

Q4'24

# Sustainability

Helping people and businesses prosper



## Important Information

### Non-IFRS and alternative performance measures

This document contains financial information prepared according to International Financial Reporting Standards (IFRS) and taken from our consolidated financial statements, as well as alternative performance measures (APMs) as defined in the Guidelines on Alternative Performance Measures issued by the European Securities and Markets Authority (ESMA) on 5 October 2015, and other non-IFRS measures. The APMs and non-IFRS measures were calculated with information from Grupo Santander; however, they are neither defined or detailed in the applicable financial reporting framework nor audited or reviewed by our auditors. We use these APMs and non-IFRS measures when planning, monitoring and evaluating our performance. We consider them to be useful metrics for our management and investors to compare operating performance between periods. APMs we use are presented unless otherwise specified on a constant FX basis, which is computed by adjusting comparative period reported data for the effects of foreign currency translation differences, which distort period-on-period comparisons. Nonetheless, the APMs and non-IFRS measures are supplemental information; their purpose is not to substitute IFRS measures. Furthermore, companies in our industry and others may calculate or use APMs and non-IFRS measures differently, thus making them less useful for comparison purposes. APMs using ESG labels have not been calculated in accordance with the Taxonomy Regulation or with the indicators for principal adverse impact in SFDR. For further details on APMs and Non-IFRS Measures, including their definition or a reconciliation between any applicable management indicators and the financial data presented in the consolidated financial statements prepared under IFRS, please see the 2023 Annual Report on Form 20-F filed with the U.S. Securities and Exchange Commission (the SEC) on 21 February 2024 (<https://www.santander.com/content/dam/santander-com/en/documentos/informacion-sobre-resultados-semestrales-y-anales-suministrada-a-la-sec/2024/sec-2023-annual-20-f-2023-en.pdf>), as well as the section "Alternative performance measures" of the Banco Santander, S.A. (Santander) Q4 2024 Financial Report, published on 5 February 2025 (<https://www.santander.com/en/shareholders-and-investors/financial-and-economic-information#quarterly-results>). Underlying measures, which are included in this document, are non-IFRS measures.

The businesses included in each of our geographic segments and the accounting principles under which their results are presented here may differ from the businesses included and local applicable accounting principles of our public subsidiaries in such geographies. Accordingly, the results of operations and trends shown for our geographic segments may differ materially from those of such subsidiaries.

### Non-financial information

This document contains, in addition to financial information, non-financial information (NFI), including environmental, social and governance-related metrics, statements, goals, commitments and opinions.

NFI is included to comply with Spanish Act 11/2018 on non-financial information and diversity and to provide a broader view of our impact. NFI is not audited nor reviewed by an external auditor. NFI is prepared following various external and internal frameworks, reporting guidelines and measurement, collection and verification methods and practices, which are materially different from those applicable to financial information and are in many cases emerging and evolving. NFI is based on various materiality thresholds, estimates, assumptions, judgments and underlying data derived internally and from third parties. NFI is thus subject to significant measurement uncertainties, may not be comparable to NFI of other companies or over time or across periods and its inclusion is not meant to imply that the information is fit for any particular purpose or that it is material to us under mandatory reporting standards. NFI is for informational purposes only and without any liability being accepted in connection with it except where such liability cannot be limited under overriding provisions of applicable law.

### Forward-looking statements

Santander hereby warns that this document contains "forward-looking statements" as per the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Such statements can be understood through words and expressions like "expect", "project", "anticipate", "should", "intend", "probability", "risk", "VaR", "RoRAC", "RoRWA", "TNAV", "target", "goal", "objective", "estimate", "future", "commitment", "commit", "focus", "pledge" and similar expressions. They include (but are not limited to) statements on future business development, shareholder remuneration policy and NFI.

While these forward-looking statements represent our judgement and future expectations concerning our business developments and results may differ materially from those anticipated, expected, projected or assumed in forward-looking statements.

In particular, forward looking statements are based on current expectations and future estimates about Santander's and third-parties' operations and businesses and address matters that are uncertain to varying degrees and may change, including, but not limited to (a) expectations, targets, objectives, strategies and goals relating to environmental, social, safety and governance performance, including expectations regarding future execution of Santander's and third-parties' (including governments and other public actors) energy and climate strategies, and the underlying assumptions and estimated impacts on Santander's and third-parties' businesses related thereto; (b) Santander's and third-parties' approach, plans and expectations in relation to carbon use and targeted reductions of emissions, which may be affected by conflicting interests such as energy security; (c) changes in operations or investments under existing or future environmental laws and regulations; (d) changes in rules and regulations, regulatory requirements and internal policies, including those related to climate-related initiatives; (e) our own decisions and actions including those affecting or changing our practices, operations, priorities, strategies, policies or procedures; (f) events that lead to damage to our reputation and brand; (g) exposure to operational losses, including as a result of cyberattacks, data breaches or other security incidents; and (h) the uncertainty over the scope of actions that may be required by us, governments and others to achieve goals relating to climate, environmental and social matters, as well as the evolving nature of underlying science and industry and governmental standards and regulations.

In addition, the important factors described in this document and other risk factors, uncertainties or contingencies detailed in our most recent Form 20-F and subsequent 6-Ks filed with, or furnished to, the SEC, as well as other unknown or unpredictable factors, could affect our future development and results and could lead to outcomes materially different from what our forward-looking statements anticipate, expect, project or assume.

Forward-looking statements are therefore aspirational, should be regarded as indicative, preliminary and for illustrative purposes only, speak only as of the date of this document, are informed by the knowledge, information and views available on such date and are subject to change without notice. Santander is not required to update or revise any forward-looking statements, regardless of new information, future events or otherwise, except as required by applicable law. Santander does not accept any liability in connection with forward-looking statements except where such liability cannot be limited under overriding provisions of applicable law.

### Not a securities offer

This document and the information it contains does not constitute an offer to sell nor the solicitation of an offer to buy any securities.

### Past performance does not indicate future outcomes

Statements about historical performance or growth rates must not be construed as suggesting that future performance, share price or results (including earnings per share) will necessarily be the same or higher than in a previous period. Nothing in this document should be taken as a profit and loss forecast.

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In this document, Santander relies on and refers to certain information and statistics obtained from publicly-available information and third-party sources, which it believes to be reliable. Neither Santander nor its directors, officers and employees have independently verified the accuracy or completeness of any such publicly-available and third-party information, make any representation or warranty as to the quality, fitness for a particular purpose, non-infringement, accuracy or completeness of such information or undertake any obligation to update such information after the date of this document. In no event shall Santander be liable for any use by any party of, for any decision made or action taken by any party in reliance upon, or for inaccuracies or errors in, or omission from, such publicly-available and third-party information contained herein. Any sources of publicly-available information and third-party information referred or contained herein retain all rights with respect to such information and use of such information herein shall not be deemed to grant a license to any third party.

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01

Sustainability  
at strategy

# Sustainability | Our strategy



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



Help our employees develop by promoting an inclusive culture and learning and providing fair working conditions.



Contribute to the economic, financial and social development of our communities, with a special focus on Education, Employability and Entrepreneurship.



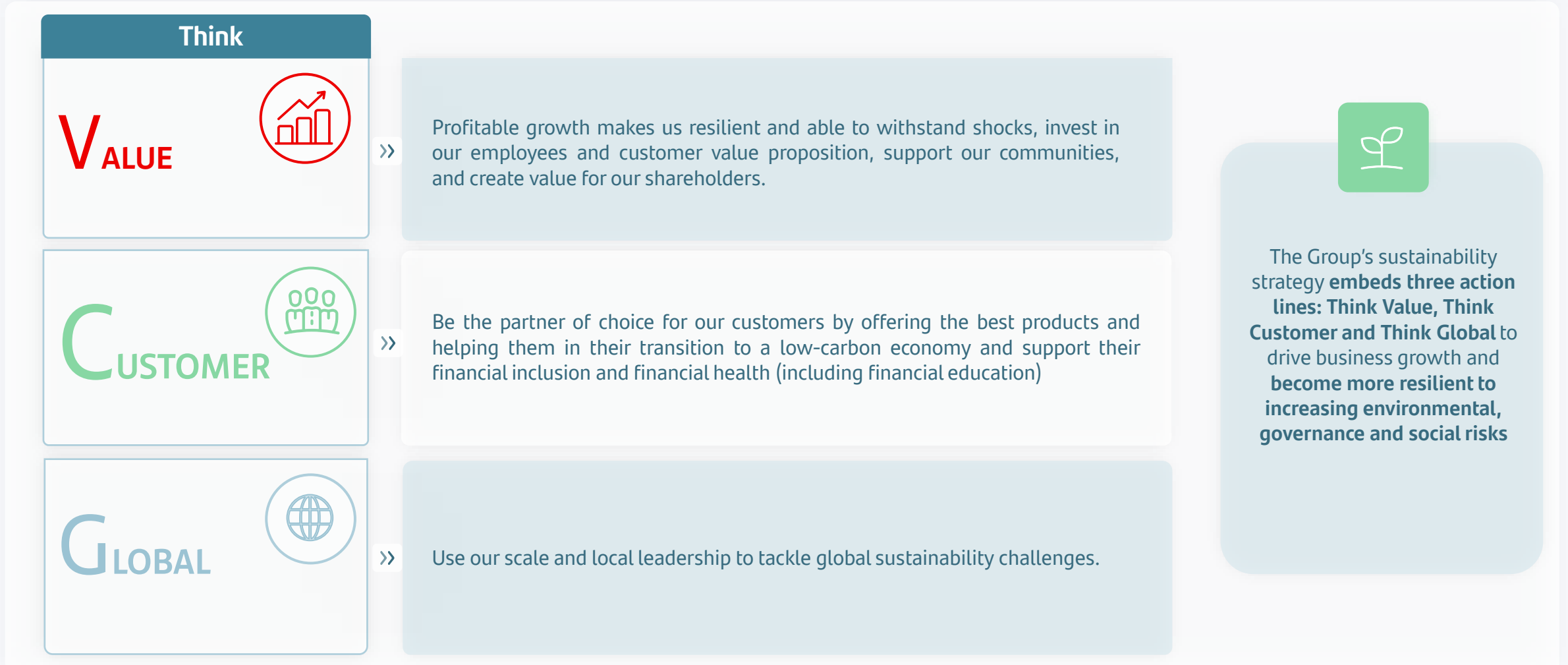
Be a trusted partner to our customers, with products and services that adapt to their needs, while applying responsible practices, supporting their financial inclusion, and protecting their information.



Act responsibly through a strong culture, governance and conduct.

# Sustainability | Strategy

Our Sustainability strategy continues to focus on issues that are material to Santander



# ESG strategy | Our journey



Our journey over the past years highlights our ongoing commitment to fight climate change and contribute to a more sustainable future

- » Signed the Equator Principles
- » Approved 1st sectorial policies

2009

- » Started managing our environmental footprint

2011

- » TCFD Endorsement

2017

- » Top Risk exercise began covering Climate Risk
- » Creation of The Responsible Banking Board Committee & Responsible Banking corporate team & network
- » Creation of ESG Wealth Management team, ESG Risk team

2018

- » Responsible Banking Commitments under each sustainability theme
- » Joined UN Collective Commitment to Climate Action
- » Global Sustainable Bonds Framework creation
- » Founding members of the Principles for Responsible Banking
- » SCIB global ESG Solutions team creation

2019

- » Pledged to reduce our carbon footprint focusing on the most material sectors to climate risk
- » Creation of a dedicated ESG within Investor relations

2020

- » Set an ambition to be net-zero by 2050 and became Founding Member of the Net-zero Banking Alliance
- » Development of internal Taxonomy – Sustainable Finance Classification System (SFCS)

2021

- » Creation of a Global Green Finance Team and Risk team reporting directly to the CRO
- » Publication of our Green, Social and Sustainability Funding Global Framework
- » We continued to embed climate management in business as usual across SCIB units and Risks

2022

- » Setting 2 new decarbonization targets for 2030 for corporate auto manufacturing and auto lending portfolio in Europe.
- » Disclosure of financed emissions for UK Mortgages and Agriculture in Brazil.

2023

# Climate transition plan | Our objectives

→ From...to...   Accumulated ✔ Target achieved

We have set targets in those areas where we have the greatest potential impact

	2019	2020	2021	2022	2023	2024	2025/2030 target
<b>Green finance</b> raised and facilitated (€bn) <sup>A</sup>	19	33.8	65.7	94.5	115.3	139.4	→ 120bn by 2025 220bn by 2030
AuMs in <b>Socially Responsible Investments (SRI)</b> (€bn)			27.1	53.2	67.7	88.8	→ 100bn by 2025
Thermal <b>coal</b> related power & mining phase out (€bn)			7.0	5.9	4.9	4.8	→ 0 by 2030
Emission intensity of <b>power generation</b> portfolio <sup>B</sup>	0.21	0.17	0.19	0.16	0.15		→ 0.11 tCO <sub>2</sub> e / MWh in 2030
Absolute emissions of <b>energy (oil &amp; gas)</b> portfolio <sup>B</sup>	23.84	22.58	27.43		4.9		→ 16.98 mtCO <sub>2</sub> e in 2030
Emissions intensity of <b>aviation</b> portfolio <sup>B</sup>	92.47	93.05	97.21	81.09	82.99		→ 61.71 gCO <sub>2</sub> e / RPK in 2030
Emissions intensity of <b>steel</b> portfolio <sup>B</sup>	1.58	1.40	1.36	1.24	1.38		→ 1.07 tCO <sub>2</sub> e / tS in 2030
Emissions intensity of <b>auto manufacturing</b> portfolio <sup>B</sup>		149	138	133	134		→ 103 gCO <sub>2</sub> / vkm in 2030
Emissions intensity of <b>auto lending</b> portfolio <sup>B,C</sup>				137	133		→ 75-89 gCO <sub>2</sub> e / vkm in 2030
<b>Electricity</b> from renewable sources <sup>D</sup>	50%	57%	75%	88%	97%	96%	→ 100% by 2025



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.

✔ Commitment achieved  
→ Cumulative target



# ESG strategy | Commitment from our Top Management

By delivering on our purpose to help people and businesses prosper, we grow as a business and continue to help society address its challenges



**Ana Botín**  
Executive Chairman

"Sustainability and inclusion are at the core of our vision"

"We are empowering communities, financing the transition to a greener economy, and fostering a culture of responsibility, ensuring that our impact extends beyond profits to create a better world"



**Héctor Grisi Checa**  
CEO

"Santander has been supporting the transition to a low carbon economy and financing the build-out of renewable energy capacity for decades"

"In 2024, we hit the target we set in 2019 to mobilize more than €120 billion in green finance 18 months early. We have mobilized almost €140 billion since 2019"

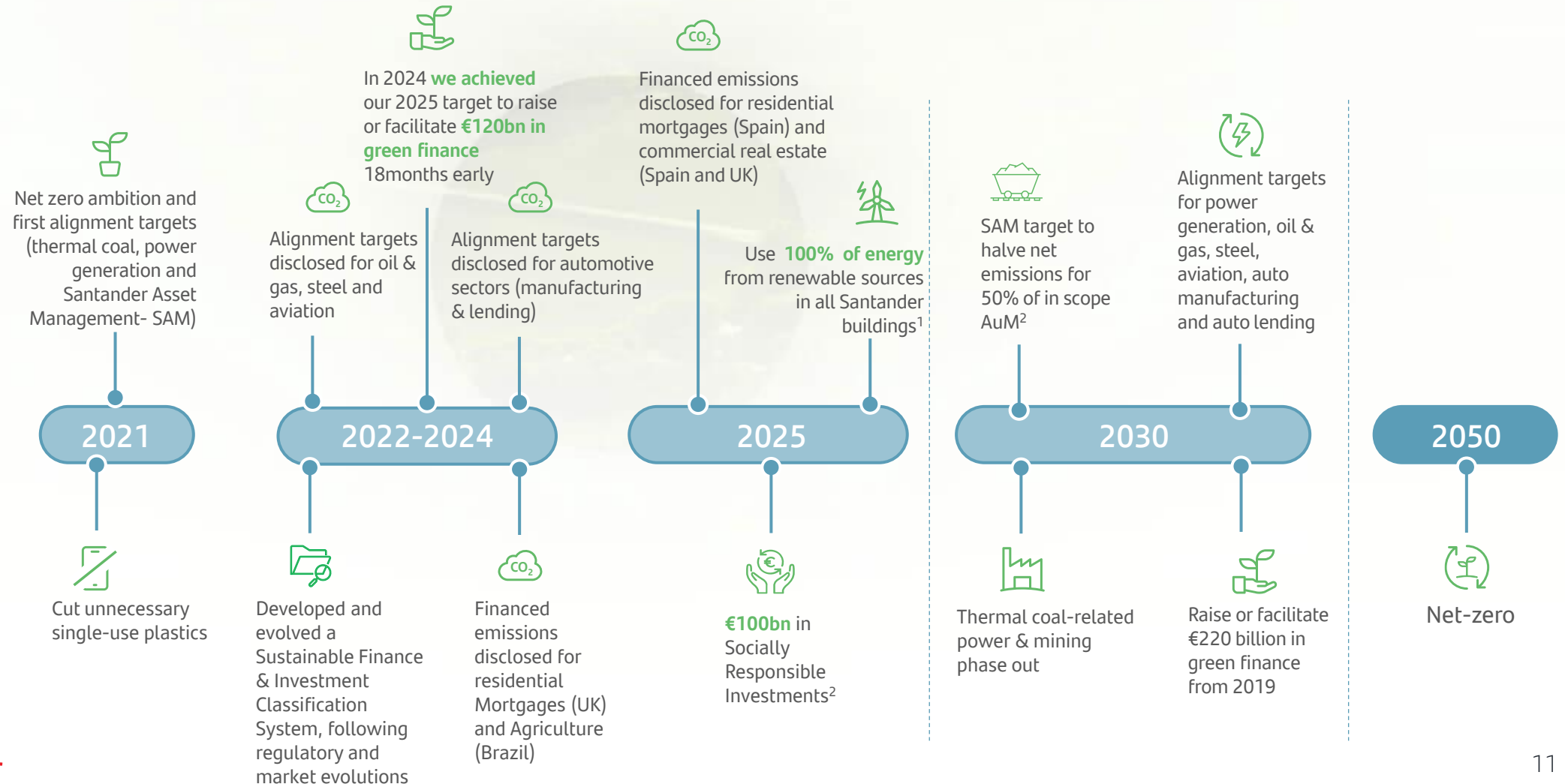


02

Alignment  
targets

# Alignment pathway | 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



1. 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

# Alignment pathway | Progress in our alignment targets

		Scope	Metric	Baseline	2020	2021	2022	2023	2030	Value Chain in scope		
 IEA net-zero 2050 scenario	 <b>Power generation</b>	1	tCO <sub>2</sub> e/MWh	0.21* (2019 baseline year)	0.17	0.19	0.16	0.15	0.11 (-46%)	Upstream / Generation	Midstream / Distribution	Downstream / End product
	 <b>Energy (Oil &amp; Gas)</b>	1 + 2+3 <sup>1</sup>	mtCO <sub>2</sub> e	23.84 (2019 baseline year)	22.58	27.43	20.94	20.27	16.98 (-29%)	Integrated / Diversified		
	 <b>Aviation</b>	1 + 2	grCO <sub>2</sub> e/RPK	92.47 (2019 baseline year)	93.05	97.21	81.09	82.99	61.71 (-33%)	Upstream / Suppliers	Midstream / Manufacturing	Downstream / Airlines
	 <b>Steel</b>	1 + 2	tCO <sub>2</sub> e/tS	1.58 (2019 baseline year)	1.40	1.36	1.24	1.38	1.07 (-32%)	Upstream / Materials extraction	Manufacturing	Downstream / End product
	 <b>Auto manufacturing</b>	3 <sup>1</sup>	gCO <sub>2</sub> e/vkm	149 (2020 baseline year)	149	138	133	134	103 (-31%) <sup>2</sup>	Upstream / Suppliers-Materials	Midstream / Manufacturing	Midstream / Dealer
	 <b>Auto lending <sup>c</sup></b>	1 + 2	gCO <sub>2</sub> e/vkm	137 (2020 baseline year)	N/A	N/A	137	133	75-89 (-35-45%)	Downstream / End-users		
	 <b>Thermal coal</b>	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.										

# Alignment pathway | Mitigating levers

## Policy

Our **Environmental, Social and Climate Change (ESCC) risk management policy** sets out standards for investing in and providing financial products and services to companies and customers<sup>1</sup>.

## Risk Appetite

We **set risk appetite limits** on sectors with decarbonization targets, tiering customers according to the degree of alignment with our ambition and the quality of their transition plans.

## ESG Panels

**Several panels of ESG** experts were put in place during 2023 to analyse and challenge the proposed classification under sustainability criteria, fully aligned with the SFICS (Sustainable Finance and Investment Classification System).

## Further Actions

- » **Credit committees**, embed environmental, social and climate change factors in transaction review.
- » **CIB customer ratings** consider environmental, social and climate change qualitative assessments for climate sectors.
- » **Customer engagement** in the most relevant sectors, helping clients in their transition, with tailored solutions.
- » **Multi-disciplinary working group on ESG controversies**, coordinated by the Reputational risk function.

# Sustainability ambition | Examples of some efforts across our Global Businesses

## Net-zero actions and targets in Wealth Management & progress in our decarbonization strategy in Poland

### Wealth Management road to net-zero

#### 01 Climate Commitments

In March 2021, Santander AM joined the global net-zero Asset Managers (NZAM) initiative for net-zero greenhouse gas emissions by 2050

2030 interim target to reduce net emissions by half for 50% of AUM in-scope<sup>1</sup>

#### 02 EUR 100 bn in Socially responsible investments AUMs by 2025<sup>2</sup>

Increase through fund reprofiling and new sustainable investment products and services

Creation of a global ESG strategy team to coordinate the efforts of our three businesses and strengthen SAM's ESG dedicated team

#### Net-zero Actions

- » Participation in key investors climate initiatives
- » Collaboration as a tool for driving change
- » Engagement plan in our core markets with a focus on SME's
- » Polluting Sectors strategy, phasing-out coal exposure and focusing on key material sectors
- » Portfolio construction evolution, towards net-zero
- » Facilitation of investment in climate solutions
- » Maintain leadership in climate stewardship and advocacy in core markets

### Corporate and Investment Banking

#### 01 Supporting customers in their transition goals

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

#### 02 Sustainable Finance proposition

CIB has raised and mobilized globally €139.4 billion in green finance between 2019 and December 2024.

We have achieved our €120bn target 18 months ahead of time and are working towards reaching €220bn by 2030.

#### Deals (Non-exhaustive list)

- » Santander acted as a Financial Adviser to Sonnedix to raise a €2.5bn debt package to refinance 1.1GW portfolio of renewable energy assets in Spain, Italy, and France.
- » In Export Finance, Santander participated as a Pathfinder, MLA and Lender in €1.3bn green financing partially covered by BPI Assurance Export for Verkor.
- » In Trade Finance, we participated in a €1.2bn green guarantee line with coverage from Spanish export credit agency Cesce for Siemens Gamesa.
- » 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.



Note: Non exhaustive, selected examples

1. Assets in scope are assets with a defined net-zero methodology, which currently amount to 54% of total AuM. For c.50% of those, SAM has carbon metrics available today. This objective might be reviewed upwards depending on data availability.
2. AUMs classified as Article 8 and 9 funds (SFDR) from SAM, plus third-party funds and other ESG products according to the EU taxonomy from Private Banking. We apply equivalent ESG criteria to SAM's funds in Latin America.

# 03

## Financing the green transition

## Green Finance | Our global reach

Finance is a key enabler of the transition towards a low-carbon economy. We are contributing to a more sustainable economy by managing climate-related risks and opportunities, building a comprehensive sustainable and green finance proposition. We are currently working on:



Raising and mobilizing €220 bn in green finance by 2030



Developing a green value proposition and ESG investment solutions for our clients



Green bonds three issuances of EUR 3bn since 2019



Engaging in global initiatives like the Net-zero Banking Alliance where we are a founding member





Santander has been a **leader in renewable energy finance for more than 10**. 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.















## Renewable Energy Financing FY24<sup>1</sup>

Rank	Loan Provider	Vol. (€mn)	Nº	Rank
1	Bank 1	8,009	79	4.95%
<b>2</b>	<b>Santander</b>	<b>7,346</b>	<b>82</b>	<b>4.54%</b>
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%

# Green Finance | Green solutions for our individual, SMEs and Corporate customers

Building on our current offering of green products, we continue to strengthen our sustainable finance proposition with dedicated purpose and sustainability linked financing

Our green financing products and services are designed around key verticals, adapted to the specific needs of our customers in all geographies

	 <b>What we finance</b>	 <b>Value proposition 2024</b>	 <b>Geographies</b>
 <b>Real Estate</b>	Purchase, construction and renovation of energy-efficient buildings. Installation of renewable energy systems.	Developer loans, CRE, Green mortgages. Consumer loans for renovation, solar panel, EV charging stations in buildings, energy efficiency equipment	
 <b>Mobility</b>	Clean transport across land, water, air, and infrastructure	Leases and financing of electric and hybrid vehicles, EV charging stations, clean buses and trucks, rail transport, logistics, passenger vessels, port and airport infrastructure, and bicycle lanes	
 <b>Renewables</b>	Clean Energy from renewables and low-carbon fuels (hydrogen, biogas, biofuels). Heat pumps, cogeneration systems and energy storage solutions.	Corporate loans and leasing for renewable energy assets/projects, low-carbon technologies, and energy efficiency solutions	
 <b>Agriculture</b>	Sustainable and protected agriculture. Land and forest conservation. Regenerative, low-emission farming and infrastructure	Financing of sustainable agriculture practices such as efficient irrigation, low-emission machinery and reduced fertilizer use	
 <b>Waste &amp; Water Management</b>	Activities to adapt to or mitigate climate change, preserve biodiversity, and promote circular economy, waste and water management	Financing of water, waste and soil treatment, energy efficiency updates, emissions reduction, and conservation	
 <b>Circular economy</b>			

# Green Finance | Examples of some Country and Unit efforts

Providing sustainable solutions to our customers in Consumer Finance & Santander España

## Santander Consumer Finance Green proposition already a reality

**+243.000 Electric vehicles financed: €6.8bn<sup>1</sup>**

**Market share in Europe over 12% in EU SCF markets**

- » **Subscription Services**
- » **New agreements with OEM specialists**
- » **New finance product catalogue for EVs**

**Consumer (non-auto) business already green:**

- » **Solar Panels**
- » **Green heating systems**
- » **Chargers**
- » **Bikes & e-bikes**
- » **Eco cards**
- » **Retrofit**



## Santander España Sustainable product proposition

### Financial offer Corporates & individuals

- » Green Loans for dedicated purposes across 5 verticals
- » Sustainability Linked Loans
- » Green mortgages
- » Green consumer loans for retrofitting works or energy efficiency, green vehicles...
- » Loans for the installation of solar panels
- » ECO Renting / leasing mobility

### Non-financial offer

- » Carbon footprint calculation and compensation for individual customers
- » **Sustainable value proposal for Cards** - Digital First (to avoid producing new ones), physical cards with recycled materials, collection of expired cards giving them a 2<sup>nd</sup> life
- » **Homes value proposition:** green mortgages, retrofitting works for energy efficiency, both for individuals' homes and for dwellings
- » **Agreement with CBRE to decarbonize real estate assets** including advisory services, execution of works and financing
- » Platform to **help companies manage and benefit from public aid and the NextGen EU funds**
- » **Other services** provided include assistance to complete **Non-financial reports and carbon footprint calculator for Corporates**

# Green Finance | Protecting the Brazilian Amazon

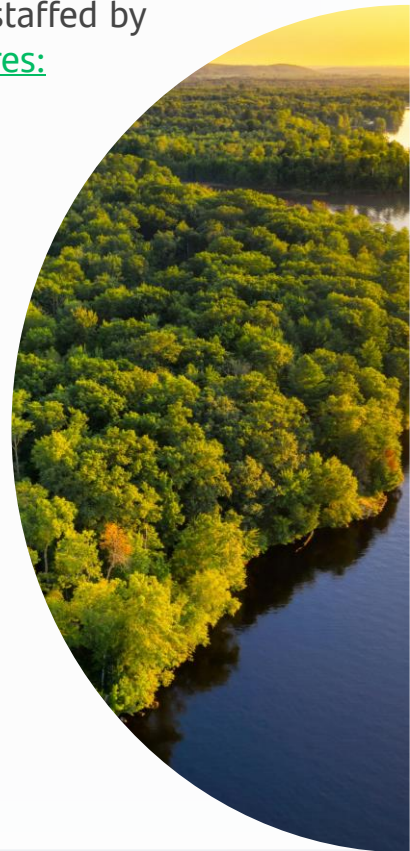
Santander is committed to safeguarding and promoting the sustainable development of the Amazon rainforest, which is vital to address climate change and conserve biodiversity. We need economic growth, but it must be sustainable.

For years, Santander Brazil has been working with its customers to promote sustainable development and continuously enhance our approach to addressing deforestation. Santander Brazil has an E&S (Environmental and Social) risk department in São Paulo, staffed by expert analysts with degrees in biology, geography, environmental management and chemical engineering. [Our framework ensures:](#)

## Actions taken:



- » Regular reviews of customer's practices: **We conduct annual ESG reviews of more than 2,000 corporate and retail customers**, including beef processors, soy traders and logging companies
- » Safeguards relating to indigenous and conservation areas: We screen loan applications to make sure that properties do not overlap with officially recognized indigenous territories, conservation units and forests classified by the government as Type B<sup>1</sup>
- » **Comprehensive loan screening:** All loan requests by farmers and ranchers to Santander in Brazil are checked for government embargoes due to illegal deforestation.
- » **Since Q1'22, we have been running daily checks to identify potential recent deforestation** on farms and ranches that we finance throughout the entire loan term, even before any government fines are imposed..



A woman wearing a vibrant yellow sari with large blue and pink floral patterns is seated at a market stall. She is surrounded by fresh produce: large woven baskets filled with small, light-brown potatoes, several red tomatoes, and a basket of purple onions. In the background, there are green and orange plastic crates, some containing more produce. A white square graphic is positioned above the text. The overall scene is a bustling outdoor market.

# 04

## Financial Inclusion & Community support

# Financial Inclusion & Community support | Global approach

At Santander we seek to provide tailored finance to those facing difficulties while trying to access credit, by designing solutions for individuals and SMEs in financial distress. The Group is leading numerous global initiatives to promote social progress



“Banks have a critical role to play in supporting inclusive and sustainable growth around the world. We are part of the solution, supporting our employees and customers while delivering sustainable returns to our shareholders”

**Ana Botín**  
Executive Chairman

**2.6mn**

People financially included since 2019

**€1.27bn**

Disbursed in microcredits to more than 1.3mn of microentrepreneurs

**€166mn**

Invested in communities

**€104mn**

to promote higher education, employability and entrepreneurship, benefitting 5 million people

# Financial Inclusion & Community support

## We have different initiatives to support Financial Inclusion

### Access

#### Promoting access to cash and transactions

We aim to ensure underserved communities can get cash anywhere, through our remote branches and agreements with private and state-run entities that widen our footprint

#### 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

#### 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

Branches in underbanked and remote regions<sup>1</sup>



Partnerships to reach underserved communities<sup>2</sup>



Digital wallets and points of sale<sup>3</sup>



Basic accounts<sup>4</sup>



Support to senior citizen customers<sup>5</sup>



### Finance

#### Microfinance

We promote social mobility and help low-income and underbanked entrepreneurs set up and grow businesses

**Supporting customers in financial distress** We have debt relief programs that include payment deferrals and line of credit extensions

**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

Microfinance programs



Supporting customers in financial distress<sup>6</sup>



Affordable housing supply<sup>7</sup>



Credit support for low-income households/people with difficulty getting credit<sup>8</sup>



1. 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 in municipalities where there is no Santander branch or partner point of sale. In Uruguay, 3 mobile branches have been installed in the country since 2020 to reach areas with low levels of banking penetration. 2. Agreements with Correos Cash in Spain, partnerships with retailers such as Oxxo or 7Eleven in Mexico, and agreements with third parties in Uruguay (e.g. Abitab, Red Pagos). 3. 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. In Chile we included Mas Lucas. 4. 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. 5. 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, or third-party access initiatives in the UK to support seniors who need to be cared for. 6. 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, and in Spain, we have financing programmes for vulnerable groups to relieve their mortgage debts. 7. 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 Inclusive Communities plan, Santander provides low-interest mortgages and mortgage insurance for low-income homebuyers. 8. 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 low credit histories. In Mexico, special credit programmes are offered to people at the bottom of the pyramid.

# Financial Inclusion & Community support

**We support the communities where we operate by helping them address their social needs.**

Contribution to education, employability and entrepreneurship, as well as to community development through support programs.

## Main lines of action

1

**Education  
Scholarships**



**1,181**

Agreements signed with universities, institutions and organizations in 14 countries <sup>A</sup>

**654**

Scholarships and courses for students with disabilities and other vulnerable groups

2

**Entrepreneurship  
Santander X program**

**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

3

**Employability  
Universia portal**

**uni>ersia**

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





# 05

## Corporate Governance

# Corporate Governance | Our strengths

As a responsible bank we have a clear, robust governance. Best practices on governance are channelled to all our subsidiaries, as part of our global Governance Model



Effective engagement with our shareholders



Effective board of directors



Focus on responsible business practices and attention to all stakeholders' interests

## High participation in our General Shareholders' meetings

### AGM quorum

2019	2020	2020	2021	2022	2023	2024
68.5%	65%	60.3%	67.7%	68.7%	67.56%	66.6%

- >> Majority of independent directors
- >> Balanced, qualified and diverse composition in the boardroom
- >> Separate and complementary roles of Chairman and CEO, and leadership of our lead independent director

- >> Publicly communicated responsible banking targets in particular, in relation to climate change

- >> Commitment to **maximise the disclosure and quality of information**
- >> In 2024 we continued to combine **traditional and virtual** channels in shareholder engagement, which enabled us to meet the needs of our approximately 3.5 million shareholders
- >> **Transparency and simplification** of remuneration with performance metrics aligned with the strategy, investors' interests and long-term sustainability
- >> **Our policy on communication and engagement** with shareholders and investors facilitates their participation in our corporate governance
- >> **Good long-standing practices** in corporate governance embedded in our Board Regulations
- >> Thematic **responsible banking, sustainability and culture committee** in full coordination with the other committees

# Corporate Governance | Our strengths

We strive to have a clear and robust governance with well-defined accountability and a prudent management of risks and opportunities to ensure:



**Respect** for  
shareholders' rights



**A balanced Board**  
composition



**Maximum transparency**  
regarding remuneration



Be at the forefront  
of **best practices** and  
long-term vision



**Embedding ESG** in  
our decision-making  
processes

# Corporate Governance | Board composition

Our Board composition ensures the appropriate balance of knowledge, skills, qualifications, diversity and experience

## Number of Directors

15

Directors appointed for a **3-year term** (1/3 of the Board is subject to re-election each year)

## Geographical diversity

5

Nationalities: Europe, US, UK, LATAM and Other

## Independent Board members

66.6%

4.76 average years on board

## Women part of the Board

40%

Achievement of our female representation target (40-60%)

## Aligned with our strategic goals

- › To further support the Group's transformation strategy, short-term corporate bonus metrics include the strategic priorities released at the 2023 Investor Day, maintaining the focus on clients, as well as RoTE (which continues to be part of the scheme). The third pillar to be included is a metric is capital, to outline the importance of capital generation throughout the business.
- › Long-term targets remain the same with Return on tangible equity (RoTE), relative total shareholder return (TSR) and ESG (environmental, social and good corporate government) metrics.



## Alignment with shareholder interests

- › 50% of all variable remuneration is in instruments (Banco Santander S.A. shares, and restricted stock units (RSUs) of PagoNxt, S.L.)
- › Share retention policy: 3 years after delivery of shares, unless the director already holds 200% of their annual fixed remuneration in shares
- › 60% of variable remuneration is deferred over a 5-year period (and a part of it is subject to long-term metrics) with share-based payments subject to a one year holding period after vesting

## Alignment with regulatory requirements

- › Including malus and clawback policy

# Corporate Governance | ESG in Reward

LTI  
(LONG TERM  
INCENTIVES)

## Weights

RoTE	30%
rTSR	50%
<b>ESG</b>	<b>20%</b>

## Equally weighted ESG action lines included

2025-2027

- Women in senior positions
- Financial inclusion
- Socially Responsible Investments
- Climate - Business raised and facilitated

Short term  
Scorecard  
2024

Category	Metrics <sup>A</sup>	Weighting
Transformation: <b>45%</b>	Active customers (growth)	10%
	Customer per active customer	15%
	Fees over costs (recurrence ratio)	20%
Capital: <b>25%</b>	Capital generation	25%
Sustainable Profitability: <b>30%</b>	RoRWA SVA	30%

+

## Qualitative assessment weights

- Performance vs. Market **±10%**
- Compliance and Risk **±10%**
- Network Collaboration **±10%**
- Sustainability targets ±5%**



A. For this purpose, these metrics may be adjusted upwards or downwards by the board, following a proposal from the remuneration committee, when inorganic transactions, material changes to the Group's composition or size or other extraordinary circumstances (such as impairments, extraordinary impacts of macroeconomic environment, regulatory changes or restructuring processes) have occurred which affect the suitability of the metric and achievement scale established in each case and resulting in an impact not related to the performance of the executive directors and executives being evaluated

# 06

External  
engagement  
& Recognition



NASDAQ Welcomes Santander  
to the sustainable bond network



# External engagement & Recognition | Partnerships & initiatives

Main sustainability initiatives where Santander is a member or participant:

**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 program since 2020. We also took part in the 'sustainable suppliers' program.

**UNEP Finance initiative:** Santander has been a member of the United Nations Environment Program Finance Initiative 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)

**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 program.

**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 Markets 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.

**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

**Institute of International Finance (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.





# External engagement & Recognition | ESG Ratings

We engage with ESG ratings to signal our progress and keep improving with their feedback

## Ratings

» 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+ classification in ISS.

Rating Agency	2023	2024	Evolution
 MSCI	MSCI index AA	MSCI index AA	=
 SUSTAINALYTICS	Low-risk 19.7	Low-risk 17.1	▲
 CDP	Leadership A-	Leadership A	▲
 ISS ESG	C- 55.6	C+ 58.5	▲



# Appendix

## Investor Relations

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 investor@gruposantander.com

## Tosin Iduh

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ESG & Market Intelligence

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# Transparency & Disclosure | Reports and additional information

Please click *on the below images* to consult public details highlighted in this presentation



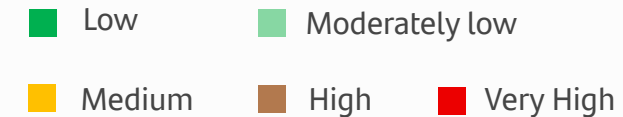
[www.santander.com](http://www.santander.com)

# Decarbonization Targets | Current exposure

We have enhanced the materiality assessment with scenario analysis to calculate quantitative heatmaps

September 2024 (pre-mitigation), EUR billion

	TR	PR	CIB	Other segments
Power (Conventional)	High	Medium	26	2
Power (Renewables Project Finance)	Low	Medium	13	0
Oil & Gas	Very High	Low	20	1
Mining & Metals	Very High	Low	13	7
Transport	High	Moderately low	29	12
Auto Consumer	Moderately low	Low	0	162
Real Estate	Moderately low	Medium	7	386
Other Climate-related sectors				
Agriculture	Medium	Medium	3	9
Construction	Moderately low	Low	18	15
Manufacturing	Medium	Moderately low	44	25
Water & Waste	Medium	Medium	3	1
<b>Climate Sectors</b>			<b>175</b>	<b>621</b>
Other sectors	Low	Low	65	212
<b>Total portfolio</b>			<b>241</b>	<b>833</b>



We continue to work on enhancing climate information, methodologies and use cases. Our portfolios continue to show less vulnerability to physical risk, given the concentration in low-risk locations

# Thank You.

Our purpose is to help people and businesses prosper.

Our culture is based on believing that everything we do should be:

**Simple Personal Fair**

