.0%	0	0.0%
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	80	0.0%	80	0.0%	0	0.0%
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	23	0.0%	23	0.0%	0	0.0%
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	1	0.0%	0	0.0%
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	404,304	30.9%	404,220	30.9%	84	0.0%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	404,424	31.0%	404,340	30.9%	84	0.0%

9. Nuclear and fossil gas related activities: Taxonomy-eligible but not taxonomy-aligned economic activities -Turnover- 2024

Nuclear energy related activities	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1	0.0%	1	0.0%	0	0.0%
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	70	0.0%	70	0.0%	0	0.0%
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	833	0.1%	833	0.1%	0	0.0%
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	41	0.0%	41	0.0%	0	0.0%
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%	0	0.0%	0	0.0%
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	403,901	30.9%	403,577	30.9%	324	0.0%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	404,846	31.0%	404,523	31.0%	324	0.0%

9. Nuclear and fossil gas related activities: Taxonomy non-eligible economic activities - Capex- 2024

	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	859,283	65.8%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	859,283	65.8%

9. Nuclear and fossil gas related activities: Taxonomy non-eligible economic activities - Turnover- 2024

	Amount	%
1 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
2 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
3 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
4 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
5 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
6 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0	0.0%
7 Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	862,039	66.0%
8 Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	862,039	66.0%

10. Nuclear and fossil gas related activities - 2024 (insurance)

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	NO
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	NO
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	NO
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	NO

10. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (denominator) - Capex- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	177.4	2.05%	177.3	2.05%	0.1	0.00%
8 Total applicable KPI	177.4	2.05%	177.3	2.05%	0.1	0.00%

Note 1: The denominator of the applicable KPI is 8,654 million euros..

10. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (denominator) - Turnover- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	125.2	1.45%	124.3	1.44%	0.8	0.01%
8 Total applicable KPI	125.2	1.45%	124.3	1.44%	0.8	0.01%

Note 1: The denominator of the applicable KPI is 8,654 million euros..

10. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (numerator) - Capex- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00 %	0.0	0.00 %	0.0	0.00 %
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00 %	0.0	0.00 %	0.0	0.00 %
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00 %	0.0	0.00 %	0.0	0.00 %
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00 %	0.0	0.00 %	0.0	0.00 %
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00 %	0.0	0.00 %	0.0	0.00 %
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00 %	0.0	0.00 %	0.0	0.00 %
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	177.4	100.00 %	177.3	99.94 %	0.1	0.06 %
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	177.4	100.00 %	177.3	99.94 %	0.1	0.06 %

10. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (numerator) - Turnover- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	125.2	100.00%	124.3	99.33%	0.8	0.67%
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	125.2	100.00%	124.3	99.33%	0.8	0.67%

10. Nuclear and fossil gas related activities: Taxonomy-eligible but not taxonomy-aligned economic activities - Capex - 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	895.8	10.35%	892.8	10.32%	3.0	0.03%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	895.9	10.35%	892.8	10.32%	3.0	0.03%

10. Nuclear and fossil gas related activities: Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover-2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.00%	0.1	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	889.4	10.28%	870.0	10.05%	19.5	0.22%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	889.5	10.28%	870.1	10.05%	19.5	0.22%

10. Nuclear and fossil gas related activities: Taxonomy non-eligible economic activities - Capex- 2024

Nuclear energy related activities	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI		0
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7,580.8	87.60%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	7,580.8	87.60%

10. Nuclear and fossil gas related activities: Taxonomy non-eligible economic activities - Turnover - 2024

Nuclear energy related activities	Amount	%
1 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
2 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
3 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
4 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
5 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
6 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
7 Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	7,638.6	88.27%
8 Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	7,638.6	88.27%

11. Nuclear and fossil gas related activities- 2024 (asset manager)

Nuclear energy related activities		
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	YES
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	YES
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades.	YES
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	YES
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	YES
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	YES

11. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (denominator) - Capex- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.6	0.00%	2.6	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	2.2	0.00%	2.2	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.6	0.00%	0.6	0.00%	0.0	0.00%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.00%	0.0	0.00%	0.1	0.00%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	16.9	0.01%	16.9	0.01%	0.0	0.00%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	3,255.8	2.59%	3,241.1	2.57%	14.8	0.01%
8 Total applicable KPI	3,278.1	2.60%	3,263.3	2.59%	14.9	0.01%

Note 1: The denominator of the applicable KPI is 125,892 million euros.

11. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (denominator) - Turnover- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.4	0.00%	0.4	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	21.9	0.02%	21.9	0.02%	0.0	0.00%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.2	0.00%	0.2	0.00%	0.0	0.00%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.3	0.00%	0.3	0.00%	0.0	0.00%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	1,980.7	1.57%	1,928.6	1.53%	52.1	0.04%
8 Total applicable KPI	2,003.4	1.59%	1,951.3	1.55%	52.1	0.04%

Note 1: The denominator of the applicable KPI is 125,892 million euros.

11. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (numerator) - Capex- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2.6	0.08%	2.6	0.08%	0.0	0.00%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	2.2	0.07%	2.2	0.07%	0.0	0.00%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.6	0.02%	0.6	0.02%	0.0	0.00%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.1	0.00%	0.0	0.00%	0.1	0.00%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	16.9	0.51%	16.9	0.51%	0.0	0.00%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	3,255.8	99.32%	3,241.1	98.87%	14.8	0.45%
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	3,278.1	100.00%	3,263.3	99.55%	14.9	0.45%

11. Nuclear and fossil gas related activities: Taxonomy-aligned economic activities (numerator) - Turnover- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.4	0.02%	0.4	0.02%	0.0	0.00%
3 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	21.9	1.09%	21.9	1.09%	0.0	0.00%
4 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.2	0.01%	0.2	0.01%	0.0	0.00%
6 Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI	0.3	0.01%	0.3	0.01%	0.0	0.00%
7 Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI	1,980.7	98.87%	1,928.6	96.27%	52.1	2.60%
8 Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI	2,003.4	100.00%	1,951.3	97.40%	52.1	2.60%

11. Nuclear and fossil gas related activities: Taxonomy-eligible but not taxonomy-aligned economic activities - Capex- 2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.1	0.00%	0.1	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	4.7	0.00%	4.7	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	26.1	0.02%	26.1	0.02%	0.0	0.00%
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	1.1	0.00%	0.0	0.00%	1.1	0.00%
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.6	0.00%	0.6	0.00%	0.0	0.00%
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	10,501.2	8.34%	9883.7	7.85%	617.4	0.49%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	10,533.7	8.37%	9915.2	7.88%	618.5	0.49%

11. Nuclear and fossil gas related activities: Taxonomy-eligible but not taxonomy-aligned economic activities - Turnover-2024

	CCM+CCA		CCM		CCA	
	Amount	%	Amount	%	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%	0.0	0.00%	0.0	0.00%
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	8.2	0.01%	8.2	0.01%	0.0	0.00%
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	111.5	0.09%	111.5	0.09%	0.0	0.00%
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	11.2	0.01%	11.2	0.01%	0.0	0.00%
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.4	0.00%	0.4	0.00%	0.0	0.00%
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	10,823.2	8.60%	10,752.4	8.54%	70.8	0.06%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	10,954.4	8.70%	10,883.6	8.65%	70.8	0.06%

11. Nuclear and fossil gas related activities: Taxonomy non-eligible economic activities - Capex- 2024

	Amount	%
1 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00 %
2 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00 %
3 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00 %
4 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00 %
5 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00 %
6 Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00 %
7 Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	112,080.1	89.03%
8 Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI	112,080.1	89.03%

11. Nuclear and fossil gas related activities: Taxonomy non-eligible economic activities - Capex- 2024

	Amount	%
1 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
2 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
3 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
4 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
5 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
6 Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI	0.0	0.00%
7 Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI	112,934.2	89.71%
8 Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI	112,934.2	89.71%

SN 7.3 Employees

6. Employees by region^{A,B}

Region	Number of employees	
	2024	2023
Spain	34,940	35,266
Brazil	57,133	57,868
Chile	9,240	9,576
Poland	13,846	13,361
Argentina	8,100	8,365
Mexico	29,768	31,239
Portugal	5,316	5,303
UK	22,542	24,221
USA	11,341	12,579
Others	14,527	14,986
Total	206,753	212,764

A. At year end, information from People & Culture global platform for harmonized people processes groupwide. Employee data is breakdown according to geographical criteria and cannot be compared to the figures in the 'Economic and Financial Report' chapter, which follow management criteria. Employees refers to employees hired as described in chapter 3.1. Our employees.

B. See note [46.b](#) in the consolidated annual accounts.

7. Employees by gender^A

Gender	Number of employees (headcount)	
	2024	2023
Male	98,377	100,449
Female	108,319	112,315
Other ^B	6	-
Not declared	51	-
Total employees	206,753	212,764

A. Employees at year end. At Santander we comply with local regulations (and in turn to comply with the CSRD) recording Gender as defined in the employees national identification (as required by each local administration) and is broken down in female, male (both available in all countries), plus other and not declared (these two only accepted in very few countries).

B. In 12 countries the regulation allows us to voluntarily report gender identity, guaranteeing privacy and equal treatment. Among those employees who have voluntarily reported it, 2.8% identify themselves as non-binary, trans or others.

8. Employees by management group and gender^A

	Senior executives ^B									
	2024					2023				
	Men	Women	Others	Not declared	Total	Men	Women	Others	Not declared	Total
Europe	959	443	0	1	1,403	1,073	500	-	-	1,573
North America	198	72	0	0	270	202	82	-	-	284
South America	299	146	0	0	445	305	141	-	-	446
Group total	1,456	661	0	1	2,118	1,580	723	-	-	2,303

	Other executives ^C									
	2024					2023				
	Men	Women	Others	Not declared	Total	Men	Women	Others	Not declared	Total
Europe	8,850	5,096	1	6	13,953	10,704	7,629	-	-	18,333
North America	3,881	2,622	0	3	6,506	3,778	2,522	-	-	6,300
South America	3,982	2,996	0	1	6,979	3,878	2,708	-	-	6,586
Group total	16,713	10,714	1	10	27,438	18,360	12,859	-	-	31,219

	Other employees									
	2024					2023				
	Men	Women	Others	Not declared	Total	Men	Women	Others	Not declared	Total
Europe	32,654	39,201	3	37	71,895	31,413	38,062	-	-	69,475
North America	15,047	19,571	2	3	34,623	16,387	21,111	-	-	37,498
South America	32,507	38,172	0	0	70,679	32,709	39,560	-	-	72,269
Group total	80,208	96,944	5	40	177,197	80,509	98,733	-	-	179,242

A. At year end.

B. Senior Executives includes employees with harmonized management levels: Senior Executive VP, Executive VP and VP.

C. Other Executives includes Directors, Managers, Experts and Branch Managers.

9. Employees by age bracket^A

Number and % of total

	2024					
	aged < 30		aged 30 - 50		age over 50	
Europe	11,842	13.57%	54,262	62.19%	21,147	24.24%
North America	10,485	25.33%	25,239	60.97%	5,675	13.71%
South America	22,372	28.64%	49,183	62.97%	6,548	8.38%
Group total	44,699	21.62%	128,684	62.24%	33,370	16.14%

A. At year end. Age brackets are presented according to CSRD definitions. Average age of our workforce is 38 years old, as it was in 2023.

10. Employees by employment contract^A

	2024				
	Men	Women	Other	Not declared	Total
Number of employees	98,377	108,319	6	51	206,753
Number of permanent employees	96,541	105,942	6	13	202,502
Number of temporary employees	1,836	2,377	0	38	4,251
Number of full-time employees	97,163	102,740	5	50	199,958
Number of part-time employees	1,214	5,579	1	1	6,795
Number of non-guaranteed hours employees	0	0	0	0	0

A. At year end. 98% of employees in Santander have a permanent employment contract and 97% have full-time contract, as in 2023. For additional definitions see 7. Employees by gender.

11. Collective bargaining coverage and social dialogue^A

Collective Bargaining Coverage			Social dialogue
Coverage Rate	Employees – EEA (European Economic Area) (for countries with >50 empl. representing >10% total empl)	Employees – Non-EEA (estimate for regions with >50 empl. representing >10% total empl)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl)
0-19%	Poland	United States	
20-39%		Mexico	
40-59%			
60-79%			
80-100%	Portugal and Spain	Argentina, Brazil, Chile and United kingdom	Spain, Poland and Portugal

A. Percentage of employees covered by collective agreement, as defined by CSRD. The aggregate average is 74%, among main entities in our 16 relevant countries that aggregately represent 98% of our global headcount, that aggregate average is similar to previous period.

12. Turnover by region^{A,B}

	2024		2023	
	Total	Turnover ratio ^C	Total	Turnover ratio
Europe	10,464	11.77%	8,87	10.07%
North America	9,905	23.38%	10,705	24.21%
South America	19,726	25.33%	20,900	26.41%
Group total	40,095	19.17%	40,478	19.14%

A. Employees who ended definitely their employment relation with Santander entities through 2024, it does not include temporary leave or transfer between Santander companies. Information from People & Culture global platform used harmonized people processes groupwide.

B. The total number of terminated employees was 0.9% lower than in 2023, the turnover rate remained stable compared to the previous year, with variations of -1 percentage point in South America and North America and +2 points in Europe. 53.9% of those laid off are women, in line with the distribution of our workforce.

C. Turnover rate is calculated over average headcount of the period.

13. Average remuneration by management group, gender, and age bracket^A

	2024				
	Women	Men	Other ^B	Not declared ^B	Total ^C
Gender	41,822	65,625	-	-	53,131
	Senior executives	Other executives	Other employees		Total
Management group	524,748	129,847	36,834	-	53,131
	<30	30-50	>50		Total
Age bracket	23,329	53,353	88,044	-	53,131

- A. It includes gross annual salary and comparable supplements, pension schemes and variable remuneration. 99% of Santander employees receive other salaries that supplement their salary.
- B. The categories requested by CSRD, by gender and age groups have been used. Groups with less than 50 employees (others, not declared) are not included because they are not statistically relevant and to avoid statistically erroneous conclusions.
- C. The average pay of our constant workforce (i.e. employees who were with us at 2023 year end and remained at 2024 year end) grew 11.4% in 2024 in constant euros (this does not include Argentina due to exchange rate distortions between the two periods). If we consider the current exchange rates (including Argentina) and the new hired employees, the average remuneration has had a net increase of 3.1% in comparison with the average for our workforce in 2023 (EUR 51,535).

14. Remuneration ratios

	2024
Hourly GPG ratio (average)	36%
GPG ratio (median) ^A	26%
EPG ratio	c. 0
Remuneration ratio ^B	367.1

- A. GPG Ratio (median) includes annual base salary and variable remuneration paid in the year.
- B. Ratio of the annual remuneration of the highest-paid individual for the performance of executive duties (salary, pension contributions, variable remuneration); divided over Median employee annual remunerations (excluding the highest-paid). This figure is impacted by our business model, with a large presence in three geographical regions (Europe, North and South America) and a large network of branches (c.8,000), since more than half of our employees are based in Mexico and South America (mainly in Brazil) where remuneration is aligned to the local cost of living, much lower than that of other countries that are the reference for establishing the remuneration of executive directors. In addition, the use of the median overstates this effect versus the mean: with average data the result of the ratio would be 239.7.

15. Average remuneration of senior management (with variable remuneration not linked to long-term objectives)

Thousand euros	2024			2023		
	Men	Women	Total	Men	Women	Total
Executive directors	9,137	12,127	10,632	8,257	11,544	9,900
Non-executive directors	285	356	309	368	327	352
Senior management ^A	3,898	1,380	3,538	4,112	1,645	3,583

- A. Members of the senior management at the end of the year.

16. Average remuneration of senior management linked to long-term objectives (fair value)

Thousand euros	2024			2023		
	Men	Women	Total	Men	Women	Total
Executive directors	1,611	2,332	1,972	1,537	2,243	1,890
Senior management ^A	553	170	498	563	189	483

- A. Additionally, in 2023, one senior executive received EUR 200,000 of the Digital Transformation award from PagoNxt S.L.

17. Senior management composition

Number	2024			2023		
	Men	Women	Total	Men	Women	Total
Executive directors	1	1	2	1	1	2
Non-executive directors	10	5	15	8	5	13
Senior management	12	2	14	11	3	14

A. Members of the senior management at the end of the year.

18. Training

	2024
Total investment in training (euros)	63,730,131
Total hours of training	5,286,317
% employees trained ^A	94.4
Total attendees ^B	6,925,442
Hours of training per employee ^C	25.3

A. Calculation based on year-end headcount.

B. Training courses completed by our employees during 2024 (2% higher vs 2023).

C. Calculation based on average headcount during the year. Women completed an average of 26.2 hours and men 24.3 hours.

19. Hours of training by gender and management group^A

	2024				
	Men	Women	Others	Not declared	Total
Gender	2,413,371	2,872,035	111	800	5,286,317
	Senior executive	Other executive	Other employees		Total
Management level	52,476	857,065	4,376,775	-	5,286,317

A. The aggregate number learning hours decreased 12.9% in comparison with the previous period, based on digitalization and optimization of training courses, plus the evolution of our workforce.

20. Occupational health and safety^{A,H}

	2024			2023		
	Men	Women	Total	Men	Women	Total
Number of fatal occupational accidents or work-related illness	0	0	0	0	0	0
Work-related illness ^B	1	2	3	3	12	15
Total number of accidents ^C	317	633	950	128	271	399
Work-related accident rate (CSRD criterion, equivalent to the frequency rate of Law 11/2018) ^D	1.15	2.08	1.64	0.51	0.94	0.74
Total number of days of absence due to accidents ^E	12,617	24,094	36,711	-	-	-
Accident rate ^F	0.03	0.06	0.05	0.02	0.04	0.03
Severity rate ^G	0.05	0.08	0.06	0.03	0.06	0.04

A. As in the rest of this chapter, we only include information about our employees. In accident ratios, Santander Bank Polska s.a. is not included.

B. Reported globally since 2023, following local laws for occupational illnesses where they are regulated country-wide or for specific jobs, as soon as a medical examination confirms the cause as occupational.

C. We report occupational injuries that can be documented in 2024, including accidents while commuting. We standardized criteria, processes and systems across our footprint to calculate leave on medical grounds in every market. Banco Santander only considers occupational accidents and illnesses that, following expert review, are recognized as work-related and reported to official bodies (e.g. in Brazil, through a comunicação de acidente de trabalho — CAT, or work-related accident notice — to the Instituto Nacional do Seguro Social — INSS, National Social Security Institute). In Brazil, this indicator only considers absences due to occupational accident of 15 days or more. The variation from 2023 stems mainly from having standardized types of absence and, especially, the impact of standardization in the UK, where employees report voluntarily if the cause is occupational; in this country, though there is no specialized verification like in our other, we accounted for these absences as reported by the employees.

D. Number of occupational accidents with leave for every 1,000,000 theoretical working hours.

E. Including days missed due to occupational accident with leave according to the definition provided. Across the entire Group, we accounted for 100 days for occupational illnesses and 0 days for occupational fatalities.

F. Ratio of hours missed due to an occupational accident divided by the total number of theoretical hours worked by employees in the year.

G. Days missed due to occupational accident with leave for every 1,000 theoretical working hours. Hours worked are theoretical. This includes accidents while commuting.

H. In addition, in all units our employees have recorded 16.4 million hours of absence due to health reasons (16.9 million hours in 2023).

SN 7.4 Customers

21. Group customers^A

	2024	2023	var.
Europe	46,820,826	46,293,433	1%
Spain	15,307,491	15,022,877	2%
United Kingdom	22,541,474	22,480,761	—%
Portugal	2,988,779	2,908,192	3%
Poland	5,978,671	5,877,433	2%
Others Europe ^B	4,411	4,170	6%
South America	80,404,762	73,028,442	10%
Brazil ^C	69,454,776	62,804,350	11%
Chile	4,311,488	4,052,314	6%
Argentina	5,117,205	4,771,370	7%
Others South America ^D	1,521,293	1,400,408	9%
North America	25,762,219	25,027,302	3%
United States ^E	4,473,683	4,510,043	(1)%
México	21,288,536	20,517,259	4%
Digital Consumer Bank	19,549,525	20,192,858	(3)%
Santander Consumer Bank ^F	16,953,371	17,665,556	(4)%
Santander Digital	2,596,154	2,527,302	3%
Total	172,537,332	164,542,034	5%

A. Figures corresponding to total customers.

B. Includes the rest of Private Banking and other CIB Europe.

C. From 2024 onwards, Brazil includes number of customers instead of decision units.

D. Includes Uruguay, Peru and Colombia.

E. Includes BPI Miami.

F. SCF includes customers in all European countries, including the UK.

22. Dialogue by channel

	2024	2023	Var .2024/2023 %.
Branches			
Number of branches	8,011	8,518	(6.0)%
Digital banking^A			
Digital customers ^B (millions)	59.3	54.2	9.4 %

A. Santander Consumer Finance not included.

B. Counts once for customers of both Internet and mobile banking.

23. NPS ranking by country

	2024	2023
Argentina	2	1
Brazil	5	4
Chile	1	1
Uruguay	1	2
Spain	3	3
Poland	3	3
Portugal	3	2
UK	4	5
Mexico	3	2
USA	6	9

NPS to measure customer satisfaction, audited by Stiga/Deloitte.

Santander position vs competitors (Official Peer Group by countries). Key peers by country: Argentina: Galicia, BBVA, ICBC, HSBC, Banco Macro, Banco de la Nación; Brazil: Itaú, CEF, Bradesco, Banco do Brasil, Nubank; Chile: BCI, Banco de Chile, Itaú, Scotiabank, Banco Estado; Uruguay: Brou, Itaú, BBVA, Scotiabank; Spain: Bankinter, BBVA, Caixabank, Sabadell, Unicaja; Poland: ING, Millenium, MBank, Bank Polski, Bank Pekao, BNP Paribas; Portugal: BPI, Millenium BCP, CGD, Novo Banco, Montepio; UK: Nationwide, Barclays, Halifax, NatWest Gr., Lloyds, HSBC, TSB; Mexico: BBVA, Scotiabank, Banorte, HSBC, Banamex, Banco Azteca; US: Chase, Capital One, Bank of America, PNC, Wells Fargo, KeyBank, Citizens, Citigroup, TD Bank, M&T Bank, Truist.

24. Total complaints^A

	2024	2023
Spain ^B	156,460	88,326
Portugal	3,588	4,789
United Kingdom ^C	30,778	25,309
Poland	4,209	6,272
Brazil	226,976	207,211
Mexico	71,082	68,565
Chile ^D	10,458	8,441
Argentina	6,351	5,525
US	6,256	5,712
SCF ^E	165,478	33,074

A. Compliance metrics based on group-wide criteria, homogeneous for all geographies. Include complaints received through formal channels such as the official complaints service (if exists), public or private consumer organisations and agencies, senior management, customer ombudsmen (if exists), regulator channels.

B. Spain increases due to claims for mortgage origination fees. It includes Open bank S.A.

C. UK increases due to a change in the perimeter in 2024. Excluding the effect of the change of perimeter, formal claims are reduced by 20%.

D. Impacted by the inflow of fraud claims in the first half of the year, until the country's fraud law was amended, with a significant reduction in the second half of the year.

E. SCF impacted by high volume of discretionary commission claims on UK dealers.

SN 7.5 Financial inclusion

25. People financially included^A

million people (Accumulated since 2023)	2024	2023
Access	1.9	1.0
Finance	2.4	0.8
Total	4.3	1.8

A. A new target for people financially included was launched in 2023, which considers access and finance initiatives (the previous target also included financial education). The figures reflect only the new people financially included since 2023 (unique people).

26. Microfinance

million euros / people	2024	2023
Total credit disbursed ^A	1,270	1,172
Total micro-entrepreneurs supported	1.3	1.2

A. The increase in credit disbursed is mainly due to the bank's objective to expand its microfinance programmes in Latin America.

SN 7.6 Community support

27. Community Support

million euros	2024	2023
Support for higher education, employability, and entrepreneurship	103.8	105.1
Other local initiatives	62.5	68.9
Total	166.4	174.0

28. Outputs and outcomes

28.1 People helped through Santander Universities programmes

people helped	2024	2023
Higher education	34,062	28,849
Employability ^A	2,078,051	463,045
Entrepreneurship ^B	52,570	7,036
Total ^A	2,164,683	498,930

A. The significant increase in the number of people helped in terms of employability owes to the global launch of short, direct access courses with unlimited places and a completion certificate.

B. In 2024, we began to disclose entrepreneur support programmes in the US through Santander Universities.

28.2 People helped through other local initiatives^{A,B}

	2024	2023
Childhood education	357,549	600,649
Social welfare	702,706	968,301
Art and culture	672,539	69,772
Others	1,146,566	530,764
Total	2,879,360	2,169,486

A. The nature and depth of initiatives is very diverse, both between them and comparing to initiatives of Santander Universities.

B. The increase is due to a better identification of people helped in countries, as well as the inclusion of initiatives.

SN 7.7 Tax contribution

We pay taxes in the jurisdictions where we earn a profit. Thus, the profits obtained, and the taxes accrued and paid, correspond to the countries where we operate.

For every EUR 100 in total income, the Group pays EUR 36 in taxes, including EUR 18 in taxes paid directly by Santander and EUR 18 in taxes collected from third parties.

The taxes Santander pays directly (see table below) include non-recoverable value added tax (VAT), employers' social security contributions, charges levied on banks and financial transactions in Spain, the UK, Poland, Portugal, Brazil and Argentina, and other taxes.

29. Total taxes paid

EUR million

2024					
Jurisdiction	Corporate income tax ^A	Other taxes paid	Total own taxes paid ^B	Third-party taxes ^C	Total contribution
Spain	533	1,863	2,396	2,013	4,409
UK	348	510	858	614	1,472
Portugal	590	175	765	336	1,101
Poland	503	310	813	295	1,108
Germany	238	92	330	96	426
Rest of Europe	638	296	934	184	1,118
Total Europe	2,850	3,246	6,096	3,538	9,634
Brazil	1,213	543	1,756	2,559	4,315
Mexico	875	524	1,399	1,123	2,522
Chile	326	103	429	332	761
Argentina	258	428	686	2,858	3,544
Uruguay	53	76	129	149	278
Rest of Latin America	54	25	79	21	100
Total Latin America	2,779	1,699	4,478	7,042	11,520
United States	241	113	354	935	1,289
Other	10	4	14	11	25
TOTAL	5,880	5,062	10,942	11,526	22,468

A. The Group's income tax for the year 2023 amounted to EUR 5,214 mn

B. Total own taxes paid for all these concepts amounted to EUR 10,942 mn, broken down as EUR 5,880 mn in corporate income tax, EUR 1,296 mn in non-recoverable VAT and other sales taxes, EUR 1,851 mn in employer-paid payroll taxes, EUR 90 mn in property taxes, EUR 334 mn in Spanish temporary bank levy, EUR 342 mn in bank levies and EUR 1,149 mn in other taxes.

C. Total third-party taxes amounted to EUR 11,526 mn, broken down as EUR 3,167 mn in salary withholdings and employees' social security contributions, EUR 1,230 mn in recoverable VAT, EUR 2,366 mn in tax deducted at source on capital, EUR 385 mn in non-resident taxes, EUR 404 mn in property taxes, EUR 262 mn in stamp taxes, EUR 2,188 mn in taxes related to the financial activity and EUR 1,524 mn in other taxes.

SN 8. Additional metrics to comply with Spanish Act 11/2018

1. Average employees, by contract type and gender. As required by Ley 11/2018^A

	2024				Total
	Women	Men	Other	Not declared	
Average employees	109,762	99,257	6	86	209,112
Average permanent employees	107,404	97,487	6	64	204,960
Average temporary employees	2,358	1,771	0	22	4,151
Average full-time employees	103,837	98,023	6	83	201,949
Average part-time employees	5,925	1,234	0	3	7,163

A. Average headcount throughout the year. We reclassified genders according to CSRD definitions. The breakdown remains stable, with an average 52% women employees against 53% in 2023. The breakdown by contract type also remains similar: The average headcount with a permanent contract is 98%, while the average headcount with a full-time contract is 96.5%, the same figures as in 2023.

2. Average employees, by contract type and age bracket. As required by Ley 11/2018^A

	2024			Total
	Under 30	30-50	Over 50	
Average employees	46,556	129,728	32,828	209,112
Average permanent employees	44,748	127,682	32,531	204,960
Average temporary employees	1,808	2,046	297	4,151
Average full-time employees	45,412	125,537	30,999	201,949
Average part-time employees	1,143	4,191	1,829	7,163

A. Average headcount throughout the year. We amended the age groups according to CSRD definitions and the breakdown remains flat in comparison with 2023.

3. Average employees, by contract type and management group.^A

	2024			Total
	Senior executive	Other executive	Other employees	
Average employees	2,273	30,748	176,091	209,112
Average permanent employees	2,253	30,291	172,416	204,960
Average temporary employees	20	457	3,674	4,151
Average full-time employees	2,263	30,234	169,452	201,949
Average part-time employees	10	514	6,639	7,163

A. Average headcount throughout the year. The breakdown by job band remains unchanged. The breakdown of the average number of employees by band is the same as in 2023: 1% senior director; 15% other director; and 84% the rest of the workforce.

4. Dismissals, by gender, management group and age Bracket.^{A,B}

	2024				Total
	Women	Men	Other	Not declared	
Gender ^C	7,755	6,599	2	29	14,385
	Senior executives	Other executives	Other employees		Total
Management group ^D	114	1,229	13,042		14,385
	<30	30-50	>50		Total
Age bracket	4,495	7,866	2,024		14,385

A. Dismissal: Termination of permanent employment determined unilaterally by the company. This includes voluntary terminations as part of reorganizations or redundancy programmes, plus other termination caused by individual performance or disciplinary actions.

B. It does not include temporary absences or transfers to other Group companies.

C. We used CSRD classification by gender and age group. The dismissal rate is stable (6.9% v 6.7% in 2023). The breakdown by gender shifted, as 53.9% of dismissed employees were women (in line with the workforce breakdown), down 3 pp in comparison with 2023 (57.4%).

D. The breakdown by job band is similar to 2023.

SN 9. Alternative performance measures (APMs)

The following are additional alternative performance measures (APMs) to those listed in section 8 of the chapter '[Economic and Financial Review](#)'. The metrics we use in this report have not been subject to further third-party verification beyond the scope of limited assurance.

Data related to tax contribution

The profits obtained, and the taxes accrued and paid, correspond to the countries where we operate.

Taxes paid by the Group	The taxes Santander pays directly are included in the cash flow statement and mainly stem from the corporate income tax paid. They also include non-recoverable value added tax (VAT), employers' social security contributions, charges levied on banks and financial transactions in the geographies where we operate, and other taxes. See data in the section SN 7.7 Tax contribution of this chapter.	It reflects how the Bank complies with its commitment to tax transparency in the jurisdictions where it operates.
Third-party taxes	These are those generated by the development of our economic activity. This is the sum of salary withholdings and employees' social security contributions, recoverable VAT, tax deducted at source on capital, non-resident taxes, property taxes, stamp taxes, taxes related to the financial activity, and others. See data in the section SN 7.7 Tax contribution of this chapter.	
Total tax contribution	The Group's total tax contribution includes the taxes paid by the Group as a direct cost and the taxes collected from third parties in the course of our economic activity. See data in the section SN 7.7 Tax contribution of this chapter.	

Data related to sustainable finance

Green finance raised and facilitated	Nominal amount of project finance, financial advisory, project bonds, green bonds (DCM), export finance (ECA), mergers and acquisitions (M&A), and equity capital markets (ECM) transactions ranked by the ESG Classification Meeting and reported in the League Tables of Infralogic, Bloomberg, Dealogic, TXF and Mergermarket since the beginning of the year. See data in section 2. Our climate transition plan and SN 7.1 Green transition (Table 1. Green finance) in this chapter.	It reflects Santander's ambition and contribution to helping our customers, and society as a whole, in the transition to a low-carbon economy.
Financing volume of renewable energy projects	Nominal amount of renewable energy projects (greenfield and brownfield) financed since the beginning of the year and reported externally as reported in Infralogic's League Tables for project financing. See data in section Sustainability at santander in 2024 of this chapter.	
Financing volume of renewable electric vehicles	Financing volume of vehicles powered exclusively by a rechargeable electric battery (no petrol engine). See data in section Sustainability at santander in 2024 of this chapter.	
Credit disbursed to microentrepreneurs (EUR)	Total amount of credit disbursed during the year to low-income entrepreneurs with low access to banking services, or with difficulties in accessing credit, with the objective of creating and/or growing their businesses. Data includes information on microfinance programmes in Brazil, Colombia, Mexico and Peru. See data in section Sustainability at santander in 2024 and SN 7.5 Financial inclusion (Table 27. Microfinance) of this chapter.	It reflects Santander's ambition and contribution to help address financial inclusion challenges in the markets where we operate.

Data related to financed emissions

Financed emissions from corporates and projects	<p>For the financed emissions associated with business loans, equities, investments, bonds, and projects we calculate the emissions in accordance with the methodology established by management that is based on the Partnership for Carbon Accounting Financials (PCAF) standard for financed emissions.</p> <p>The financed emissions for a corporate client portfolio are calculated using the following equation:</p> $\text{Financed emissions} = \text{Attribution Factor} \times \text{Emissions}$ <p>The following equations are used to determine the attribution factor at company level:</p> $\text{Attribution Factor} = \text{Outstanding amount} / \text{Total Enterprise Value}$ <p>In the case of corporate business loans (CIB alignment targets), Banco Santander calculates the Total Value of the Company (used to obtain the emissions attribution factor) by adding the total equity and debt of the company to avoid the high volatility in market capitalization.</p> <p>In the case of Project Finance, the financed emissions for a Project are calculated using the production and an emission factor.</p> <p>We use as data sources (non-exhaustive): annual/Sustainability Reports of our customers, Asset Impact, Capital IQ, Carbon Disclosure Project, S&P Trucost, Transition Pathway Initiative, Wood Mackenzie, IBA, JATO, and PCAF database.</p> <p>See data in section Our transition plan in this chapter.</p>	<p>These metrics reflect Santander's ambition and contribution to addressing the challenges of emissions measurement, supporting our customers in their objectives and aligning portfolios to progress on our ambition towards net zero emissions by 2050.</p>
Auto – lending	<p>For the auto lending portfolio for Santander Consumer Finance Europe the financed emissions are those associated with the passenger cars financed and leased (passenger cars being the most material vehicle type in the Auto portfolio). These are calculated following the PCAF methodology:</p> $\text{Financed emissions} = \sum \text{Attribution Factor} \times \text{vehicle emissions}$ <p>To determine the attribution factor of each of the loans, the following formula is used:</p> $\text{Attribution factor} = \text{Outstanding amount} / \text{vehicle value at origination}$ <p>The vehicle emissions are calculated using the emissions of each specific vehicle, where available, multiplied by the annual distance estimated for each vehicle.</p> <p>See data in section Our transition plan in this chapter.</p>	
Mortgages and Commercial Real Estate	<p>Mortgages and commercial real estate portfolio emissions lending on residential mortgages includes Scope 1 and 2 emissions based on actual (where available) and modelled EPC's. We define this asset class as on balance sheet loans for specific consumer purposes – namely the purchase and refinance of residential property.</p> <p>The following calculation approach was used to arrive at the financed emissions for each of the properties in the portfolio:</p> $\text{Financed emissions} = \text{building emissions} \times \text{LTV}$ <p>The attribution factor is the outstanding amount of the loan as per the reporting year for each mortgage, divided by the total property value at origination for each building.</p> <p>See data in section Our transition plan in this chapter.</p>	
Agriculture	<p>Agriculture portfolio emissions for Santander Brazil from lending to farmers associated with primary production activities in Brazil (agriculture and livestock activities), financed through Retail mechanisms. Assessment includes Scope 1 and 2 emissions.</p> <p>In this sector, Santander's financed emissions estimation is based on GHG Protocol guidance and PCAF methodology, with adaptations to accommodate data availability in retail agriculture portfolio.</p> <p>Land management emissions:</p> <p>The general equations used to calculate financed emissions of an agricultural activity are as follows:</p> $\text{Financed emissions} = \sum \text{quantity produced or area of production or number of animals} \times \text{Emission factor}$ <p>Emission factor sources include the GHG Protocol Brazil Tool for the Agricultural Sector, the Reference Report from Brazil's IV National Inventory, among other specialized literature.</p> <p>Land Use Change (LUC) emissions:</p> <p>The total LUC emissions for the portfolio are calculated for each property: collecting shapefiles of farms associated with the operations financed in the retail portfolio, computing annual tree-cover loss areas (in hectares), for the last 20 years, for each property, and evaluate corresponding carbon stock loss using emission factors, applying the Linear Discounting Methodology, and calculating the attribution factor for emissions related to Santander.</p> <p>Sources (non-exhaustive): properties' Rural Environmental Registry number, MapBiomas Collection 8, Brazil's IV National Inventory Carbon Map.x</p> <p>See data in section Our transition plan in this chapter.</p>	
Sovereign bonds	<p>For the sovereign bonds portfolio we calculate the financed emissions following the PCAF standard recommendations, as follows:</p> $\text{Attributed emissions} = \text{Exposure to Sovereign Bond (USD)} / \text{PPP-adjusted GDP (international USD)} \times \text{Sovereign Emissions (tCO}_2\text{e)}$ <p>See data in section Our transition plan in this chapter.</p>	

Data related to responsible investment

Socially responsible investment assets under management (SRI AUM)	<p>Value corresponding to total volume of assets under management registered as article 8 - promoting ESG characteristics - and 9 - with explicit sustainability objectives - of the Sustainable Finance Disclosure Regulation (SFDR, EU Reg. 2019/2088) except for illiquid investments in Private Banking which are reported in terms of committed capital. It includes: i) assets managed or advised by Santander Asset Management (SAM) and other Group asset managers in the EU and, using equivalent criteria, in countries where SFDR does not apply; and ii) third party funds and assets under advise deemed sustainable investments according to either SFDR (Article 2.17) or internal criteria as per SFICS (Sustainable Finance & Investment Classification System).</p> <p>See data in section 3.2.2 Responsible investment and social finance of this chapter.</p>	<p>It reflects Santander's ambition and contribution to promote responsible investment. It also allows our managers and bankers to have a more complete vision of the assets in which to invest and identify competitive advantages and mitigate risks.</p>
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Data related to employees training

Total investment in training	<p>Sum of all expenditures accrued in Learning Activities, during the period, including: Direct costs from trainers who are employed as Employees (i.e. Total Compensation prorated for the dedication to training activities), but not including Salaries of Learning and Development Employees, External suppliers / vendors expenses paid and budgeted by the Learning department (for any type of service: training design, training sessions delivery, communications, consulting), logistic and facilities costs (training rooms, catering, accommodation and travel, materials), Labour cost of employees within the Learning Department (actual amounts accrued during the period, including gross compensation - all items-, plus company taxes - contributions,), IT costs and licenses plus their applicable services; expenditures in Marketing and Communications paid and budgeted by the Learning Department.; Other expenses</p> <p>See data in section SN 7.3 Employees (table 19. Training) of this chapter.</p>	<p>It reflects the bank's commitment to training and lifelong learning for its employees.</p>
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Data related to community investment

At Banco Santander, we measure our investment in community outreach according to the Business for Societal Impact (B4SI)¹ methodology, which is an international benchmark.

Support (investment) for education, employment and entrepreneurship	<p>Total amount invested to support education, employment and entrepreneurship.</p> <p>See data in section 3.2.4 Community support and SN 7.6 Community investment (table 27. Community investment) of this chapter.</p>	<p>It reflects Santander's ambition and contribution to promoting (beyond our business operations) the progress and inclusive and sustainable growth of the communities where we are present.</p>
Support (investment) for other local initiatives	<p>Total amount invested through local initiatives to promote childhood education, social welfare (especially among vulnerable groups), art and culture.</p> <p>See data in section 3.2.4 Community support and SN 7.6 Community investment (table 27. Community investment) of this chapter..</p>	
Total community investment	<p>Sum of investment in education, employability and entrepreneurship, plus investment in other community support programmes.</p> <p>See data in section 3.2.4 Community support and SN 7.6 Community investment (table 27. Community investment) of this chapter.</p>	

Data related to suppliers

Payments to suppliers	<p>Total amount of payments made to suppliers outside the Group.</p> <p>See data in section 4.4 Our suppliers of this chapter.</p>	<p>It reflects the Group's economic contribution through the purchase of products and services in its operations.</p>
% Turnover of locally contracted suppliers (M EUR)	<p>% of the Group's total turnover made to suppliers based in the same geography where the services are purchased.</p> <p>Turnover from locally contracted suppliers is divided by total turnover to suppliers.</p> <p>See data in section 4.4 Our suppliers of this chapter.</p>	<p>It also reflects our commitment to the local economies of the geographies in which we operate.</p>

SN 10. Non-financial information Act 11/2018 content index

Table of equivalences with reporting requirements under Spain's Act 11/2018

	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with CSRD/other regulations
0. General Information	Brief description of the Group's business model (including its business environment, organization and structure, markets, objectives and strategies, plus the main factors and trends that can affect its future performance).	Business model and strategy (p. ##). Economic and financial review (p. 372). 1. Sustainability at Santander (p. 11) [1.3 Materiality assessment]. SN 3. Materiality assessment - Detailed methodology (p. 110).	SBM-1 SBM-2 GOV-1 MDR-T E1-4 S1-5 S3-5 S4-5
	A description of the Group's policies that includes due diligence procedures for identifying, assessing, preventing and mitigating risks and significant impacts, and for verifying and controlling, including the measures in which they have been adopted):	1. Sustainability at Santander (p. 11) [1.4 Sustainability governance] [1.4.2 Human rights due diligence]. SN 2 Sustainability governance (p. 106) [Cross-cutting regulations to embed ESG standards in our business model]. 2. Our climate transition plan (p. 21) [2.3 Embedding ESG in risk management]. 3. Supporting employees, communities and customers (p. 64) [3.2.3 Environmental, social and climate change management].	GOV-4 MDR-P E1-2 S1-1 S3-1 S4-1 G1-1
	The results of these policies , including key indicators of relevant non-financial results that allow the monitoring and evaluation of progress and that favour the comparability between companies and sectors, in accordance with national, European or international frameworks of reference used for each matter.	2. Our climate transition plan (p. 21). 3. Supporting employees, communities and customers (p. 64). 4. Business conduct (p. 89). SN 7. Our progress in figures (p. 123).	MDR-M E1 S1 S3 S4 G1
	The main risks related to these matters associated with the Group's activities (business relationships, products or services) that may have a negative effect in these areas, and how the Group manages these risks, explaining the procedures used to detect and assess them in accordance with national, European or international frameworks of reference for each matter. It must include information about the impacts that have been detected, offering a breakdown, in particular of the main risks in the short, medium and long term.	1. Sustainability at Santander (p. 11) [1.3 Materiality assessment]. SN 3. Materiality assessment - detailed methodology (p. 110) [Information on impacts, risks and opportunities]. 2. Our climate transition plan (p. 21). 3. Supporting employees, communities and customers (p. 64). 4. Business conduct (p. 89).	GOV-5 SBM-3 IRO-1 E1 S1 S3 S4 G1

1. Environmental Information	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with CSRD/other regulations
	Detailed information on the current and foreseeable effects of the activities of the company in the environment and, where appropriate, health and safety, environmental evaluation or certification procedures; the resources dedicated to the prevention of environmental risks; the application of the principle of caution, the amount of provisions and guarantees for environmental risks.	2. Our climate transition plan (p. 21); At the end of the 2023 financial year, no significant account is presented in the Consolidated Annual Accounts of the Group that should be included in this chapter regarding environmental provisions or guarantees.	SBM-3 IRO-1 MDR-A MDR-M E1 SBM-3 E1 IRO-1 E1-3 E1-6 E1-7 E1-9
	Contamination:		
	Measures to prevent, reduce or repair CO ₂ emissions that seriously affect the environment, taking into account any form of air pollution, including noise and light pollution.	2. Our climate transition plan (p. 21) [2.4.5 Our environmental footprint].	MDR-A E1-3 E1-7
	Circular economy and waste prevention and management:		
	Waste prevention measures, waste recycling measures, waste reuse measures; other forms of waste recovery and reuse; actions against food waste.	2. Our climate transition plan (p. 21) [2.4.5 Our environmental footprint].	E5 IRO-1
	Sustainable use of resources:		
	Use and supply of water according to local limitations	2. Our climate transition plan (p. 21) [2.4.5 Our environmental footprint]. SN 7.1 Green transition (p. 124) [Table 2. Environmental footprint]	E3 IRO 1
	Consumption of raw materials and measures taken to improve the efficiency of its use.	2. Our climate transition plan (p. 21) [2.4.5 Our environmental footprint]. SN 7.1 Green transition (p. 124) [Table 2. Environmental footprint]	E5 IRO-1
	Energy: direct and indirect consumption, measures taken to improve energy efficiency, use of renewable energies	2. Our climate transition plan (p. 21) [2.4.5 Our environmental footprint]. SN 7.1 Green transition (p. 124) [Table 2. Environmental footprint]	MDR-A MDR-M E1-3 E1-5
	Climate change:		
	Important elements of greenhouse gas emissions generated as a business activity (including goods and services produced)	2. Our climate transition plan (p. 21) [2.4.5 Our environmental footprint]. SN 7.1 Green transition (p. 124) [Table 2. Environmental footprint].	MDR-M E1-6
	Measures taken to adapt to the consequences of climate change	2. Our climate transition plan (p. 21)	MDR-A E1 SBM-3 E1-1 E1-3
	Reduction targets voluntarily established in the medium and long term to reduce greenhouse gas emissions and means implemented for this purpose.	2. Our climate transition plan (p. 21)	MDR-T E1-4
	Protection of biodiversity:		
	Measures taken to preserve or restore biodiversity	2. Our climate transition plan (p. 21) [2.3.5 Our approach to nature and biodiversity].	E4 IRO-1
	Impacts caused by the activities or operations of protected areas		

	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with CSRD/other regulations
2. Social	Employment:		
	Total number and distribution of employees by gender, age, country and professional classification	SN 7.3 Employees (p. 180).	MDR-M S1-6 S1-9
	Total number and distribution of contracts modes and annual average of undefined contracts, temporary contracts, and part-time contracts by: sex, age and professional classification.	SN 7.3 Employees (p. 180).	MDR-M S1-6 S1-9
	Number of dismissals by: gender, age and professional classification.	SN 7.3 Employees (p. 180).	MDR-M S1-6
	Average remuneration and its progression broken down by gender, age and professional classification	SN 7.3 Employees (p. 180).	MDR-M S1-16
	Salary gap and remuneration of equal or average jobs in society	3. Supporting employees, communities and customers (p. 64) [3.1.3 Inclusive culture].	MDR-M S1-16
	Average remuneration of directors and executives (including variable remuneration, allowances, compensation, payment to long-term savings forecast systems and any other payment broken down by gender)	SN 7.3 Employees (p. 180).	GOV-3 MDR-M S1-16
	Implementation of work disconnection policies	3. Supporting employees, communities and customers (p. 64) [3.1.2 Working conditions].	MDR-P S1-1
	Employees with disabilities	3. Supporting employees, communities and customers (p. 64) [3.1.3 Inclusive culture].	MDR-M S1-12
	Organization of work:		
	Organization of work time	3. Supporting employees, communities and customers (p. 64) [3.1.2 Working conditions].	MDR-P MDR-A S1-1 S1-4
	Number of absent hours	SN 7.3 Employees (p. 180).	MDR-M S1-14
	Measures designed to facilitate work-life balance and encourage a jointly responsible use of said measures by parents	3. Supporting employees, communities and customers (p. 64) [3.1.2 Working conditions].	MDR-A S1-4 S1-15
	Health and safety:		
	Conditions of health and safety in the workplace	3. Supporting employees, communities and customers (p. 64) [3.1.2 Working conditions].	MDR-A S1-14
	Occupational accidents, in particular their frequency and severity, as well as occupational illnesses. Broken down by gender.	SN 7.3 Employees (p. 180).	MDR-M S1-14
	Social relations:		
	Organization of social dialogue (including procedures to inform and consult staff and negotiate with them)	3. Supporting employees, communities and customers (p. 64) [3.1.2 Working conditions].	MDR-A S1-2 S1-8
	Percentage of employees covered by collective bargaining agreements by country	SN 7. Our progress in figures (p. 123).	MDR-M S1-8
	Balance of the collective bargaining agreements (particularly in the field of health and safety in the workplace)	3. Supporting employees, communities and customers (p. 64) [3.1.2 Working conditions]. SN 7.3 Employees (p. 180).	MDR-M S1-8 S1-14
	Mechanisms and procedures that employers have for encouraging the involvement of workers in management of the company, in terms of information, consultation and participation	3. Supporting employees, communities and customers (p. 64) [3.1.4 Employee feedback and experience]. 4. Business conduct (p. 89) [4.3 Ethical channels].	MDR-A S1-2 S1-8
	Training:		
	The policies implemented in the field of training	3. Supporting employees, communities and customers (p. 64) [3.1.1 Talent and skills development]	MDR-P S1-1
	Total number of hours of training by professional categories.	SN 7.3 Employees (p. 180).	MDR-M S1-13

	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with CSRD/other regulations
2. Social	Accessibility:		
	Universal accessibility of people	3. Supporting employees, communities and customers (p.64) [3.1.3 Inclusive culture] [3.2.4 Community support] [3.3.1 Conduct with customers].	MDR-A S1-4 S1-12
	Equality:		
	Measures taken to promote equal treatment and opportunities between women and men, Equality plans (Chapter III of Organic Law 3/2007, of 22 March, for the effective equality of women and men), measures taken to promote employment, protocols against sexual and gender-based harassment, Policy against all types of discrimination and, where appropriate, integration of protocols against sexual and gender-based harassment and protocols against all types of discrimination and, where appropriate, management of diversity	3. Supporting employees, communities and customers (p.64) [3.1.3 Inclusive culture]. [3.2.4 Community support].	MDR-P MDR-A S1-1 S1-4 S1-12
	Application of due diligence procedures in the field of Human Rights	1. Sustainability at Santander (p.11) [1.4.2 Human rights due diligence].	GOV-4
	Prevention of the risks of Human Rights violations and, where appropriate, measures to mitigate, manage and repair any possible abuses committed	3. Supporting employees, communities and customers (p.64). 4. Business conduct (p. 89).	MDR-A S1-4 S3-4 S4-4
	Complaints about cases of human rights violations	4. Business conduct (p. 89) [4.3 Ethical channels].	MDR-M S1-17 S3-4 S4-4
	3. Human Rights		
	Promotion and compliance with the provisions of the fundamental conventions of the International Labour Organization regarding respect for freedom of association and the right to collective bargaining.	3. Supporting employees, communities and customers (p.64) [3.1.2 Working conditions]. NS 7.3 Employees (p.180) [Table 12 Collective bargaining coverage and social dialogue].	MDR-P S1-1
	Elimination of discrimination in respect of employment and occupation; elimination of forced or compulsory labour; and the effective abolition of child labour.	3. Supporting employees, communities and customers (p.64) [3.1.2 Working conditions] [Environmental, social and climate change management]. 4. Business conduct (p. 89) [4.2 Ethical conduct] [4.3 Ethical channels]	MDR-P S1-1
4. Fight against corruption	Measures taken to prevent corruption and bribery	4. Business conduct (p. 89) [Financial crime compliance (FCC)]. Risk management and compliance chapter: 6.2 Compliance risk management section (p. 520).	MDR-A G1-3
	Measures to combat money laundering	4. Business conduct (p. 89) [Financial crime compliance (FCC)]. Risk management and compliance chapter: 6.2 Compliance risk management section (p. 520).	MDR-A G1-3
	Contributions to non-profit foundations and entities	3. Supporting employees, communities and customers (p.64) [3.2.4 Community support].	MDR-A S3-4

	Non-financial information to be disclosed	Chapter/section of the annual report	Correspondence with CSRD/other regulations
5. Information on the company	Commitments of the company to sustainable development:		
	The impact of the company's activity on employment and local development	Sustainability at Santander in 2024. 3. Supporting employees, communities and customers (p.64) [3.2.1 Supporting the economic and social development of our communities] [3.2.3 Environmental, social and climate change management] [3.2.4 Community support] [3.3.2 Financial inclusion and financial health].	MDR-A MDR-T MDR-M S3-4 S3-5
	The impact of the company's activity on local towns and villages and in the country.	3. Supporting employees, communities and customers (p.64) [3.2.4 Community support] [3.3.2 Financial inclusion and financial health].	MDR-A MDR-T MDR-M S3-4 S3-5
	Relations maintained with the representatives of local communities and the modalities of dialogue with them.	1.Sustainability at Santander (p.11) [1.2 Stakeholder engagement].	MDR-A S3-2
	Association or sponsorship actions	Santander participates in the sectoral associations representing financial activity in the countries in which it operates, such as the AEB (Spanish Banking Association) in the case of Spain.	MDR-A S3-4
	Outsourcing and suppliers:		
	Inclusion of social, gender equality and environmental issues in the procurement policy	4. Business conduct (p. 89) [4.4 Our suppliers].	MDR-P G1-2
	Consideration in relations with suppliers and subcontractors of their responsibility	4. Business conduct (p. 89) [4.4 Our suppliers].	MDR-A G1-2
	Supervision and audit systems and resolution thereof	4. Business conduct (p. 89) [4.4 Our suppliers].	MDR-M G1-2
	Consumers:		
	Measures for the health and safety of consumers	3. Supporting employees, communities and customers (p.64). Risk, compliance and conduct management chapter: 7.2 Compliance and conduct risk management section (p. 482).	MDR-A S4-4
	Systems for complaints received and resolution thereof	3. Supporting employees, communities and customers (p.64). Risk, compliance and conduct management chapter: 7.2 Compliance and conduct risk management section (p. 482).	MDR-M S4-4
	Tax information:		
	The profits obtained country by country	Auditor's report and 2024 annual consolidate accounts (p. ##) (Annex VI Annual banking report) and Auditor's Report and 2023 annual consolidate accounts (Annex VI Annual banking report).	-
	Taxes on benefits paid	SN 7.7 Tax contribution (p. 188)	
	Public grants received	Grupo Santander did not receive significant public subsidies in 2023 and 2024. Appendix More details see VI Annual banking report, section e)Public subsidies (p. ##).	-
6. Other relevant information	EU Taxonomy	Information related to article 8 of EU Taxonomy: 3. Supporting employees, communities and customers (p. 64) [3.2.2 Responsible investment and social finances]. SN 5. EU Taxonomy (p. 120).	EU Regulation 2020/852 and Commission Delegated Regulations 2021/2139 and 2021/2178 as amended by Delegated Regulations (EU) 2022/1214, 2023/2485 and 2023/2486

SN 11. Commission Delegated Regulation (EU) 2023/2772 on sustainability reporting standards content index

Table with references to sections and subsections of the Sustainability statement that respond to the information requirements of the Directive (EU) 2022/2464 of the European Parliament and the Commission Delegated Regulation (EU) 2023/2772.

ESRS 2 - General disclosures				
Basis for preparation	Section	Sub-section	Sub-sub-section	Comments
BP-1 – General basis for preparation of sustainability	About this chapter (p. 9)			
	Sustainability notes (p. 96)	SN 1. Introduction, basis of presentation of the consolidated sustainability statement and other information (p. 96)		
BP-2 – Disclosures in relation to specific circumstances	Sustainability notes (p. 96)	SN 1. Introduction, basis of presentation of the consolidated sustainability statement and other information (p. 96)		
Governance	Section	Sub-section	Sub-sub-section	Comments
GOV-1 – The role of the administrative, management and supervisory bodies	1. Sustainability at Santander (p. 11)	1.4 Sustainability governance (p. 18)		
	Sustainability notes (p. 96)	SN 2. Sustainability governance (p. 106)		
		SN 7.3 Employees (p. 180)	Table 19. Senior management composition	
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	Sustainability notes (p. 96)	SN 2. Sustainability governance (p. 106)		
GOV-3 - Integration of sustainability-related performance in incentive schemes	1. Sustainability at Santander (p. 11)	1.4 Sustainability governance (p. 18)	1.4.1 Integration of sustainability-related performance in incentive schemes	
GOV-4 - Statement on due diligence	1. Sustainability at Santander (p. 11)	1.4 Sustainability governance (p. 18)	1.4.2 Human rights due diligence	
GOV-5 - Risk management and internal controls over sustainability reporting	1. Sustainability at Santander (p. 11)	1.4 Sustainability governance (p. 18)		
	Sustainability notes (p. 96)	SN 2. Sustainability governance (p. 106)		
Strategy	Section	Sub-section	Sub-sub-section	Comments

SBM-1 – Strategy, business model and value chain	1. Sustainability at Santander (p. 11)	1.1 Sustainability strategy (p. 11)		The percentage of revenues of concerning sectors over the Group's total revenues is not material (1.46% over the Group's total revenues).
	Sustainability notes (p. 96)	2.2 Supporting our customers in their transition goals (p. 24)		
		3.2 Communities' sustainable development (p. 72)	3.2.2 Responsible investment and social finance (p. 72)	
		3.3. Our customers (p. 80)	3.3.2 Financial inclusion and financial health (p. 83)	
		SN 1. Introduction, basis of presentation of the consolidated sustainability statement and other information (p. 96)		
		SN 7.1 Green transition (p. 124)		
		SN 7.5 Financial inclusion (p. 186)		
SBM-2 – Interests and views of stakeholders	1. Sustainability at Santander (p. 11)	1.2 Stakeholder engagement (p. 13)		
	3. Supporting employees, communities and customers (p. 64)	3.1 Our employees (p. 64)	3.1.4 Employee feedback and experience	
	Sustainability notes (p. 96)	SN 3. Materiality assessment - Detailed methodology (p. 110)		
SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	1. Sustainability at Santander (p. 11)	1.1 Sustainability strategy (p. 11)		More details on the financial impact stemming from the opportunities identified in the double materiality assessment, see: 2.2 Supporting our customers in their transition goals (volume of assets aligned with the EU Taxonomy for mortgages and automobiles in Europe). 2.2.1 Corporate and Investment Banking (Green Finance raised or facilitated) The potential financial impact of the identified risks usually comes in the form of direct financial losses from legal claims (payments to third parties, compensation, etc.) and penalties. See Note 25.d and 25.e of the annual accounts.
	Sustainability notes (p. 96)	1.3 Materiality Assessment (p. 16)		
		SN 3. Materiality assessment - Detailed methodology (p. 110)		
		SN 3. Materiality assessment - Detailed methodology (p. 110)		
Disclosures on the materiality assessment process	Section	Sub-section	Sub-sub-section	Comments
IRO-1 - Description of the processes to identify and assess material impacts, risks and opportunities	1. Sustainability at Santander (p. 11)	1.3 Materiality Assessment (p. 16)		
	Sustainability notes (p. 96)	SN 3. Materiality assessment - Detailed methodology (p. 110)		

IRO-2 - Disclosure requirements in ESRS covered by the undertaking's sustainability statement

Sustainability notes (p. [96](#))

SN 1. Introduction, basis of presentation of the consolidated sustainability statement and other information (p. [96](#))

SN 3. Materiality assessment - Detailed methodology (p. [110](#))

SN 11. Commission Delegated Regulation (EU) 2023/2772 content index

Minimum Disclosure Requirement	Section	Sub-section	Sub-sub-section	Comments
MDR-P – Policies adopted to manage material sustainability matters	2. Our climate transition plan (p. 21)			
	3. Supporting employees, communities and customers (p. 64)			
	4. Business conduct (p. 89)			
MDR-A – Actions and resources in relation to material sustainability matters	Sustainability notes (p. 96)	SN 1. Introduction, basis of presentation of the consolidated sustainability statement and other information (p. 96)		
MDR-M – Metrics in relation to material sustainability matters		SN 9. Alternative performance measures (p. 191)		
MDR-T – Tracking effectiveness of policies and actions through targets				

ESRS E1 - Climate change

Governance	Section	Sub-section	Sub-sub-section	Comments
ESRS 2 GOV-3 Integration of sustainability related performance in incentive schemes	1. Sustainability at Santander (p. 11)	1.4 Sustainability Governance (p. 18)	1.4.1 Integration of sustainability-related performance in incentive schemes	
	2. Our climate transition plan (p. 21)	2.5 Further actions and enablers (p. 61)	2.5.2 Governance & policies	
Strategy	Section	Sub-section	Sub-sub-section	Comments
E1-1 – Transition plan for climate change mitigation	2. Our climate transition plan (p. 21)	2.1 Strategy (p. 21)		
	Sustainability notes (p. 96)	2.2 Supporting our customers in their transition goals (p. 24)		
		2.4 Aiming to align our activity with the Paris Agreement Goals (p. 48)		
		2.5 Further actions and enablers (p. 61)	2.5.2 Governance & policies	
		SN 4. Our transition plan- (p. 118)		
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with S&BM	2. Our climate transition plan (p. 21)	2.3 Embedding ESG in risk management (p. 29)	2.3.1 Resilience of our strategy and business model to climate change 2.3.2 Risk management cycle	
Impact, risk and opportunity management	Section	Sub-section	Sub-sub-section	Comments
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2. Our climate transition plan (p. 21)	2.3 Embedding ESG in risk management (p. 29)	2.3.2 Risk management cycle	

E1-2 – Policies related to climate change mitigation and adaptation	2. Our climate transition plan (p. 21)	2.5 Further actions and enablers (p. 61)	2.5.1 Strategy for engagement with other key stakeholders 2.5.2 Governance & policies	Further details regarding Governance and Climate Change-related policies in: section 1.4 Sustainability Governance, SN 2 Sustainability governance, SN 6. Sustainable finance and investment classification system (SFICS) and section 3.3 (i) Our ESCC policies
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E1-3 – Actions and resources in relation to climate change policies	2. Our climate transition plan (p. 21)	2.2 Supporting our customers in their transition goals (p. 24) 2.4 Aiming to align our activity with the Paris Agreement Goals (p. 48) 2.5 Further actions and enablers (p. 61)		
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Metrics and targets	Section	Sub-section	Sub-sub-section	Comments
E1-4 – Targets related to climate change mitigation and adaptation	2. Our climate transition plan (p. 21) Sustainability notes (p. 96)	2.4 Aiming to align our activity with the Paris Agreement Goals (p. 48) SN 4. Our transition plan (p. 118)		
E1-5 – Energy consumption and mix	2. Our climate transition plan (p. 21) Sustainability notes (p. 96)	2.4 Aiming to align our activity with the Paris Agreement Goals (p. 48) SN 4. Our transition plan (p. 118) SN 7.1 Supporting the green transition (p. 124)	2.4.5 Our environmental footprint Table 2. Environmental footprint 2023-2024	
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	2. Our climate transition plan (p. 21) Sustainability notes (p. 96)	2.4 Aiming to align our activity with the Paris Agreement Goals (p. 48) SN 4. Our transition plan (p. 118) SN 7.1 Supporting the green transition (p. 124)	2.4.5 Our environmental footprint Table 3. Gross Scopes 1, 2, 3 and Total GHG emissions	
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	2. Our climate transition plan (p. 21) Sustainability notes (p. 96)	2.4 Aiming to align our activity with the Paris Agreement Goals (p. 48) SN 7.1 Supporting the green transition (p. 124)	2.4.5 Our environmental footprint Table 4. GHG mitigation projects financed through carbon credits	
E1-8 – Internal carbon pricing	Sustainability notes (p. 96)	SN 4. Our transition plan (p. 118)		
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	2. Our climate transition plan (p. 21)	2.3 Embedding ESG in risk management (p. 29)	2.3.4 Potential financial effects	Phase-in (partially). Response to requirements 66.a), 66.c) and 67.c).

ESRS E2, E3, E4, E5.	Section	Sub-section	Sub-sub-section	Comments
ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	2. Our climate transition plan (p. 21)	2.3 Embedding ESG in risk management (p. 29)	2.3.5 Our approach to nature and biodiversity	

ESRS S1 - Own Workforce

Strategy	Section	Sub-section	Sub-sub-section	Comments
ESRS 2 SBM 2 - Interests and views of stakeholders	1. Sustainability at Santander (p. 11)	1.2 Stakeholder engagement (p. 13)		

ESRS 2 SBM 3 - Material impacts, risks and opportunities and their interaction with strategy and business model

3. Supporting employees, communities and customers (p. 64)

Sustainability notes (p. 96)

3.1 Our employees (p. 64)
SN 3. Materiality assessment - Detailed methodology (p. 110)

3.1.1 Talent and skills development

Impact, risk and opportunity management

Section

Sub-section

Sub-sub-section

Comments

S1-1 - Policies related to own workforce

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.1 Talent and skills development
3.1.2 Working conditions
3.1.3 Inclusive culture

S1-2 - Processes for engaging with own workforce and workers' representatives about impacts

1. Sustainability at Santander (p. 11)

1.2 Stakeholder engagement (p. 13)

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.2 Working conditions
3.1.4 Employee feedback and experience

S1-3 - Processes to remediate negative impacts and channels for own workers to raise concerns

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.3 Inclusive culture
3.1.4 Employee feedback and experience

4. Business conduct (p. 89)

4.3 Ethical channels (p. 93)

4.3.1 Canal abierto

S1-4 - Taking action on material impacts on own workforce, and approaches to mitigating material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.1 Talent and skills development
3.1.2 Working conditions
3.1.3 Inclusive culture
3.1.4 Employee feedback and experience

Metrics and targets

Section

Sub-section

Sub-sub-section

Comments

S1-5 - Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.1 Talent and skills development
3.1.2 Working conditions
3.1.3 Inclusive culture

S1-6 - Characteristics of the undertaking's employees

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.1 Talent and skills development

Sustainability notes (p. 96)

SN 7.3 Employees (p. 180)

Table 7. Employees by region
Table 8. Employees by gender
Table 11. Employees by employment contract
Table 14. Turnover by region

S1-8 - Collective bargaining coverage and social dialogue

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.2 Working conditions

Sustainability notes (p. 96)

SN 7.3 Employees (p. 180)

Table 13. Collective bargaining coverage and social dialogue

S1-9 - Diversity metrics

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.3 Inclusive culture

Sustainability notes (p. 96)

SN 7.3 Employees (p. 180)

Table 9. Employees by management group and gender
Table 10. Employees by age bracket

S1-10 - Adequate wages

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.2 Working conditions

S1-11 - Social protection

3. Supporting employees, communities and customers (p. 64)

3.1 Our employees (p. 64)

3.1.2 Working conditions

S1-12 – Persons with disabilities	3. Supporting employees, communities and customers (p. 64)	3.1 Our employees (p. 64)	3.1.3 Inclusive culture	
S1-13 – Training and skills development metrics	3. Supporting employees, communities and customers (p. 64) Sustainability notes (p. 96)	3.1 Our employees (p. 64) SN 7.3 Employees (p. 180)	3.1.1 Talent and skills development Table 20. Training Table 21. Hours of training by gender and management group	
S1-14 – Health and safety metrics	3. Supporting employees, communities and customers (p. 64) Sustainability notes (p. 96)	3.1 Our employees (p. 64) SN 7.3 Employees (p. 180)	3.1.2 Working conditions Table 22. Occupational health and safety	The Group relies on the phase-in established by the ESRS for specific information of non-Employees (ESRS S1, S1-14, para. 89).
S1-16 – Compensation metrics (pay gap and total compensation)	3. Supporting employees, communities and customers (p. 64) Sustainability notes (p. 96)	3.1 Our employees (p. 64) SN 7.3 Employees (p. 180)	3.1.2 Working conditions Table 16. Remuneration ratios	
S1-17 – Incidents, complaints and severe human rights impacts	3. Supporting employees, communities and customers (p. 64) 4. Business conduct (p. 64)	3.1 Our employees (p. 64) 4.3 Ethical channels (p. 93)	3.1.3 Inclusive culture	

ESRS S3 - Affected communities

Strategy	Section	Sub-section	Sub-sub-section	Comments
ESRS 2 SBM-2 – Interests and views of stakeholders	1. Sustainability at Santander (p. 11)	1.2 Stakeholder engagement (p. 13)		
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	3. Supporting employees, communities and customers (p. 64) Sustainability notes (p. 96)	3.2 Communities' sustainable development (p. 72) SN 3. Materiality assessment - Detailed methodology (p. 110)	3.2.1 Supporting the economic and social development of our communities	TBC: Definitions of types of affected communities
Impact, risk and opportunity management	Section	Sub-section	Sub-sub-section	Comments
S3-1 – Policies related to affected communities	3. Supporting employees, communities and customers (p. 64)	3.2 Communities' sustainable development (p. 72)	3.2.2 Responsible investment and social finance 3.2.3 Environmental, social and climate change management 3.2.4 Community Support	Further details on governance and other policies related to affected communities: Section 1.4 Sustainability governance and NS 2 Sustainability governance
S3-2 – Processes for engaging with affected communities about impacts	1. Sustainability at Santander (p. 11) 3. Supporting employees, communities and customers (p. 64)	1.2 Stakeholder engagement (p. 13) 3.2 Communities' sustainable development (p. 72)	3.2.2 Responsible investment and social finance 3.2.3 Environmental, social and climate change management 3.2.4 Community Support	
S3-3 – Processes to remediate negative impacts and channels for affected communities to raise concerns	3. Supporting employees, communities and customers (p. 64)	3.2 Communities' sustainable development (p. 72)	3.2.3 Environmental, social and climate change management	
S3-4 – Taking action on material impacts on affected communities, and approaches to managing material risks and pursuing material opportunities related to affected communities, and effectiveness of those actions	3. Supporting employees, communities and customers (p. 64)	3.2 Communities' sustainable development (p. 72)	3.2.2 Responsible investment and social finance 3.2.3 Environmental, social and climate change management 3.2.4 Community Support	

Metrics and targets	Section	Sub-section	Sub-sub-section	Comments
S3-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3. Supporting employees, communities and customers (p. 64)	3.2 Communities' sustainable development (p. 72)	3.2.2 Responsible investment and social finance 3.2.3 Environmental, social and climate change management 3.2.4 Community Support	

ESRS S4 - Consumers and end-users

Strategy	Section	Sub-section	Sub-sub-section	Comments
ESRS 2 SBM-2 – Interests and views of stakeholders	1. Sustainability at Santander (p. 11)	1.2 Stakeholder engagement (p. 13)		
ESRS 2 SBM-3 - Material impacts, risks and opportunities and their interaction with strategy and business model	3. Supporting employees, communities and customers (p. 64) Sustainability notes (p. 96)	3.3 Our customers (p. 80) SN 3. Materiality assessment - Detailed methodology (p. 110)		

Impact, risk and opportunity management	Section	Sub-section	Sub-sub-section	Comments
S4-1 – Policies related to consumers and end-users	3. Supporting employees, communities and customers (p. 64)	3.3 Our customers (p. 80)	3.3.1 Conduct with customers 3.3.2 Financial inclusion and financial health 3.3.3 Privacy, data protection and cybersecurity	Further details on governance and other policies related to our clients: Section 1.4 Sustainability governance and NS 2 Sustainability governance
S4-2 – Processes for engaging with consumers and endusers about impacts	1. Sustainability at Santander (p. 11) 3. Supporting employees, communities and customers (p. 64)	1.2 Stakeholder engagement (p. 13) 3.3 Our customers (p. 80)	3.3.1 Conduct with customers 3.3.2 Financial inclusion and financial health 3.3.3 Privacy, data protection and cybersecurity	
S4-3 – Processes to remediate negative impacts and channels for consumers and end-users to raise concerns	3. Supporting employees, communities and customers (p. 64)	3.3 Our customers (p. 80)	3.3.1 Conduct with customers	
S4-4 – Taking action on material impacts on consumers and end-users, and approaches to managing material risks and pursuing material opportunities related to consumers and end-users, and effectiveness of those actions	3. Supporting employees, communities and customers (p. 64)	3.3 Our customers (p. 80)	3.3.1 Conduct with customers 3.3.2 Financial inclusion and financial health 3.3.3 Privacy, data protection and cybersecurity	

Metrics and targets	Section	Sub-section	Sub-sub-section	Comments
S4-5 – Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities	3. Supporting employees, communities and customers (p. 64)	3.3 Our customers (p. 80)	3.3.1 Conduct with customers 3.3.2 Financial inclusion and financial health 3.3.3 Privacy, data protection and cybersecurity	

ESRS G1 - Business Conduct

Governance	Section	Sub-section	Sub-sub-section	Comments
ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies	1. Sustainability at Santander (p. 11) Sustainability notes (p. 96)	1.4. Sustainability governance (p. 18) SN 2. Sustainability governance (p. 106)		

Impact, risk and opportunity management	Section	Sub-section	Sub-sub-section	Comments
ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	1. Sustainability at Santander (p. 11) Sustainability notes (p. 96)	1.3 Materiality assessment (p. 16) SN 3. Materiality assessment - Detailed methodology (p. 110)		
G1-1 – Corporate culture and Business conduct policies and corporate culture	4. Business Conduct (p. 89)	4.1 Corporate culture (p. 89) 4.2 Ethical Conduct (p. 90) 4.3 Ethical channels (p. 93)		
G1-2 – Management of relationships with suppliers	4. Business Conduct (p. 89)	4.4 Our suppliers (p. 94)		
G1-3 – Prevention and detection of corruption and bribery	4. Business Conduct (p. 89)	4.2 Ethical conduct (p. 90)	4.2.3 Financial Crime Compliance	
Metrics and targets	Section	Sub-section	Sub-sub-section	Comments
G1-4 – Confirmed incidents of corruption or bribery	4. Business Conduct (p. 89)	4.2 Ethical conduct (p. 90)	4.2.3 Financial Crime Compliance	
G1-6 – Payment practices	4. Business Conduct (p. 89)	4.4 Our suppliers (p. 94)		

Independent verification report



Banco Santander, S.A. and its subsidiaries

This version of our report is a free translation of the original, which was prepared in Spanish. All possible care has been taken to ensure that the translation is an accurate representation of the original. However, in all matters of interpretations of information, views or opinions, the original language version of our report takes precedence over this translation.

Independent verification report

To the shareholders of Banco Santander, S.A.:

Pursuant to article 49 of the Code of Commerce, we have verified, with the scope of a limited assurance engagement, "Responsible banking" chapter, which corresponds to the attached Consolidated of Non-Financial Information statement ("NFIS") for the year ended 31 December 2023 of Banco Santander, S.A. (Parent company) and subsidiaries (hereinafter "Grupo Santander") which forms part of the Grupo Santander's consolidated management report.

The content of the NFIS includes information additional to that required by current mercantile legislation in relation to non-financial information, which has not been covered by our verification work. In this respect, our work was limited solely to verifying the information identified in the tables included in the accompanying NFIS:

- "10.1 Non-financial information Act 11/2018 content index",
- "10.4 Global Reporting Initiative (GRI) content index",
- "10.3 UNEP FI Principles for Responsible Banking reporting index":
 - 2.1 Impact Analysis (Key Step 1),
 - 2.2 Target Setting (Key Step 2),
 - 2.3 Target Implementation and Monitoring (Key Step 2),
 - 5.1 Governance Structure for Implementation of the Principles.

Responsibility of the directors of the Parent company

The preparation of the NFIS included in Grupo Santander's consolidated management report and the content thereof, are the responsibility of the directors of Banco Santander, S.A. The NFIS has been drawn up in accordance with the provisions of:

- Current mercantile legislation and in accordance with the criteria of the Sustainability Reporting Standards of the Global Reporting Initiative ("GRI Standards") and the Financial Services Sector Disclosures of the GRI G4 Guidelines Industry Supplement as well as those other criteria described as per the details provided for each matter in the table included in the section "10.1 Non-financial information Act 11/2018 content index" and in the table "10.4 Global Reporting Initiative (GRI) content index" of the aforementioned Statement.
- The criteria described in the Reporting and Self-Assessment Template for Principles for Responsible Banking (PRB) promoted by the United Nations Environment Programme Finance Initiative (UNEP FI) in the sections 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring and 5.1 Governance Structure for Implementation of the Principles from the table "10.3 UNEP FI Principles for Responsible Banking reporting index".

This responsibility also includes the design, implementation and maintenance of the internal control considered necessary to allow the NFIS to be free of material misstatement due to fraud or error.

The directors of Banco Santander, S.A. are also responsible for defining, implementing, adapting and maintaining the management systems from which the information required to prepare the NFIS is obtained.



Banco Santander, S.A. and its subsidiaries

Our independence and quality management

We have complied with the independence requirements and other ethical requirements of the International Code of Ethics for Professional Accountants (including International Independence Standards) of the International Ethics Standards Board for Accountants (IESBA Code of Ethics) which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Our firm applies International Standard on Quality Management (ISQM) 1, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The engagement team consisted of professionals specialised in Non-financial Information reviews, specifically in information on economic, social and environmental performance.

Our responsibility

Our responsibility is to express our conclusions in a limited assurance independent report based on the work we have performed. We carried out our work in accordance with the requirements laid down in the current International Standard on Assurance Engagements (ISAE) 3000 Revised, Assurance Engagements other than Audits or Reviews of Historical Financial Information (ISAE 3000 Revised) issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC) and in the Guidelines for verification engagements of the Statement of Non-Financial Information issued by the Spanish Institute of Auditors ("Instituto de Censores Jurados de Cuentas de España") and the "Guidance for Assurance Providers: Providing Limited Assurance for Reporting", promoted by the United Nations Environment Programme Finance Initiative (UNEP FI).

In a limited assurance engagement, the procedures performed vary in nature and timing of execution, and are less extensive, than those carried out in a reasonable assurance engagement and accordingly, the assurance provided is also lower.

Our work consisted of posing questions to management as well as to the various units of Grupo Santander that were involved in the preparation of the NFIS, of the review of the processes for compiling and validating the information presented in the NFIS, and in the application of certain analytical procedures and review procedures on a sample basis, as described below:

- Meetings with the Banco Santander, S.A. personnel to understand the business model, policies and management approaches applied, principal risks relating to these matters and to obtain the information required for the external review.
- Analysis of the scope, relevance and integrity of the content of the NFIS for the year 2023, based on the materiality analysis carried out by Grupo Santander and described in section "1. Materiality assessment", section "9.1 Stakeholder engagement" and the section "9.4 Double Materiality Assessment and sources", taking into account the content required by current mercantile legislation.
- Analysis of the procedures used to compile and validate the information presented in the NFIS for the year 2023.
- Review of information relating to risks, policies and management approaches applied in relation to material matters presented in the NFIS for the year 2023.
- Verification, by means of sample testing, of the information relating to the content of the NFIS for the year 2023 and that it was adequately compiled using data provided by the sources of the information.
- Obtaining a management representation letter from the directors and management of the Parent company.



Banco Santander, S.A. and its subsidiaries

Conclusion

Based on the procedures performed in our verification and the evidence we have obtained, nothing has come to our attention that causes us to believe that the “Responsible banking” chapter, which corresponds to the attached NFIS of Banco Santander, S.A. and its subsidiaries, for the year ended 31 December 2023 has not been prepared, in all material respects, in accordance with the provisions of:

- Current mercantile legislation and in accordance with the criteria of GRI and the Financial Services Sector Disclosures of the GRI G4 Guidelines as per the details provided for each matter in the table included in the section “10.1 Non-financial information Act 11/2018 content index ” and in the table “10.4 Global Reporting Initiative (GRI) content index” of the aforementioned Statement.
- The criteria described in the Reporting and Self-Assessment Template for Principles for Responsible Banking (PRB) promoted by the United Nations Environment Programme Finance Initiative (UNEP FI) in the sections 2.1 Impact Analysis, 2.2 Target Setting, 2.3 Target Implementation and Monitoring y 5.1 Governance Structure for Implementation of the Principles from the table “10.3 UNEP FI Principles for Responsible Banking reporting index”.

Emphasis of matter

Regulation (EU) 2020/852 of the European Parliament and of the Council of 18 June 2020 relating to the establishment of a framework to facilitate sustainable investments, as well as the Delegated Acts promulgated in accordance with the provisions of the aforementioned Regulation, establish the obligation to disclose information on the manner and extent to which the company's investments are associated with eligible economic activities in relation to the environmental objectives of sustainable use and protection of water and marine resources, transition to a circular economy, prevention and control of pollution and protection and restoration of biodiversity and ecosystems (the rest of the environmental objectives), and with respect to certain new activities included in the objectives of climate change mitigation and adaptation to climate change, for the first time for the 2023 financial year. The aforementioned regulations also establish for the first time for the 2023 financial year the obligation to disclose information on the manner and extent to which the company's activities are associated with economic activities aligned with the activities included in the objectives of climate change mitigation and climate change adaptation, excluding the new activities mentioned above. Consequently, the accompanying NFIS does not include comparative information on alignment in relation to the objectives of climate change mitigation and climate change adaptation, nor does it include comparative information on eligibility in relation to the rest of the environmental objectives, nor in relation to the new activities included in the objectives of climate change mitigation and climate change adaptation. Furthermore, to the extent that the information referring to eligible activities in the 2022 financial year was not required with the same level of detail as in the 2023 financial year, the information disclosed on eligibility is not strictly comparable either in the accompanying NFIS. In addition, it should be noted that Banco Santander, S.A. directors have incorporated information on the criteria that, in their opinion, allow for improved compliance with the aforementioned obligation and which have been defined in section “9.5 EU Taxonomy” of the accompanying NFIS. Our conclusion has not been modified in relation to this matter.

Use and distribution

This report has been drawn up in response to the requirement established in current Spanish mercantile legislation and therefore may not be suitable for other purposes and jurisdictions.

PricewaterhouseCoopers Auditores, S.L.



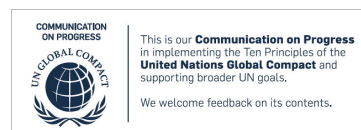
Pablo Bascones Ilundáin

19 February 2024

OTHER SUSTAINABILITY INFORMATION

1. Our progress in relation to UN (United Nations) Global Compact Principles

Santander has been a participant of the UN Global Compact since 2022. We express our support for and disclose our progress on compliance with the 10 Principles of the UN Global Compact on human rights, labour, the environment and anti-corruption through the Sustainability Statement included in this Annual Report.



Human rights

Principle 1

Businesses should support and respect the protection of internationally proclaimed human rights.



For more details, see sections [2.5.2. Governance & policies](#), [4.2.1. Conduct standards](#), and [4.4.1. Acting responsibly towards suppliers](#)

We aim to act responsibly and broadly throughout our value chain by upholding the protection of human rights. We achieve this aim by focusing on our business conduct, internal regulations and governance, and other prevention, mitigation and remediation mechanisms.

Principle 2

Businesses should make sure that they are not complicit in human rights abuses.



For more details, see sections [1.4.2. Human rights due diligence](#), [3.2.3.i. Our ESCC policy](#), [4.2.3 Financial crime compliance](#), and [4.3.1. Canal Abierto](#)

Human rights form part of our management and governance, based on process type. We follow responsible business and customer data protection practices and are making headway with embedding human rights in our supply chain management. We also assess the impact of transactions on human rights and adopt responsible practices with our employees.

Labour

Principle 3

Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.



For more details see section [3.1.2.i. Our ESCC policy](#) and [4.2.3. Financial crime compliance](#)

We recognize freedom of association and the right to collective bargaining for all employees. We look after our employees' health and promote decent employment, a living wage and the preservation of freedom of association and collective bargaining.

Principle 4

Businesses should uphold the elimination of all forms of forced and compulsory labour.



For more details, see sections [3.2.3.i. Our ESCC policy](#), and [3.2.3.ii. Equator Principles](#)

We follow the highest standards when running initiatives to combat forced labour, including analysis of environmental, social and climate change (ESCC) matters and applying the guidelines of the Equator Principles as well as analysing our suppliers.

Principle 5

Businesses should uphold the effective abolition of child labour.



For more details, see sections [3.2.3.i. Our ESCC policy](#), and [4.2.3. Financial crime compliance](#)

We combat child labour by including environmental, social and climate change (ESCC) matters in our analysis, and applying the guidelines of the Equator Principles, as well as analysing our suppliers.

Principle 6

Businesses should uphold the elimination of discrimination in respect of employment and occupation.



For more details, see sections [3.1.3 Inclusive culture](#), [3.2.3.i. Our ESCC policy](#), and [4.2.1 Conduct standards](#).

We promote equal opportunity, diversity and non-discrimination, and an inclusive workplace. We are signatory to the UN Women's empowerment Principles and Valuable 500 which help us to inform our activity in this area.

Environment

Principle 7
Businesses should support a precautionary approach to environmental challenges.

We tackle climate change through our ambition to be net zero by 2050.



For more details, see section [2.4](#). Aiming to align our activity with the Paris Agreement Goals

Principle 8
Businesses should undertake initiatives to promote greater environmental responsibility.

We help our customers transition to a low-carbon economy and reduce our carbon footprint.



For more details, see section [2.4](#). Aiming to align our activity with the Paris Agreement Goals

Principle 9
Businesses should encourage the development and diffusion of environmentally friendly technologies.

We're a global leader in renewable energy financing and energy efficiency initiatives and we offer opportunities in green transition technologies. We aim to consume 100% renewable electricity by 2025. We contribute to this goal by increasing self-supply



For more details, see sections [2.2](#) Supporting our customers in the green transition, and [2.3](#) Embedding ESG in risk management

Anti-corruption

Principle 10
Businesses should work against corruption in all its forms, including extortion and bribery.

We promote transparency, the fight against corruption and robust governance across our organization. We use reporting channels to raise any conduct contrary to our policies and codes of conduct regulate our business and behaviour.



For more details, see sections [2.5.2. Governance & policies](#), [4.2.1 Conduct standards](#), and [4.3.1 Canal Abierto](#)

2. Our contribution to United Nations Sustainability Development Goals

In line with our purpose to help people and companies thrive, we grow as a business while helping to address society's challenges

The SDGs on which our operations have the greatest impact



For more details,
see sections [3.3.2.i](#)
and [3.2.4.iii](#)

SDGs 1.2, 1.4, 1.5

We want to help reduce poverty, boost well-being and power economic growth wherever we operate. Our financial inclusion strategy and community investment programmes empower millions of people every year.



For more details,
see section [3.2.4.ii](#).

SDGs 4.3, 4.4, 4.5, 4.6

We help people and businesses prosper through our education, employability and entrepreneurship free programmes, available at our platforms: Santander Open Academy, Santander X, Universia and Campus Digital.



For more details,
see section [3.1.3.i](#)

SDGs 5.1, 5.5

We promote an inclusive workplace to have equal opportunity and diversity



For more details,
see sections [2.2](#)
and [2.4.2](#).

SDGs 7.1, 7.2, 7.3

We're a global leader in renewable energy financing and a European leader in electric vehicle financing. We also finance initiatives on energy efficiency, sustainable mobility and cleaner transport solutions.



For more details,
see sections [2.3](#),
[2.4.2](#), [3.3.2.i](#) and
[3.2.4.ii](#)

SDGs 8.3, 8.4, 8.5, 8.6, 8.8, 8.10

As an employer and financier, we help people and businesses, and contribute to economic growth and job creation in the markets where we operate.



For more details,
see section [3.3.2.i](#)

SDG 10.2

We help people access basic banking services like accounts and promote financial education to teach them the skills they need to manage their finances effectively



For more details,
see sections [2.4.4](#),
[2.5.1](#), [3.3.2.i](#),
[3.2.2.i](#), and
[3.2.4.iii](#)

SDGs 11.1, 11.4, 11.6

We finance sustainable infrastructure, real estate and mobility solutions and run community support initiatives to meet the basic needs of the communities we serve.



For more details,
see sections [1.2](#),
[2.2.5](#), and [4.4.1](#)

SDGs 12.2, 12.5, 12.6

We are committed to reducing our environmental footprint by implementing energy efficiency plans and cutting our consumption of paper, single-use plastics and other resources.



For more details,
see sections [2.1.1](#),
and [2.3](#)

SDG 13.1

We tackle climate change by helping our customers transition to a sustainable economy and reducing our carbon footprint.



For more details,
see sections [1.2](#),
and [4.2.3](#)

SDGs 16.5, 16.6, 16.7

We promote transparency, the fight against corruption and robust governance across our organization. Our policies and codes of conduct regulate our business and behaviour and steer our objectives towards a more responsible banking system.



For more details,
see section [1.2](#)

SDG 17

We participate in prominent local and international initiatives and working groups.

3. Our progress in relation to the Principles for Responsible Banking UNEP FI



Principle 1 Alignment

Grupo Santander has integrated sustainability into its corporate strategy. Our sustainability strategy focuses on issues that are material to Santander, i.e. those that pose the biggest risks to, and create the best opportunity for, the bank; and where we can have the biggest impact.

For more details on our **Strategy alignment** and our business model, please see section 1.1 'Sustainability strategy'.



Principle 2 Impact & target setting

In 2024 we performed a **double materiality assessment** to identify the material impacts, risks and opportunities (IROs). As results we found five matters. For the impact estimation we used, among others, the UNEP FI tool.

For more details on the Impact analysis, please see section 1.3 'Materiality assessment'. For more details on the progress towards our objectives see, regarding climate, section 2.1.3 and, regarding employees, customers and communities sections 3.1., 3.2 and 3.3.



Principle 3 Clients & customers

Our **Responsible Banking and Sustainability policy** sets out the general principles, targets, objectives and strategy that should guide the Group's progress in sustainability. Two of our strategic pillars focus on supporting our customers in their transition to a low-carbon economy and being the trusted reference for our customers with a product and service offering tailored to their needs and supporting their inclusion.

For more details on how we support customers in their transition see section 2.2 Supporting our customers in their transition goals, while supporting customers in their financial inclusion can be found on section 3.3.2 Financial inclusion and financial health



Principle 4 Stakeholders

We proactively and continuously engage with our key stakeholders - customers, employees, investors, and NGOs - through various channels, mainly surveys. This helps us to understand their priorities and concerns. In addition, we also interact with other stakeholders such as our suppliers, rating agencies and supervisors and regulators, and engage and learn through initiatives on key issues on our agenda.

For more details see section 1.2. Stakeholder Engagement



Principle 5 Governance & culture

The Group's board of directors is responsible for approving the sustainability strategy. The board's responsible banking, sustainability and cultural committee oversees the development of the strategy and policies. At the executive level, the management meeting periodically reviews sustainability issues. Sustainability is also present in both short and long term remuneration schemes. There is mandatory sustainability training for employees, and other courses cover specific needs of some teams.

For more details see sections 1.4 Sustainability governance and 3.1.1 Talent and skills development



Principle 6 Transparency & accountability

Our sustainability report has been verified through a limited review by an independent third party. For more details on verification see section SN 12. 'Independent verification report'. Santander Group, based in Europe, is required to comply with the new sustainability disclosure directive and Spanish law 11/2018. Santander has also published a table of equivalences with the global sustainability standard, ISSB, and has provided information on how it complies with objectives such as the Global Compact.

For more details see sections 1.2. Stakeholder Engagement and Sustainability notes.

4. GFANZ transition planning content index

	GFANZ recommendations	Reference in this report
Foundations	Objectives and priorities	2.1 Strategy
Implementation strategy	Products and services	2.2 Supporting our customers in their transition goals
	Activities and decision-making	1.4 Sustainability governance ; SN 2. Sustainability governance 2.5.2 Governance & policies
	Policies and conditions	SN 2. Sustainability governance
Engagement strategy	Engagement with clients and portfolio companies	2.2 Supporting our customers in their transition goals ; 3.2.3 Environmental, social and climate change management
	Engagement with industry	1.2. Stakeholder engagement ; 2.5.1 Engagement strategy with other key stakeholders
	Engagement with government and public sector	1.2. Stakeholder engagement ; 2.5.1 Engagement strategy with other key stakeholders
Metrics and Targets	Metrics and targets	2.4 Aiming to align our activity with the Paris Agreement Goals ; SN 4. Our transition plan ; SN 7.1 Green transition
Governance	Roles, responsibilities, and remuneration	1.4 Sustainability governance ; SN 2. Sustainability governance 2.5.2 Governance & policies ;
	Skills and culture	2.5.2 Governance & policies ; 3.1.1 Talents and skills development

5. Task Force on Climate related Financial Disclosure (TCFD) content index

	TCFD Recommendations		Reference in this Annual Report
Governance	a	Describe the board's oversight of climate-related risks and opportunities.	1.4 Sustainability governance; SN 2. Sustainability governance
	b	Describe management's role in assessing and managing climate-related risks and opportunities.	1.4 Sustainability governance; SN 2. Sustainability governance 2.5.2 Governance & policies; 2.3 Embedding ESG in risk management
Strategy	a	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	
	b	Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	2.1 Strategy; 2.3 Embedding ESG in risk management
	c	Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	
Risk Management	a	Describe the organization's processes for identifying and assessing climate-related risks.	
	b	Describe the organization's processes for managing climate-related risks.	2.3 Embedding ESG in risk management
	c	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	
Metrics and Targets	a	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	2.3 Embedding ESG in risk management; 2.4 Aiming to align our activity with the Paris Agreement Goals
	b	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	2.4.5 Our environmental footprint; SN 4. Our transition plan; SN 7.1 Green transition
	c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	2.4.1 Alignment targets; SN 4. Our transition plan

6. Table of equivalence between CSRD and ISSB

This table reflects the equivalence of the ESRS standards with the sustainability-related disclosure standards of the International Sustainability Standards Board (ISSB). In the consolidated management report and, to a greater extent, the sustainability statement (as well as in the audit report and annual accounts), the Group includes information that is equivalent to the requirements under the SASB standards that apply to the financial sector (for more details, see the note under the table).

ESRS 2 - General disclosures	ISSB
Basis for preparation	
BP-1 – General basis for preparation of sustainability	IFRS S2.10(d)
BP-2 – Disclosures in relation to specific circumstances	
Governance	
GOV-1 – The role of the administrative, management and supervisory bodies	IFRS S1.21(b) IFRS S2.6(a) IFRS S2.6(a)(i) IFRS S2.6(a)(ii) IFRS S2.6(a)(v) IFRS S2.6(b) IFRS S2.6(b)(i) IFRS S2.6(b)(ii)
GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies	IFRS S2.6(a)(iii) IFRS S2.6(a)(iv)
GOV-3 – Integration of sustainability-related performance in incentive schemes	IFRS S2.29(g)(i) IFRS S2.6(a)(v) IFRS S1.21(b)
GOV-4 – Statement on due diligence	
GOV-5 – Risk management and internal controls over sustainability reporting	
Strategy	
SBM-1 – Strategy, business model and value chain	
SBM-2 – Interests and views of stakeholders	
SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model	IFRS S2.10(a) IFRS S2.10(c) IFRS S2.13(a) IFRS S2.13(b) IFRS S2.14(a)(i) IFRS S2.15(a) IFRS S2.15(b) IFRS S2.16(a) IFRS S2.16(b) IFRS S2.16(c)(i)–(ii) IFRS S2.16(d)
Disclosures on the materiality assessment process	
IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities	IFRS S2.25(a)(i) IFRS S2.25(a)(iii) IFRS S2.25(a)(iv) IFRS S2.25(a)(v) IFRS S2.25(a)(vi) IFRS S2.25(b) IFRS S2.25(c)
IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement	
ESRS E1 - Climate change	
Governance	
ESRS 2 GOV-3 Integration of sustainability related performance in incentive schemes	IFRS S2.29(g)(i) IFRS S2.29(g)(ii) IFRS S2.6(a)(v) IFRS S1.21(b)
Strategy	
E1-1 – Transition plan for climate change mitigation	IFRS S2.14(a)(iv) IFRS S2.14(c) IFRS S2.29(e)
ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with S&BM	

Impact, risk and opportunity management

ESRS 2 IRO-1 – Description of the processes to identify and assess material climate-related impacts, risks and opportunities	IFRS S1.23 IFRS S1.B42(c) IFRS S2.22(b)(i)(1) IFRS S2.22(b)(i)(2) IFRS S2.22(b)(i)(3) IFRS S2.22(b)(i)(4) IFRS S2.22(b)(i)(5) IFRS S2.22(b)(i)(6) IFRS S2.22(b)(ii) IFRS S2.25(a) IFRS S2.25(a)(ii) IFRS S2.10(d) IFRS S2.25(b)
E1-2 – Policies related to climate change mitigation and adaptation	
E1-3 – Actions and resources in relation to climate change policies	IFRS S2.14(a)(ii) IFRS S2.14(a)(iii) IFRS S2.14(a)(v) IFRS S2.14(b)
Metrics and targets	
E1-4 – Targets related to climate change mitigation and adaptation	IFRS S2.33 IFRS S2.33(b) IFRS S2.33(d) IFRS S2.33(e) IFRS S2.33(g) IFRS S2.33(h) IFRS S2.34(a) IFRS S2.36(a) IFRS S2.36(b) IFRS S2.36(d)
E1-5 – Energy consumption and mix	
E1-6 – Gross Scopes 1, 2, 3 and Total GHG emissions	IFRS S2.29(a)(i)(1–2) IFRS S2.29(a)(i)(3) IFRS S2.B38–B57 IFRS S2.29(a)(ii) IFRS S2.29(a)(iii)(1–3) IFRS S2.29(a)(iv) IFRS S2.29(a)(v) IFRS S2.B30 IFRS S2.B31 IFRS S2.29(a)(vi)(1) IFRS S2.B32 IFRS S2.29(a)(vi)(2) IFRS S2.B19 IFRS S2.B34 IFRS S2.B56(a) IFRS S2.B56(b)
E1-7 – GHG removals and GHG mitigation projects financed through carbon credits	IFRS S2.36(e)(i) IFRS S2.36(e)(ii) IFRS S2.36(e)(iii) IFRS S2.36(e)(iv)
E1-8 – Internal carbon pricing	IFRS S2.29(f)
E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities	IFRS S2.17 IFRS S2.22(a)(iii)(1–3) IFRS S2.25(b) IFRS S2.29(b) IFRS S2.29(c) IFRS S2.29(d) IFRS S2.31 IFRS S2.B65(e) IFRS S1.21(b)

In the consolidated management report and, to a greater extent, the sustainability statement (as well as in the audit report and annual accounts), the Group includes information that is equivalent to the requirements under the SASB standards that apply to the financial sector, mainly in relation to 'commercial banking (FN-CB)', but also in relation to other sub-industries such as: 'Asset management and custody activities (FN-AC)', 'consumer finance (FN-CF)', and 'investment banking and intermediation (FN-IB)'. Specifically, the information disclosed by the Group in these reports allows us to respond, to a greater or lesser extent, to the following SASB metrics: FN-CB-230a.1 (y FN-CF-230a.1), FN-CB-230a.2, FN-CF-230a.3, FN-CB-240a.1, FN-CB-240a.2, FN-CB-240a.3, FN-CB-240a.4, FN-CB-410a.1, FN-CB-410a.2 (y FN-IB-410a.2), FN-IB-410a.3, FN-CB-510a.1 (y FN-AC-510a.1 y FN-IB-510a.1), FN-CB-510a.2 (y FN-AC-510a.2 y FN-IB-510a.2), FN-CB-550a.2 (y FN-IB-550a.2), FN-AC-330a.1 (y FN-IB-330a.1), FN-CB-000.A, FN-CB-000.B.